

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

[Mark One]

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

For the fiscal year ended December 31, 2022

or

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

For the transition period from _____ to _____

Commission File Number: 001-04321

WHEELS UP EXPERIENCE INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

98-1617611

(I.R.S. Employer Identification No.)

601 West 26th Street, Suite 900,
New York, New York

(Address of Principal Executive Offices)

10001

(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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant as of June 30, 2022 was approximately \$306 million.

As of March 27, 2023, 251,309,519 shares of Class A common stock, \$0.0001 par value per share, were outstanding.

Documents Incorporated by Reference

Portions of the Registrant's definitive proxy statement relating to its 2023 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

WHEELS UP EXPERIENCE INC.
FORM 10-K

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (“Annual Report”) of Wheels Up Experience Inc. (referred to herein as “Wheels Up”, the “Company”, “we”, “us”, or “our”) 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 Wheels Up’s control, that could cause actual results to differ materially from the results discussed in the forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding the expectations, hopes, beliefs, intentions or strategies of Wheels Up regarding the future including, without limitation, statements regarding: (i) the size, demands and growth potential of the markets for Wheels Up’s products and services and Wheels Up’s ability to serve those markets; (ii) the degree of market acceptance and adoption of Wheels Up’s products and services; (iii) Wheels Up’s ability to develop innovative products and services and compete with other companies engaged in the private aviation industry; (iv) Wheels Up’s ability to attract and retain customers; (v) the impact of Wheels Up’s cost reduction efforts on its business and results of operations, including the timing and magnitude of such expected reductions and any associated expenses; (vi) Wheels Up’s ability to maintain cost discipline; (vii) Wheels Up’s ability to achieve positive Adjusted EBITDA (as defined herein) pursuant to the schedule that it has announced; (viii) Wheels Up’s liquidity, future cash flows, acquisition activities, measures intended to increase Wheels Up’s operational efficiency or reduce costs, and certain restrictions related to our debt obligations; and (ix) 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 this Annual Report on Form 10-K under Part I, Item 1A — “*Risk Factors*” and Part II, Item 7 — “*Management’s Discussion and Analysis of Operations*,” as well as those set forth under the caption “Risk Factors Summary” below. 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 Annual Report or to conform these statements to actual results or revised expectations.

RISK FACTORS SUMMARY

Our business is subject to numerous risks and uncertainties that represent challenges that we face in connection with the successful implementation of our strategy and growth of our business. The occurrence of one or more of the events or circumstances described in this section alone or in combination with other events or circumstances, may adversely affect our business, financial condition, results of operations and prospects. Such risks include, but are not limited to:

- We may not be able to successfully implement our growth strategies.
- We have a history of net losses, and we anticipate that we will experience net losses for the foreseeable future.
- Our operating results are expected to be difficult to predict based on a number of factors that also will affect our long-term performance.

- The outbreak and spread of infectious diseases or public health threats, including COVID-19, may adversely impact our business, operating results, cash flow, financial condition and liquidity.
- We are exposed to the risk of a decrease in demand for private aviation services.
- Delta Air Lines, Inc. ("Delta" or "Delta Air Lines") may have the right to terminate its commercial agreements with us.
- The supply of pilots to the airline industry is limited and may negatively affect our operations and financial condition. Increases in our labor costs, which constitute a substantial portion of our total operating costs, may adversely affect our business, results of operations and financial condition.
- We may be subject to unionization, work stoppages, slowdowns or increased labor costs and the unionization of our pilots and inflight crewmembers could result in increased labor costs.
- Significant increases in fuel costs that we are unable to pass along to our members and customers could have a material adverse effect on our business, financial condition and results of operations, including without limitation Adjusted Contribution Margin.
- Some of our business is dependent on our third-party operators to provide flights for our customers. If such third-party operators do not perform adequately or terminate their relationships with us, our costs may increase and our business, financial condition and results of operations could be adversely affected.
- If our efforts to continue to build our strong brand identity and improve member satisfaction and loyalty are not successful, we may not be able to attract or retain members, and our operating results may be adversely affected.
- Any failure to offer high-quality customer support may harm our relationships with our customers and could adversely affect our reputation, brand, business, financial condition and results of operations.
- We may never realize the full value of our intangible assets, including goodwill, or our long-lived assets, causing us to record impairments that may materially adversely affect our financial conditions and results of operations.
- We identified material weaknesses in internal control over financial reporting, and determined that they resulted in our internal control over financial reporting and disclosure controls and procedures not being effective, during the year ended December 31, 2022. If we are not able to remediate these material weaknesses, or we identify additional deficiencies in the future or otherwise fail to maintain an effective system of internal controls, including disclosure controls and procedures, this could result in material misstatements of our financial statements or cause us to fail to meet our reporting obligations.
- If we are unable to adequately protect our intellectual property interests or are found to be infringing on the intellectual property interests of others, we may incur significant expense and our business may be adversely affected.
- A delay or failure to identify and devise, invest in and implement certain important technology, business, and other initiatives could have a material impact on our business, financial condition and results of operations.
- A failure in our technology or breaches of the security of our information technology infrastructure may adversely affect our business and financial condition and disrupt our customers', suppliers', third-party vendors' and aircraft providers' businesses.
- Our obligations in connection with our contractual obligations could impair our liquidity and thereby harm our business, results of operations and financial condition.
- Our ability to obtain financing or access capital markets may be limited.

- We could suffer losses and adverse publicity stemming from any accident involving aircraft models operated by us or third-parties.
- Terrorist activities or warnings have dramatically impacted the aviation industry and will likely continue to do so.
- We are subject to significant governmental regulation and changes in government regulations imposing additional requirements and restrictions on our operations could increase our operating costs and result in service delays and disruptions.
- We are subject to various environmental and noise laws and regulations, which could have a material adverse effect on our business, results of operations and financial condition.
- Our Certificate of Incorporation and Amended and Restated By-Laws (together, the “Organizational Documents”) include provisions limiting voting by non-U.S. Citizens.

PART I.

Item 1. BUSINESS

Overview of Our Company

Wheels Up 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. 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.

Our Strategic Outlook

We have looked to take advantage of our opportunities by elevating the following priorities:

Difficult to Replicate Platform

The investments we have made since our inception in our brand, fleet, service and technology, including through our recent acquisitions, have advanced our development of a comprehensive platform that we believe would take years and significant investment of capital to replicate in its scale and breadth of offering.

Aspirational Lifestyle Brand

We have built an industry-leading brand that creates broad consumer awareness, attracts new customers and allows us to generate deep engagement with our current members and non-member flyers. Our marketing strategy utilizes a variety of owned, earned and paid media channels. We attempt to target our marketing to consumers who have reasonably predictable demographic or lifestyle attributes similar to those of our current members that are indicative of potential or current private flyers. We utilize targeted, digital marketing to reach new customers and drive awareness. In addition to our targeted marketing efforts, we also invest in certain marketing opportunities that we believe provide high visibility and enable us to connect our brand to programs and events popular with our target customers, with a goal of creating a “halo effect” on the Wheels Up brand. Examples of this include our activation

with ESPN's College GameDay each weekend during the college football season and our sponsorships of each of the Capital One's "The Match" golf tournaments. Our brand is enhanced through partnerships with numerous brand ambassadors, including athletes, entertainers and musicians.

Wheels Up provides its members with a lifestyle program that enhances the member experience beyond our core aviation offerings. Our events include celebrations around popular sports and cultural events, as well as more intimate gatherings hosted by our Wheels Up Ambassadors. Popular examples of Wheels Down events include our members-only hospitality house in Augusta, Georgia during the week of The Masters® golf championship and pop-up celebrations during various notable events. Partnerships with certain of the world's top lifestyle brands provide our members with benefits and special offers in the areas of fashion, travel, leisure, fitness and more. Core and Business members also receive complimentary access to a full-service concierge through our partnership with *Four Hundred*TM, and a complimentary year of membership in *Inspirato*®, a subscription-based luxury vacation platform.

Proprietary Technology, Algorithms and Data Ecosystem

In an industry that historically used intuition and basic industry-wide data to drive strategy and decision-making, we are moving from intuition to algorithm. Technology and data science will be the foundation of all of our operations and strategic decision making. We have invested significantly in extending our technology platform to support a growing end-to-end marketplace that is intended to make it easy to search, book and fly. Our marketplace platform comprises three main elements: intuitive digital front-end interfaces; a middle tier supported by data-driven optimization and pricing algorithms; and a back-end featuring a comprehensive flight operations platform, with connectivity to a network of third-party operators, supported by our proprietary cloud-based flight management system, UP FMS. Each of the elements of our marketplace platform relies upon and fuel a powerful data ecosystem containing data generated from within our systems, as well as from external industry sources.

Strategic Relationship with Delta

In January 2020, we entered into a long-term Commercial Cooperation Agreement (as amended, the "CCA") with Delta. We have seen this relationship drive significant value through certain strategic initiatives, such as offering Delta Medallion status and SkyMiles to Wheels Up members, co-marketing to top Delta customers and collaboration across Wheels Up and Delta Corporate Sales teams. Delta is also a significant stockholder in Wheels Up and Delta has the right to designate two members of the Wheels Up board of directors (the "Board"). The participation of Delta on our Board adds tremendous strength, breadth of experience and industry expertise to our leadership team.

Development and Integration Strategy

Since May 2019, we have completed multiple strategic transactions to accelerate our marketplace strategy of making private aviation more accessible.

- **Scaling our "Asset-Right" Fleet of Aircraft** — We expanded the breadth and depth of our fleet with the addition of owned, leased, and managed aircraft across all cabin class categories.
- **Broadening and Streamlining our Capabilities** — We acquired direct control over our owned and leased fleet operations with a nationwide footprint, added in-house maintenance capabilities, including heavy maintenance, and diversified our operations with the addition of aircraft management, wholesale flight operations and special mission capabilities.
- **Acquisition and Integration of Air Partner** — In April 2022, we acquired Air Partner plc ("Air Partner"), a United Kingdom-based international aviation services group with operations in 18 locations across four continents. We believe that Air Partner's international capabilities provide us the opportunity to extend additional benefits to our members flying internationally, as well as access a new base of charter and cargo customers due to Air Partner's longstanding relationships built over its 60-year history.

- **Driving Additional Customer Demand** — We added thousands of flyers to our platform, including retail, corporate and wholesale customers. Additionally, our strategic relationship with Delta provides exposure to high-value Delta individual and corporate customers.
- **Adding Advanced Proprietary Technology** — In 2022, we completed the transition of our entire owned aircraft fleet to our UP FMS system. UP FMS is also currently utilized by approximately 100 aircraft owners and operators, with close to 2,000 aircraft on the system. The UP FMS system facilitates fleet optimization and allows third party owners and operators to access Wheels Up demand. We expect UP FMS to attract more aircraft owners and operators to our marketplace, which we anticipate will drive additional benefits through fleet optimization and “Asset-Right” aircraft availability.

Our Business Model

Our Products and Services

While we offer numerous products and services to our customers and industry partners, we generate revenue within four main categories:

- **Membership Revenue** — We generate membership revenue from initiation and annual renewal fees across our Connect, Core and Business membership tiers. We believe this membership revenue is highly visible and largely recurring in nature.
- **Flight Revenue** — Flight revenue is generated by both member and non-member usage of flight services. Non-members include wholesale customers and customers who purchase using the Wheels Up mobile app and website. Flight revenue may also be generated through the use of pre-purchased amounts of dollar-denominated credits that can be applied to future costs incurred by members, including flight services, annual dues, and other incidental costs such as catering and ground transportation (“Prepaid Blocks”).
- **Aircraft Management Revenue** — Aircraft management revenue consists of 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 a predetermined margin.
- **Other Revenue** — Other revenue consists of sales of whole aircraft, group charter revenue, cargo revenue, maintenance, repair and operations (“MRO”) revenue, fixed-base operator (“FBO”) revenue, safety and security revenue, flight management software subscriptions, sponsorships or partnership fees, and special missions revenue, including government, defense, emergency and medical transport.

Our Acquisition Strategy

Our acquisition strategy is an important part of Wheels Up’s business model. A substantial portion of our growth is attributable to strategic acquisitions of aircraft and businesses that provide private aviation or maintenance services. In 2022, we consummated the following strategic acquisitions:

- **Aircraft Purchase Option Exercise** — In January 2022, we entered into an agreement with Textron Financial Corporation to exercise our purchase option on 32 leased aircraft. The negotiated purchase price for all aircraft was \$65.0 million, and we also received a reimbursement of approximately \$6.1 million for unused maintenance reserves. The sale was completed in February 2022.
- **Acquisition of Alante Air** — In February 2022, we acquired Alante Air Charter, LLC (“Alante Air”), a Scottsdale, Arizona based private jet charter business. The total purchase price for Alante Air was \$15.5 million, which was paid in cash. The acquisition added 12 Light jets to our controlled fleet.
- **Investment in Tropic Ocean** — In March 2022, we made a minority cash investment of \$10.0 million in Tropic Ocean Investors LLC (“Tropic Ocean”) and entered into a multiyear commercial cooperation agreement. Tropic Ocean is one of the world’s largest amphibious airline and leading provider of last-mile

private charter and scheduled service in Florida, the Northeastern U.S., the Bahamas, the Caribbean and beyond.

- Acquisition of Air Partner — In April 2022, we acquired Air Partner, a United Kingdom-based international aviation services group with operations in 18 locations across four continents. The total purchase price for Air Partner was \$108.2 million, which was paid in cash.

We believe that strategically expanding our operations, whether through the purchases of aircraft or existing operating businesses with similar characteristics, creates economies of scale and allows us to develop more attractive product and service offerings for our members and customers. In addition, we believe that strategic acquisitions and dispositions of aircraft allow us to better manage our fleet of aircraft, and optimize maintenance operations and aircraft availability. We believe that our management team's market presence and ability to identify acquisitions that we believe are attractive or present growth opportunities will continue to be an important part of our success.

Membership Model

We provide private aviation services through our innovative membership program, offering three membership tiers — Connect, Core and Business — which are collectively designed to address a spectrum of private aviation consumers from those with occasional usage to the most frequent of flyers. Each program requires members to pay an initiation fee and annual dues and provides access to one of the world's largest combined fleets of owned, leased, managed and third-party aircraft. Our membership model offers a simplified on-ramp to private flying with less complexity and lower up-front cost compared to traditional competitive private aviation programs.

In addition to their initiation fee and annual dues, members pay for their flights based on a fixed quoted amount at time of booking. Depending on membership type and method of payment, the cost of a flight is generally either dynamically priced by our proprietary pricing engine, manually priced, or based on a capped hourly rate that provides qualifying members with price protection on our busiest, high demand days. For trips that are charged based on a capped hourly rate, the cost of the trip is calculated by multiplying the applicable capped hourly rate (based on cabin class) by the estimated flight and taxi time with minimum flight hours for each cabin class.

Connect Membership

Our Connect membership is our lowest cost membership tier. The Connect membership offers variable dynamic pricing on a per trip basis, flight products designed for lower pricing and more flexibility in their schedule, and want to participate in an enhanced lifestyle program of events, experiences and member benefits.

Core Membership

Our Core membership is designed for private flyers who place a premium on the convenience and flexibility of guaranteed aircraft availability on all aircraft types on short notice, want price protection through capped hourly rates on the busiest industry days and want to participate in an enhanced lifestyle program of events, experiences and member benefits.

Business Membership

Our Business membership is designed to serve a broad spectrum of demands from our Business members, including those for whom we are the primary provider of private flights, and others for whom we may be a supplementary solution to their own aircraft operations. The flexibility of our offering provides our business customers the ability to manage their travel needs and reduce greenhouse gas emissions by selecting the specific type of aircraft that our customers believe is most appropriate. As with Core members, Business members receive guaranteed aircraft availability on all aircraft types on short notice and price protection through capped hourly rates on the busiest industry days.

Prepayment for Flights — Prepaid Block Programs

Core and Business members can prepay for future flights with the purchase of a Prepaid Blocks. A Prepaid Block is a pre-purchased amount of dollar-denominated credits that can be applied to future costs incurred by

members, including flight services, annual dues, and other incidental costs such as catering and ground transportation. We offer a similar pre-payment option to our Connect members.

Prepaid Blocks afford members with preferential terms and conditions that may include greater aircraft availability, access across cabin class categories, extended capped rate price protection and other member benefits such as Delta Medallion® status. We have generally experienced greater purchases of Prepaid Blocks from our members during the third and fourth quarters of the calendar year prior to effectiveness of pricing adjustments. We believe that Prepaid Blocks provide favorable benefits to our members, while also providing Wheels Up with demand forecasting opportunities.

Non-Member Flyers

Non-member flyers can sign up, ask questions, shop and book charter flights completely digitally using the Wheels Up mobile app and website. These flyers are not required to purchase a membership but may pay additional transaction fees not applicable to members. They also do not receive membership benefits. In addition, non-member flyers do not have the same aircraft availability guarantees as members and flights are priced dynamically.

Wholesale Charter Customers

In addition to our retail offerings, we provide wholesale charter services to customers such as charter flight brokers and third-party operators. Our wholesale customers typically pay us an agreed fixed rate for a flight, which varies based on factors such as the aircraft type and date of the flight, and in turn sell the flight to their own retail customers. We historically provided wholesale charter services to customers in North America. However, with the acquisition of Air Partner in April 2022, we expanded our international wholesale charter capabilities and now provide our charter customers with global passenger, cargo, emergency and government services.

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.

Sales and Account Management

We have developed a sales organization to capitalize on the various lead generation efforts and customer acquisition channels of our business. Our sales organization includes the following teams: sales operations, sales directors, centralized inside sales, field sales, strategic enterprise sales, aircraft management sales, whole aircraft sales, corporate sales and charter sales.

We also have a Wheels Up account management team that is in regular contact with our members and educates members on the benefits of Wheels Up membership. Account managers serve as dedicated private aviation consultants for members with respect to evaluating options for specific flights and their overall Wheels Up relationship. In this capacity, our account management team plays a critical role in driving membership renewals and the purchase of Prepaid Blocks. This team also assists members in activating their Delta and other partner benefits.

With respect to our aircraft management business, we have a dedicated account management team that is responsible for the day-to-day management of our managed aircraft accounts and owner relationships.

Member Experience

Retention of our existing members is essential to the growth of our business. We drive retention by taking a holistic view of the member journey, from onboarding to member's booking and flight experience and extending to every moment of member engagement thereafter. We believe each of these touchpoints is an essential element of the

overall member experience. Member Experience solicits and aggregates feedback from members to share across the organization to ensure all teams are keeping a central focus on our members. Working cross-functionally with Sales, Finance, Product, Ops and Member Services, member experience is tasked with monitoring member engagement and ensuring high member satisfaction and low churn.

Our Aircraft Fleet

Through targeted capital investments, cultivation of third-party operator relationships and recent transactions, we have aggregated a large and diverse fleet of owned, leased, managed and third-party operator aircraft.

Wheels Up Owned and Leased Aircraft ("1P Fleet")

As of December 31, 2022, our owned and long-term leased aircraft fleet (excluding our 2P Fleet, as described below) was as follows:

Category	Owned	Leased	Total
Large Cabin Jets ⁽¹⁾	0	2	2
Super-Midsize Jets ⁽²⁾	22	30	52
Midsize Jets ⁽³⁾	17	8	25
Light Jets ⁽⁴⁾	38	23	61
Turboprops ⁽⁵⁾	72	3	75
Total	149	66	215

- (1) Primarily consists of Gulfstream G-IVSP and G450 aircraft.
- (2) Primarily consists of Cessna Citation X aircraft.
- (3) Primarily consists of Cessna Citation Excel/XLS aircraft.
- (4) Primarily consists of Cessna CJ3 and Hawker 400XP aircraft.
- (5) Primarily consists of Beechcraft King Air 350i twin turboprop aircraft.

Our owned and leased aircraft operate as a "floating fleet," meaning that they do not return to a home base. We believe this allows us to keep our aircraft positioned to most efficiently address our member flight requests, ensuring broad geographic coverage with the fleet and limiting costly repositioning flights. Lower repositioning costs can provide Wheels Up with a meaningful cost advantage on one-way and multi-city itineraries. In 2022, we transitioned all of our owned aircraft fleet to our UP FMS platform, which we believe will enhance our ability to optimize our fleet utilization and provide additional benefits to our "floating fleet" operations.

The majority of our owned aircraft fleet are painted in the blue and white Wheels Up livery with the "UP" insignia painted on the tail. We also own certain Beechcraft King Air 350i aircraft painted in special Wheels Up liveries to support special charitable causes, such as breast cancer awareness (pink), hunger awareness (orange) and veterans' initiatives (camouflage).

Managed Aircraft ("2P Fleet")

Our managed fleet is comprised of approximately 120 aircraft under our management, including Light, Midsize, Super-Midsize and Large Cabin jets. Under the terms of our management agreements, managed fleet aircraft may generally be used to fulfill Wheels Up member and non-member flights in addition to use by the aircraft owners. Aircraft owners typically pay us a management fee for services, including pilot hiring, flight operations, aircraft maintenance management and other administrative services. With respect to the use of these aircraft to fulfill member flights, the owner of the aircraft receives either a revenue share or a fixed hourly rate for all hours as payment.

Our managed aircraft each have a designated home base at airports across the country depending on the location preferred by the aircraft owner. After completing a flight, these aircraft return to their home base or are positioned to another location for their next revenue flight.

Third-Party Network Aircraft ("3P Fleet")

We have access to over 1,200 aircraft in all private aircraft cabin classes through our network of safety vetted and verified third-party operators. To qualify to participate in the Wheels Up program, aircraft operators must satisfy our rigorous and stringent safety standards for aircraft, crew and operations. To become approved for use, the operator must complete a three-step assessment process that culminates with an on-site assessment to verify compliance with our standards. Additionally, the approved operator is subject to recurring on-site assessments every two years. As a final step, we verify compliance with our crew and aircraft standards using a safety database system for every flight. Under the terms of our agreements with approved third-party operators, they provide service to members and non-member flyers subject to continued compliance with our flight standards. We contract with operators to participate in our network for periods ranging from a single flight up to three years with compensation to the operator based on the cabin class or other unique characteristics of the aircraft.

Seasonality

The private aviation industry is subject to seasonal fluctuations and changes in general economic conditions. Our operations, including flight revenue, are typically favorably affected by increased utilization of our aircraft in the summer months and close in time to major U.S. holidays.

Operations

Flight Operations

Our flight operations teams operate nationwide and are primarily responsible for providing services necessary to facilitate flight activity for our 1P Fleet and 2P Fleet. Our flight operations team includes certain flight scheduling and member services personnel either located on-site at certain airport locations or at our office locations. We believe that our dynamic flight operations team is vital to providing smooth experiences for our members and customers, and to ensure safe operation of our flights.

Air Carrier Operations

Wheels Up currently provides its passenger air carrier services through five Part 135 certificates across our consolidated subsidiaries.

Gama Aviation LLC ("Gama") is a Part 135 operator. Gama is generally the Part 135 operator for Wheels Up branded aircraft, operates one of the largest fleets of managed business jets in the U.S. and provides aircraft management services, private aircraft charter services, and maintenance support to customers and partners nationwide. Gama's subsidiary, Sterling Aviation, LLC, is also a Part 135 operator, and it provides aircraft management and charter air transportation services.

Mountain Aviation, LLC ("Mountain Aviation") has a primary operating base at Rocky Mountain Metropolitan Airport and operational bases in Alaska, Idaho, Texas, Wisconsin and New Jersey. It is a Part 135 operator and additionally holds a Part 145 repair station certificate. It provides private aircraft charter, aircraft management, and special mission services, including International Long-Range operations, intelligence, surveillance, and reconnaissance operations, airdrop and low-cost, low-altitude operations, medevac/casevac and domestic flight operations.

Wheels Up Private Jets LLC ("WUPJ") is a Part 135 operator and additionally holds a Part 145 repair station certificate. WUPJ provides aircraft management services, private aircraft charter services, and FBO and MRO services. It operates tech service centers at Cincinnati/Northern Kentucky International Airport ("CVG") and Fort Lauderdale-Hollywood International Airport, which provide comprehensive MRO facilities and services for aircraft operated by Wheels Up's consolidated subsidiaries and WUPJ's aircraft management customers. During 2021, we merged the operations of our subsidiary, Travel Management Company, LLC ("TMC"), with and into WUPJ. TMC was acquired by Wheels Up in 2019 and prior to its acquisition, was the largest wholesale-focused Part 135 operator of light jets in the U.S. supporting channel partners and businesses, including numerous third-party air carriers, across the private aviation industry.

In addition, Wheels Up Partners LLC (“WUP LLC”) is a Part 135 operator and the registered owner of all of our owned aircraft fleet not currently held for sale, including Wheels Up branded aircraft. During 2022, we merged our subsidiary, TWC Aviation, LLC, which held a Part 135 certificate, with and into WUP LLC as part of an internal reorganization intended to increase the efficiency of our operations and facilitate the 2022-1 Equipment Note Financing (as defined herein). We do not currently provide air carrier services directly through WUP LLC.

See “Principal Domestic Regulatory Authorities” for additional information on our Part 135 certificate operations.

Member Operations

Our Member Operations team is integral to our ability to provide flight services to our members and customers. The Member Operations team is primarily responsible for managing all non-flight aspects of a member’s or customer’s flight experience, including booking, special flight arrangements or services, destination transportation and post-flight follow-ups. 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 new Atlanta Member Operations Center is expected to centralize our critical functions with the goal of better serving our members and customers. We anticipate that the new Atlanta Member Operations Center will be completed in mid-2023.

Air Partner Operations

On April 1, 2022, we acquired Air Partner, a United Kingdom-based international aviation services group with operations in 18 locations across four continents. Air Partner has been in business for over 60 years and provides an array of charter services to customers and businesses with global passenger, cargo, emergency and government services. We believe that Air Partner’s international capabilities provide us the opportunity to extend additional benefits to our members flying internationally, as well as access a new base of charter and cargo customers due to Air Partner’s longstanding relationships built over its 60-year history.

Fuel

Our operations are impacted by changes in the price and availability of aircraft fuel. We have pricing agreements with various fuel providers located across the U.S., pursuant to which we receive agreed upon pricing for fuel and handling/facility fees at each location. We are currently able to obtain adequate supplies of aircraft fuel but sustainable aviation fuel is generally more difficult to obtain due to varying cost and our “floating fleet” model.

Due to rising fuel prices, on April 9, 2022, we implemented a fixed hourly fuel surcharge to our customers ranging from \$295 per hour to \$895 per hour across our fleet. On May 2, 2022, we announced we would implement a new fuel surcharge framework effective June 1, 2022. The new fuel surcharge is applied when the cost of Jet A fuel, as published by the Argus U.S. Jet Fuel Index™, is more than \$2.00 per gallon and is calculated based on estimated billable flight time. In addition, on May 2, 2022, we announced a carbon offset fee will be added to each hour of flight time effective June 1, 2022. The fee ranges from \$20 per flight hour to \$65 per flight hour.

Safety

Each and every day, our passengers trust us with their lives, and it is paramount that we consistently reinforce this trust with our actions and words. This begins with our uncompromising commitment to safety as our core value.

Safety is a cornerstone of our culture. We view compliance with Federal Aviation Administration (“FAA”) regulations as a minimum baseline for our commitment to safety. We go beyond FAA minimum requirements by setting higher safety standards in areas of pilot experience, certification (licensing), training, safety programs and many others.

Wheels Up has implemented Safety Management Systems (“SMS”), that go beyond FAA regulatory requirements, across our operating certificates. SMS is a means to identify hazards, mitigate the risk associated with those hazards, collect safety data and act on that data to improve the safety of our operations. Each SMS is managed

by a Director of Safety and a team of dedicated professionals trained on the elements of SMS. A key component of our SMS is the Aviation Safety Action Program ("ASAP"). ASAP is a non-punitive safety program that enables employees such as pilots, maintenance technicians and dispatchers to report safety related events for review by Wheels Up and the FAA with the purpose of implementing corrective actions. Additional non-punitive safety reporting programs are in place for employees that are not covered by an ASAP.

In addition to our internal safety management efforts, the Wheels Up operating entities are voluntary participants in audits from a number of third-party safety organizations, including the Air Charter Safety Foundation, Wyvern, ARGUS, IS-BAO and independent audits by some of our corporate clients. These audits are opportunities to have outside experts review and contribute to the continuous improvement of our SMS.

Pilots

Every Wheels Up flight is operated by pilots that meet stringent training and flight-hour requirements, which are in excess of the FAA's requirements and training criteria. Each captain is required to hold current FAA Airline Transport Pilot and First-Class Medical Certificates and is required to be FAA Pilot-in-Command Type-Rated in the aircraft they fly.

Our pilot selection process screens all candidates for background and safety record. This screening process includes in-person technical interviews and written examinations, as well as a flight simulator assessment if appropriate. Successful candidates must also complete mandatory advanced aircraft ground and flight training in a full-motion simulator. This training is also completed annually.

We have entered into agreements with multiple, industry leading third-party suppliers to provide factory authorized training for our pilots. These agreements provide training availability to Wheels Up throughout the year for both initial and recurrent pilot training in exchange for a fixed price per training slot. We recently took action to secure additional, nationwide training resources and aircraft simulator availability for our pilots.

Aircraft Maintenance and Repairs

We maintain and repair our owned, leased and managed aircraft to ensure the safety of our passengers, assets and the surrounding environment where we operate. Aircraft maintenance and repair consists of scheduled and unscheduled maintenance performed during line-maintenance and scheduled maintenance events. Our maintenance and repair process also includes procedures designed to maintain the FAA airworthiness certificate of each aircraft in good standing.

Line maintenance consists of daily and weekly scheduled maintenance inspections, including pre-flight, daily, weekly and overnight checks. Line maintenance also includes any unscheduled items requiring repair on an as-needed basis. Based on the location where line maintenance occurs, work may be performed by Wheels Up employees, as in the case of a Wheels Up facility or if performed by a Wheels Up mobile service unit ("MSU") team, or by an FAA-authorized and Wheels Up vetted third-party maintenance provider.

Scheduled airframe maintenance inspections are defined by the applicable original equipment manufacturer ("OEM") maintenance inspection program and as a function of flight hours, flight cycles and/or calendar-based intervals. We attempt to package these airframe maintenance inspections into strategically timed maintenance periods, with the goal of minimizing maintenance downtime while meeting the OEM's requirements. This work may be performed by Wheels Up or a qualified third-party maintenance provider.

Scheduled engine hot section repairs and overhauls are performed in accordance with the OEM's requirements and vary by engine model. Engine repairs and overhauls are primarily driven by engine hours, engine cycles and/or calendar-based intervals. Except for certain basic maintenance activities which Wheels Up is able to perform itself, engine maintenance, scheduled or unscheduled, is performed by Wheels Up's contracted third-party maintenance providers. We are also a party to engine maintenance program agreements (the "Program Agreements") covering certain engine maintenance and overhauls on Pratt & Whitney Canada, Corp. ("Pratt and Whitney") and Rolls Royce aircraft engines for certain of our owned and leased aircraft.

In support of the maintenance of our fleet, we operate eight maintenance facilities under FAA Part 135 or Part 145 in support of our planned and unplanned maintenance activities where Wheels Up has both the capability and the capacity. Additionally, we have multiple MSUs located in key markets throughout the United States to perform line-maintenance work. To the extent Wheels Up does not have the capability and/or capacity to perform maintenance or repairs in-house, we have entered into agreements with certain qualified vendors to perform maintenance on our aircraft, aircraft components and engines, generally at agreed upon work-scopes and pricing.

Competitive Landscape

The private aviation industry is highly fragmented. Because we offer products and services that address the needs of most private flyers, we compete with providers across all of the incumbent categories, including whole aircraft purchases, fractional programs, jet card providers and charter brokers. In addition, with respect to aircraft management, we compete with other companies that provide aircraft management services.

We are currently the only private aviation company in the U.S. whose common stock is listed on a national securities exchange. Other industry participants that are not currently publicly traded announced in 2022 potential transactions that may result in their equity securities being traded on a national securities exchange. While we believe we offer differentiated, dynamic services to customers through our membership model, we expect that competition in our industry from both private and public companies will continue to intensify.

The private aviation industry is also dependent on an ample supply of new and used aircraft, aircraft components and maintenance services. These assets and services are limited and also generally sought by our competitors, aircraft owners and other entities, such as governmental entities. Due to supply chain disruptions experienced by OEMs since the beginning of the COVID-19 pandemic, delivery wait times for new aircraft have significantly increased, and prices for and availability of used aircraft and parts has increased significantly. We expect that these conditions will continue for the foreseeable future, which will increase the competition for assets required in our operations.

Historically, we have grown our operations through a combination of aircraft acquisitions and acquisitions of established private aviation businesses. Due to the increase in demand for new and used aircraft and parts, more participants in the private aviation industry are seeking transactions to acquire aircraft or established private aviation businesses. Although we believe we are well positioned to acquire assets in order to meet demand for our services, we expect that absent a significant shift in the industry or change in general economic conditions, the competitive landscape for aircraft acquisitions and acquisitions of established private aviation businesses will persist.

Government Regulation

We are subject to government regulation at local, state, federal and international levels. The scope of these regulations is exceedingly broad, covering a wide range of subjects that includes, but is not limited to, those summarized below.

Principal Domestic Regulatory Authorities

The following paragraphs summarize the roles of some of the most prominent domestic regulators of our business.

The U.S. Department of Transportation (“DOT”) is the principal regulator of economic matters in the aviation industry. As applied to our business, under Title 14 of the Code of Federal Regulations (“14 C.F.R.”) Part 298, DOT oversees the operations of our subsidiaries that operate as air taxis (i.e., on-demand operators of small aircraft). This includes economic authority to conduct business as a type of air carrier, as well as consumer protection and insurance requirements that are applied to the conduct of such business. In 14 C.F.R. Part 380 (“Part 380”), DOT also approves and oversees the performance of public charters that may be arranged by a non-air carrier public charter operator for the purpose of offering to the public charter flights that will be performed by an identified air carrier at a predetermined date and time (in contrast to the on-demand, or as-needed/where-needed, character of our air taxi operations).

DOT also regulates how we advertise and hold out services. In 14 C.F.R. Part 295 ("Part 295"), DOT oversees the sale, holding out and arrangement of single entity charter air transportation (or the entire capacity of an aircraft, in contrast to public charter flights which are sold by the seat). We are subject to DOT jurisdiction as an "air charter broker" under Part 295 in offering and selling our membership program for single-entity charters and in acting as an agent for members in arranging flights. We are also subject to DOT's jurisdiction as a "ticket agent" as defined by 49 U.S.C. Section 40102(a)(45). In every aspect of our business subject to DOT's jurisdiction, we are subject to DOT's statutory and regulatory authorities to prohibit and enforce against engaging in "unfair" or "deceptive" practices and unfair methods of competition pursuant to 49 U.S.C. Section 41712. DOT also promulgates and enforces consumer protection regulations to which we are subject.

Importantly, DOT also enforces U.S. laws governing the citizenship of air carriers. For our air carrier subsidiaries to maintain their air carrier licenses, registrations and other authorizations to hold out and operate services, we must ensure that DOT's citizenship requirements are satisfied. This means that those air carriers must be under the actual control of U.S. citizens (as defined in 49 U.S.C. Section 40102(a)(15)), and must satisfy certain other requirements, including that each air carrier's president/chief executive officer and at least two-thirds of its Board and other managing officers are U.S. citizens, and that at least seventy-five percent of its voting stock is owned and controlled, directly and indirectly, by U.S. citizens. The amount of non-voting stock that may be owned or controlled by non-U.S. citizens is limited as well.

The FAA is the principal regulator of safety matters in the aviation industry. The FAA's regulations touch on many aspects of civil aviation, such as:

- the design and manufacturing of aircraft, engines, propellers, avionics and other key components (collectively the "aircraft," as used below), including engine noise and other environmental standards;
- the inspection, maintenance, repair and registration of aircraft;
- the training, licensing or authorizing, and performance of duties by pilots, flight attendants and maintenance technicians;
- the testing of safety-sensitive personnel for prohibited drug use or alcohol consumption;
- the design, construction, and maintenance of runways and other airport facilities;
- the operation of air traffic control systems, including the management of complex air traffic at busy airport facilities;
- the certification and oversight of air carriers;
- the establishment and use of SMS by air carriers;
- the promotion of voluntary systems to encourage the disclosure of data that may aid in enhancing safety; and
- the oversight and operational control of air carriers by key personnel, including directors of operations, directors of maintenance, chief pilots, chief inspectors and directors of safety.

There are numerous FAA regulations that may impact our operations and business. They include but are not limited to the following Parts found in Title 14 of the C.F.R.

"Part 91" contains the general operating rules for flight safety. These rules govern all flight operations, including private and commercial operations, except to the extent that the commercial operations are subject to additional rules found in other parts of the FAA regulations.

"Part 135" contains additional rules that apply to commercial "on-demand" operations. "On-demand" operations include flights for which the departure location, departure time, and arrival location are specifically

negotiated with the customer or the customer's representative as well as passenger-carrying operations conducted as a public charter under Part 380.

"Part 145" contains the rules that govern the performance of aircraft maintenance at certificated repair stations. These include requirements related to the quality of the facility, the qualifications of personnel and what type of repair or inspection work is authorized for performance there.

As the operator of our nation's air traffic control system, the FAA has an especially important role to play in the management of air traffic, including congestion at the busiest airports and in the busiest air corridors. Also, in the case of a security threat, unusual environmental risk, or other emergency, the FAA has authority to shut down segments of airspace or even the entire U.S. airspace to civilian use, as occurred on September 11, 2001.

As an agency of the Department of Homeland Security ("DHS"), the Transportation Security Administration ("TSA") is the principal regulator of security matters in the aviation industry. Among other things, the TSA regulates the standard security programs in use by U.S. airports and aircraft operators. These programs include elements relating to the training of flight crews, checking the identity and screening of passengers, application of security watch lists and cooperation in threat assessments and responses.

Customs and Border Protection ("CBP"), also an agency of DHS, is the principal regulator of customs and immigration matters affecting the aviation industry and enforcer of certain public health matters affecting the aviation industry. Whenever our air carrier operations include an international flight segment, we must provide CBP with an advance disclosure of passenger information, facilitate CBP's inspection of baggage, and help ensure the proper disposal of any foreign-originating refuse on the aircraft. CBP also oversees entry and clearance into the U.S., including with respect to exports and imports, and issues landing rights approvals for aircraft arriving in the U.S. from abroad.

The Environmental Protection Agency ("EPA") is the principal federal environmental regulator. In January 2021, the EPA promulgated new rules relating to the greenhouse gas emissions from carbon fuels used in aircraft engines. This will bring about a change in future aircraft engine designs and approvals and eventually require replacement of engines in future years. This area of regulation is not yet settled. It still is subject to change based on domestic and international laws and standards intended to address global environmental issues, making it impossible to say how such developments might impact our business in the future.

The vast majority of airports where we fly are owned and operated by state and local government entities. These airport authorities claim the right to impose certain safety, security and other regulations so long as they do not conflict with federal law. Airport authorities also have extensive property rights that empower them to impose conditions on leasing and using airport facilities. The terms on which an airport authority might lease or allow use of its property (or other property and services at an airport) can, at times, be on terms less favorable than would be customary for real estate or other transactions outside of an airport environment.

These regulatory authorities have the ability to stop a part or all of our business and flight operations such as by suspending or revoking our certifications or other authorizations. They also have the ability to impose monetary fines and other civil penalties and to make referrals for criminal prosecution. These actions may occur with little or no notice, depending on the circumstances as perceived by the regulators in their discretion.

Foreign Regulatory Authorities

Most foreign countries have their own regulatory authorities that parallel those found in the U.S. The complexity of interaction with the foreign regulators can be magnified by differences in language, culture, legal and social norms, tax and budgetary practices and perspective on economic development and competition.

Privacy and Data Protection

There are many requirements regarding the collection, use, transfer, security, storage, destruction and other processing of personally identifiable information and other data relating to individuals. Because our technology platform is an integral aspect of our business and due to our international operations, compliance with laws

governing the use, collection and processing of personal data is necessary for us to achieve our objective of continuously enhancing the user experience of our mobile application and marketing site.

We receive collect, store, process, transmit, share and use personal information, and other customer data, including health information, and we rely in part on third-parties that are not directly under our control to manage certain of these operations and to receive, collect, store, process, transmit, share and use such personal information, including payment information. A variety of federal, state, local, municipal and foreign laws and regulations, as well as industry standards (such as the payment card industry standards) govern the collection, storage, processing, sharing, use, retention and security of this information including but not limited to the California Consumer Privacy Act (“CCPA”) and the European Union’s General Data Protection Regulation (“GDPR”). Laws and regulations relating to privacy and data protection are continually evolving and subject to potentially differing interpretations. These requirements may not be harmonized, may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another, or may conflict with other rules or our practices. As a result, our practices may not have complied or may not comply in the future with all such laws, regulations, requirements and obligations. The failure to comply with such data protection and privacy regulations can result in fines, penalties and the enforcement of any non-compliance, which could significantly impact our business operations.

Environmental

We are committed to reducing the environmental impact of our fleets, as well as the long-term effects of our overall operations. Over time, we expect to offset the carbon impact of our flight operations through the purchase and retirement of applicable carbon credits or via another established and vetted mechanism. We are also examining other sustainability initiatives, including the potential use of sustainable aviation fuel and long-range investments in other sustainability solutions, as well as operational improvements, sustainable practices at our facilities and a reduction in single-use plastics at our offices and aboard our aircraft.

Intellectual Property

The protection of our technology and other intellectual property is an important aspect of our business. We seek to protect our intellectual property (including our technology and confidential information) through a combination of trademarks and trade secret protections, as well as contractual commitments and security procedures.

We generally require our employees and consultants to enter into confidentiality agreements, and certain third parties to enter into non-disclosure agreements. We regularly review our technology development efforts and branding strategy to identify and assess the protection of new intellectual property.

We own certain trademarks important to our business, such as the “Wheels Up” word and design marks. In addition, we currently own certain domain names, including “wheelsup.com”.

Impact of the COVID-19 Pandemic

On March 11, 2020, the World Health Organization officially declared COVID-19 a pandemic. The unprecedented and rapid spread of COVID-19 led to economic and business uncertainties resulting from governmental restrictions on air travel, the implementation of quarantine and shelter-in-place orders, the cancellation of large public events and suspending in-person meetings and the closure of popular tourist destinations. In response, we developed and implemented Wheels Up Safe Passage™ — a suite of enhanced cleaning and operational protocols to help ensure the safety of our passengers and pilots through best-available sanitization practices and adherence with up-to-date health guidelines. We continue to utilize these best practices for the protection of our passengers, pilots and employees.

Human Capital Resources

Employees

As of December 31, 2022, Wheels Up and its affiliates had 3,111 employees, including 3,005 full-time employees, and 106 part-time employees. We employ approximately 1,000 pilots across our aircraft fleet. Approximately 87% of our employees are based in the U.S. and the remaining approximately 13% in Europe and

other territories. Our employee base consists of non-exempt and exempt employees in corporate functions, as well as pilots, other crew members and maintenance positions. Due to the nature of our operations, many of our employees work on-site or remotely to facilitate and support our operations. Our corporate employees generally enjoy flexible working arrangements; however, we encourage certain employees located in the New York City area to attend in-office events and to work in the office on a hybrid basis to promote a strong working and social culture. Wheels Up and its affiliates have not had a work stoppage and none of our employees are represented by a labor organization or under any collective bargaining agreements. Wheels Up considers its employee relations to be good.

Human capital strategies are developed and managed by our Chief People Officer, who reports to the Chief Executive Officer, and are overseen by the Board and the Compensation Committee of the Board. Our culture is customer centric and focused on ensuring we are the most trusted technology company in the private aviation and lifestyle marketplace. We aim to maximize the potential of our human capital resources and deliver quality service through a motivating work environment. Employees are encouraged to achieve more through innovation and an entrepreneurial spirit.

We strive to recruit from amongst the best talent in the industry and reward them appropriately. Our success depends in large part on our ability to attract, retain and develop high-quality management, operations, technology, and other personnel who are in high demand, are often subject to competing employment offers, and are attractive recruiting targets for our competitors. Specifically, there has been increased competition for experienced pilots in the private aviation industry. In an effort to help make Wheels Up the employer of choice for pilots, during September 2021, we were the first private aviation company to offer broad-based equity ownership to our pilots. The ability to provide pilots with equity, along with increasing other compensation and benefits, is a unique advantage. We believe that our attractive compensation programs and favorable working conditions were integral to reaching our initial pilot hiring goals in 2021 and 2022.

Our annual *Culture Check Up* survey enables us to obtain confidential feedback directly from our workforce to see if we need to make changes or enhancements to a variety of topics such as diversity, equity and inclusion, (“DEI”) engagement, learning and cultural development.

We want all of our employees to feel like true owners of Wheels Up. Therefore, timely, informative and engaging communication is critical. Through regular updates from the executive leadership team, our biweekly newsletter and intranet news portal *What’s Up* and recurring all-hands meetings, our objective is to ensure employees are aware of our performance, priorities and path forward.

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’ experiences. Excluded from these actions were key operationally focused employee groups such as pilots, maintenance and operations-support personnel.

Our Commitment to Diversity, Equity and Inclusion

Our success requires the inclusion of ALL—we strive to empower, engage, and celebrate diversity, authenticity and inclusion of all genders, sexual orientations, races, ethnicities, religions, and other identities and cultures. Our goal is to maximize the impact of the Wheels Up team by attracting, engaging, and retaining the most talented, dedicated and passionate people in the marketplace. As a result, we are focused on expanding customer acquisition and maximizing corporate growth through the development and execution of an inclusive strategy that amplifies values, while prioritizing cultural sensitivity across a diverse target audience (i.e., female, BIPOC, LGBTQ+ and other diverse groups).

We have developed our DEI “Guiding Principles” to help ensure alignment across our internal and external programs/processes. Wheels Up has also established a dedicated role within the human resources team to drive our multi-year DEI strategy focused on attracting, engaging, retaining and elevating diverse talent, establishing equitable people practices and creating an inclusive culture. Our current efforts in amplifying DEI include:

- Establishing target diversity scorecard metrics around talent acquisition, talent movement/management, and employee engagement throughout our entire organization – from our entry level employees, all the way to the Executive Leadership Team.
- The prioritization of diversifying our candidate pipeline through partnership investments with external organizations including Women Aviation International, National Gay Pilot Association, Organization of Black Aerospace Professionals, RedTail Flight Academy and the U.S. Military.
- DEI focused employee engagement events that will help elevate the knowledge and understanding of diverse communities and inclusive practices.

In addition, Wheels Up has taken a progressive approach in the provision of comprehensive benefits including:

- Multiple counseling sessions offered through Employee Assistance programs, that support employees and their families’ mental and emotional well-being;
- Health plan coverage for infertility assistance;
- Domestic partner health plan coverage;
- Health plan coverage for gender reassignment surgery; and
- Parental Leave for both birth and non-birthing parents, including adoption or foster care.

Wheels Up is proud of its DEI initiatives, as we are committed to gaining equity via the development of educational programs and inclusive efforts that will help democratize our industry.

Our Social Impact Initiatives

Wheels Up Cares

Through our Wheels Up Cares initiative, we are committed to supporting philanthropic organizations and initiatives that affect and matter to our company, members, customers, stakeholders, families, friends and communities. The Wheels Up Cares fleet comprises five custom painted Beechcraft King Air 350i aircraft; each plane represents a specific cause of importance for our members, customers and employees. Each aircraft is active in our fleet and flying members daily and serves as a flying symbol of awareness for a specific cause and Wheels Up’s commitment to being a force for good in the communities where we live and work.

Meals Up Partnership with Feeding America

Our Meals Up initiative was created in partnership with Feeding America to help combat the growing levels of food insecurity in the U.S. during the COVID-19 pandemic. This effort has already raised and inspired the equivalent of nearly 90 million meals for Feeding America.

Corporate History and Structure

Corporate History

Wheels Up was formed on July 1, 2013. On July 13, 2021 (the “Closing Date”), Wheels Up Partners Holdings LLC, a Delaware limited liability company (“WUP”), consummated a business combination (the “Business Combination”) with Aspirational Consumer Lifestyle Corp. (“Aspirational”), a blank check company. Upon consummation of the Business Combination, WUP became a wholly owned subsidiary of Wheels Up Experience Inc., and beginning July 14, 2021, our shares of Class A common stock, par value \$0.0001 per share (“Class A common stock”) traded on the New York Stock Exchange under the ticker symbol “UP” and our warrants traded on the New York Stock Exchange under the symbol “UP WS”.

As part of the Business Combination, existing holders of WUP equity, including holders of profits interests and restricted interests, but excluding holders of stock options, have the right to receive up to an aggregate of 9.0 million

additional shares of Class A common stock in three equal tranches, which are issuable upon the achievement of Class A common stock 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”).

Structure

Wheels Up is a holding company with no direct operations. Wheels Up conducts its business through its direct subsidiary, WUP, and WUP’s operating subsidiaries, including, among others, WUPJ, Gama and Mountain Aviation, each of which holds a Part 135 certificate, as well as WUP LLC and Avianis Systems LLC. In addition, Wheels Up conducts substantially all of its operations outside of North America through its subsidiary, Air Partner, which is an international aviation services group with operations in 18 locations across four continents.

Wheels Up’s corporate headquarters is located at 601 West 26th Street, Suite 900, New York, New York 10001, our telephone number is (212) 257-5252 and our internet address is www.wheelsup.com. The information on, or that can be accessed through, Wheels Up’s website is not part of this Annual Report. The website address is included as an inactive textual reference only.

Available Information

We make available free of charge on our website at wheelsup.com/investors our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and amendments to those reports as soon as reasonably practicable after these reports are filed with or furnished to the Securities and Exchange Commission (“SEC”). Information on our website or available by hyperlink from our website is not incorporated into this Annual Report or our other securities filings and is not a part of those filings.

Item 1A. RISK FACTORS

Risks Relating to Our Business and Industry

We may not be able to successfully implement our growth strategies.

Our growth strategies include, among other things, expanding our addressable market by opening up private aviation to non-members through our marketplace, expanding into new domestic and international markets and developing adjacent businesses. We face numerous challenges in implementing our growth strategies, including our ability to execute on market, business, product/service and geographic expansions. Our strategies for growth are dependent on, among other things, our ability to expand existing products and service offerings and, launch new products and service offerings, and develop our technology and infrastructure to support our operations. Although we devote significant financial and other resources to the expansion of our products and service offerings, including increasing our access to available aircraft supply and technology, these efforts may not be commercially successful or achieve the desired results. Our financial results and our ability to maintain or improve our competitive position will depend on our ability to effectively gauge the direction of our key marketplaces and successfully identify, develop, market and sell new or improved products and services in these changing marketplaces. Our inability to successfully implement our growth strategies could have a material adverse effect on our business, financial condition and results of operations and any assumptions underlying estimates of expected cost savings or expected revenues may be inaccurate.

We have a history of net losses, and we anticipate that we will experience net losses for the foreseeable future.

We have experienced significant net losses since inception and, given the significant operating and capital expenditures associated with our business plan, we anticipate continuing net losses for the foreseeable future. If we do achieve profitability, we cannot be certain that we will be able to sustain or increase such profitability. We incurred net losses of \$555.5 million and \$197.2 million for the years ended December 31, 2022 and 2021, respectively. We have not consistently generated positive cash flow from operations, and we cannot be certain that we will be able to generate positive cash flow from operations in the future. To achieve and sustain profitability, we

must accomplish numerous objectives, including broadening and stabilizing our sources of revenue and increasing the number of paying members to our service, as well as improve our Adjusted Contribution Margin and strategically control non-operating expenses. Accomplishing these objectives may require significant capital investments. We cannot be assured that we will be able to achieve these objectives. If we cannot achieve and sustain profitability or raise additional capital, our business could be materially and adversely affected, as we may not have sufficient liquidity and may violate certain contractual obligations, including our credit documents.

Our operating results are expected to be difficult to predict based on a number of factors that also will affect our long-term performance.

We expect our operating results to fluctuate significantly in the future based on a variety of factors, many of which are outside our control and difficult to predict. As a result, period-to-period comparisons of our operating results may not be a good indicator of our future or long-term performance. The following factors may affect us from period-to-period and may affect our long-term performance:

- we may fail to successfully execute our business, marketing and other strategies;
- we may experience the detrimental effects of outbreaks of disease or widespread natural disasters that may affect travel behaviors;
- we may be unable to attract new customers and/or retain existing members and customers;
- our Adjusted Contribution Margin may be negatively impacted by increased flight costs due to aircraft supply constraints combined with our guaranteed rate pricing and fixed purchases of Prepaid Blocks;
- our ability to grow complementary products and service offerings may be limited or we may be unable to realize the potential benefits from our technological developments, which could negatively impact our growth rate and financial performance;
- we may be impacted by changes in consumer preferences, perceptions, spending patterns and demographic trends, as well as changes in customer creditworthiness that could result in increases in allowance for credit losses or write-offs of receivables that may be uncollectible;
- we may require additional capital to finance strategic investments and operations, pursue business objectives and respond to business opportunities, challenges or unforeseen circumstances, and we cannot be sure that additional financing will be available on attractive terms or at all;
- our historical growth rates may not be reflective of our future growth;
- our business and operating results may be significantly impacted by actual or potential changes to the international, national, regional and local economic, business and financial conditions, including due to inflation, higher interest rates and geopolitical conditions, the health of the U.S. aviation industry and risks associated with our aviation assets;
- litigation or investigations involving us could result in material settlements, fines or penalties and may adversely affect our business, financial condition and results of operations;
- existing or new adverse regulations or interpretations thereof applicable to our industry may restrict our ability to expand or to operate our business as we wish and may expose us to fines and other penalties;
- the occurrence of geopolitical events such as war, terrorism, civil unrest, political instability, environmental or climatic factors, natural disaster, pandemic or epidemic outbreak, public health crisis and general economic conditions may have an adverse effect on our business;
- some of our potential losses may not be covered by insurance, and we may be unable to obtain or maintain adequate insurance coverage; and

- we are potentially subject to taxation-related risks in multiple jurisdictions, and changes in tax laws could have a material adverse effect on our business, cash flow, results of operations or financial condition.

We may not be able to grow our complementary products and service offerings through opportunistic acquisitions or otherwise as part of our growth strategy. Any failure to adequately integrate past and future acquisitions into our business could have a material adverse effect on us.

From time to time, we consider opportunities to acquire other entities, assets, products or technologies that may enhance our products and service offerings or technology, expand the breadth of our markets or customer base, or advance our business strategies. Any such transaction could be material to our business and could take any number of forms, including mergers, joint ventures, the purchase of equity interests or the implementation of leasing structures, commercial understandings and licensing arrangements. The consideration for such transactions may include, among other things, cash, our Class A common stock or other equity interests, and in conjunction with a transaction, we might incur indebtedness. If we elect to pursue an acquisition or other strategic transaction, our ability to successfully implement and realize benefits from such transaction would depend on a variety of factors, including the requirement to obtain third-party consents or additional restrictive agreements or covenants that limit our operating flexibility.

Acquisition transactions involve risks, including, but not limited to:

- insufficient revenue or cash flow to offset liabilities assumed;
- inadequate return of capital;
- regulatory or compliance issues, including securing and maintaining regulatory approvals;
- unidentified issues not discovered in due diligence, including with respect to any assets acquired;
- those associated with integrating the operations or (as applicable) separately maintaining the operations;
- financial reporting and internal controls;
- managing geographically dispersed operations;
- the diversion of management's attention from current operations;
- potential unknown risks associated with an acquisition;
- unanticipated expenses related to acquired businesses or technologies and their integration into our existing business or technology;
- the potential loss of key employees, customers or partners of an acquired business; or
- the tax effects of any such acquisitions.

We may not successfully integrate our past acquisitions or any future acquisitions, and may not achieve anticipated benefits relating to any such transactions. Realizing the benefits of acquisitions depends in part on the integration of assets, operations and personnel. If we do not complete an acquisition transaction or integrate an acquired business successfully and in a timely manner, we may not realize the benefits of the acquisition to the extent anticipated, and in certain circumstances an acquisition could harm our financial position. In addition, strategic transactions may be expensive, time consuming and may strain our resources. If we were to complete such an acquisition, investment or other strategic transaction, we may require debt financing that could result in significant indebtedness and debt service obligations. Such transactions may not be accretive to our earnings and may negatively impact cash flow and our results of operations as a result of, among other things, the incurrence or assumption of indebtedness, the impairment or write-off of intangible assets, including goodwill, or the requirement to make investments or capital expenditures in excess of expectations. Furthermore, strategic transactions that we may pursue could result in dilutive issuances of equity securities. As a result of the risks inherent in such transactions, we cannot guarantee that any future transaction will be completed or integrated successfully, or that it

will ultimately result in the realization of our anticipated benefits. Such transactions may also have a material adverse impact on our business, financial condition and results of operations.

We may not be able to successfully implement our strategies to improve operational efficiency.

We are implementing, and will continue to implement, certain strategies to improve the efficiency of our operations. These efficiency improvements include, among other things, consolidation of our FAA certificates, our plan to relocate significant elements of our member operations team to Atlanta, Georgia (the "Relocation"), and other cost savings measures. We face numerous challenges in implementing our strategies to improve operational efficiency, including additional expense to implement such strategies, cooperation from third parties, such as regulatory bodies, which may be outside of our control, and additional time and attention from management, which could distract them from focusing on our growth strategies, cost savings measures and day-to-day business activities.

For example, there are a number of risks associated with the Relocation, including the following:

- we may not effectively transition our workforce as part of the Relocation, in which case we could experience business disruption as a result of a loss of historical knowledge and a lack of business continuity;
- we may experience increased turnover and challenges in recruiting additional employees and retaining existing employees and we may be unable to recruit employees with the requisite skills to work at our future member operations center;
- we may not complete the Relocation during the expected timeframe; and
- we may incur capital expenditures for the Relocation in excess of expectations.

Although we may devote significant financial and other resources to implementing our strategies to improve operational efficiency, these efforts may not be successful or achieve the desired results on the anticipated timeline or at all. Our inability to successfully implement our operational efficiency improvement strategies could have a material adverse effect on our cash flows, financial condition and results of operations, and any assumptions underlying estimates of expected cost savings or expected revenues may be inaccurate.

We are exposed to the risk of a decrease in demand for private aviation services.

Historically, we have generally provided private aviation services through a membership-only program business model. Our membership program requires members to generally pay an up-front initiation fee and recurring annual dues. If demand for private aviation services or success in selling were to decrease, this could result in slower new member growth, members declining to renew their memberships and/or reducing their aggregate flight utilization and spend, all of which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, we have historically relied on Prepaid Blocks as a source of capital to fund our ongoing operations and indicator of potential future demand. Changes in demand for our products and services by our members could result in a significant decrease in such Prepaid Blocks, a change in the rate at which our members utilize their Prepaid Blocks or otherwise make demand forecasting more difficult. Such changes could negatively impact our cash flows from operations, unexpectedly accelerate our liquidity needs and require us to seek alternate sources of capital, including debt financings, which may not be available or on acceptable terms.

In addition, our customers may consider private air travel through our products and services to be a luxury item, especially when compared to other modes of transportation, such as commercial air travel. As a result, any general downturn in economic, business and financial conditions which has an adverse effect on our customers' spending habits could decrease their demand for travel and, to the extent they travel, to increase their use of commercial air carriers or other means considered to be more economical than our products and services. In cases where sufficient hours of private flight are needed, many of the companies and high-net-worth individuals to whom we provide products and services have the financial ability to purchase their own jets or operate their own corporate flight department should they elect to do so, which may reduce demand for our products and services.

The private aviation industry is subject to competition.

Many of the markets in which we operate are competitive as a result of the expansion of existing private aircraft operators, expanding private aircraft ownership and alternatives such as luxury commercial airline service. We compete against a number of private aviation operators with different business models, and local and regional private charter operators. Factors that affect competition in our industry include price, reliability, safety, regulations, professional reputation, aircraft and pilot availability, equipment and quality, consistency and ease of service, willingness and ability to serve specific airports or regions and investment requirements. There can be no assurance that our competitors will not be successful in capturing a share of our present or potential customer base. The materialization of any of these risks could adversely affect our business, cash flow, financial condition and results of operations.

The outbreak and spread of infectious diseases or public health threats, including COVID-19, may adversely impact our business, operating results, cash flow, financial condition and liquidity.

An outbreak of an infectious disease or similar public health threat, including COVID-19, or fear of such an event, that affects travel demand, travel behavior or travel restrictions could adversely impact our business, financial condition and operating results. For example, the COVID-19 outbreak, along with the measures governments and private organizations worldwide implemented in an attempt to contain the spread of this pandemic, resulted in an overall decline in demand for air travel, which decline was severe in late spring and early summer of 2020. The initiatives and measures put in place to limit the spread of COVID-19 increased costs to our business due to enhanced safety, cleanliness and health protocols and guidelines introduced in response to the outbreak of COVID-19. In addition, an outbreak of an infectious disease or other public health threat may reduce or permanently alter the demand for certain types of travel that have historically been a material driver of flight revenue, including business, event and international travel. Such outbreaks and public health threats may also negatively impact our ability to hold in-person events or otherwise conduct marketing and sales activities as we have in the past, which could adversely impact our ability to retain members and customers or limit our ability to attract new members and customers. Outbreaks of infectious diseases or other public health threats may also disrupt our operations and accentuate other risks to our business, such as the availability of qualified flight personnel — see “*The loss of key personnel upon whom we depend on to operate our business or the inability to attract additional qualified personnel could adversely affect our business.*” — and reliance on our third-party service providers — see “*If we face problems with any of our third-party service providers, our operations could be adversely affected.*” Such an outbreak could result in significant downtime of our aircraft or limit the availability of our pilots and maintenance personnel, and result in material and adverse effects on our business, operating results, financial condition and liquidity. The severity, magnitude and duration, or the lack of clarity of those factors, may cause us to alter our strategic plans at considerable expense or result in a failure to realize the intended benefits of our operational efficiency measures on the anticipated timeline or at all.

Outbreaks of other diseases could also result in increased government restrictions and regulation, such as those actions described above or otherwise, which could adversely affect our operations.

For example, in response to the COVID-19 pandemic, federal, state and local government authorities implemented directives, orders and regulations intended to mitigate the spread of COVID-19, and in response, we modified our practices, policies and procedures, as appropriate. Similar governmental responses in the future, such as requirements for disease testing, vaccinations, waiting periods or the requirement to utilize personal protective equipment, may directly impact demand for air travel or our ability to deliver our products and services in a manner that is attractive to members and customers. In addition, an outbreak of an infectious disease or other public health threat or related governmental or self-imposed restrictions may have a material and adverse impact on other aspects of our business, including enhanced risk of delays or defaults in payments by customers, delays and difficulties in completing maintenance work on certain aircraft and delays or shortages in our supply chain.

While global COVID-19 levels are lower as of March 2023 versus peak levels in prior years and the severity of restrictions imposed, and norms adopted, in response to the COVID-19 pandemic has lessened, we are currently unable to predict with certainty the full extent of the ongoing impact of COVID-19 on our future operational and financial performance. The impact of COVID-19 on Wheels Up will depend on future developments, many of which

are outside our control, including the severity, magnitude, duration and spread of COVID-19, including any recurrence of the pandemic, and related travel advisories, restrictions and future government action, all of which are highly uncertain and cannot be predicted. We are also unable to fully predict whether a recurrence of the COVID-19 pandemic will further change business practices and consumer behavior, such as long-term reduction in travel or a general reluctance to travel by consumers, which could materially impact our business, results of operations, cash flows, financial condition and liquidity.

We are subject to certain restrictions on our business as a result of our participation in governmental programs under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act").

Wheels Up applied for government assistance under the Payroll Support Program ("PSP") maintained and administered by U.S. Department of the Treasury (the "Treasury") as directed by the CARES Act and was awarded a total of \$76.4 million to support ongoing operations, all of which has been received. In addition, each of Mountain Aviation and Alante Air separately applied for assistance under the PSP, and were awarded an aggregate of \$7.3 million and \$0.6 million, respectively, all of which was received prior to our acquisition of such businesses in January 2021 and February 2022, respectively. None of Wheels Up, Mountain Aviation or Alante Air were required to issue equity or other form of security to the Treasury in connection with such awards.

In addition, Mountain Aviation received a loan (the "Mountain PPP Loan") in excess of \$2.0 million in April 2020 under the Payroll Protection Program ("PPP") administered pursuant to the CARES Act. Alante Air also received loans under the PPP in April 2020 and January 2021 (collectively with the Mountain PPP Loan, the "PPP Loans"), which totaled approximately \$0.7 million. The PPP Loans were forgiven in-full by the U.S. Small Business Administration ("SBA") before or during the fiscal year ended December 31, 2022.

Given participation by us and certain of our subsidiaries in governmental programs under the CARES Act, we may be subject to an audit by the Treasury and SBA. We believe that we satisfied the eligibility criteria for participation in such programs under the CARES Act. Certain certifications required to obtain such governmental support did not at the time contain any objective criteria and continue to be subject to interpretation. If, despite our good-faith belief that we and certain of our subsidiaries satisfied all eligibility requirements for governmental support under the CARES Act, the Company or its subsidiaries are later determined to have violated any of the laws or governmental regulations that apply to us in connection with the acceptance of such funds or it is otherwise determined that any of the Company or its subsidiaries was ineligible to receive such governmental support, we could be subject to civil, criminal and administrative penalties or adverse publicity. Any such events could consume significant financial and management resources and could have a material adverse effect on our business, results of operations and financial condition.

Delta may have the right to terminate its commercial agreements with us.

The CCA with Delta contemplates that we will work together with Delta each year to develop an annual joint marketing and communications plan that focuses on revenue and brand goals, influence/ambassador partnerships and co-branded event opportunities, and that Delta and we will provide certain benefits to the other's customers and share certain data.

The CCA also contemplates that we will provide certain in-kind benefits to Delta, measured on an annual basis. Examples of such in-kind benefits include our members' purchasing Delta products and services above a certain level and access for certain Delta customers to "Wheels Down" marketing activities, events and member experiences. We use reasonable best efforts to mutually agree upon the minimum amounts of in-kind benefits that we are required to provide. Such minimum levels are established by considering the impact of the COVID-19 pandemic on travel demand and in-person gatherings and the pace of industry recovery for years 2022 or later. If we are not able to provide the minimum amounts of in-kind benefits to Delta, subject to any cure rights that we may agree with Delta, Delta will have the right to terminate the CCA and the other commercial agreements, which would have a material adverse effect on our business, results of operations and cash flows.

The loss of key personnel upon whom we depend on to operate our business or the inability to attract additional qualified personnel could adversely affect our business.

We believe that our future success will depend in large part on our ability to retain or attract highly qualified management, technical and other personnel, particularly our founder and Chief Executive Officer, Kenny Dichter. We compete against commercial and private aviation operators, including the major U.S. airlines, for pilots, mechanics and other skilled labor, and some of the airlines or private aviation operators may offer wage and benefit packages which exceed ours. As we grow our fleet and/or experience fluctuations in pilot hiring or availability, including due to more pilots approaching retirement age or requiring pilots rated on different types of aircraft, we may be adversely affected by a pilot shortage. See “— *Pilot attrition may negatively affect our operations and financial condition.*” In addition, we may not be successful in retaining key personnel or in attracting other highly qualified personnel. Any inability to retain or attract significant numbers of qualified management and other personnel would have a material adverse effect on our business, results of operations and financial condition.

The supply of pilots to the airline and private aviation industries is limited and may negatively affect our operations and financial condition. Increases in our labor costs, which constitute a substantial portion of our total operating costs, may adversely affect our business, results of operations and financial condition.

Our pilots are subject to stringent pilot qualification and crew member flight training standards (“FAA Qualification Standards”), which among other things require minimum flight time for pilots, mandate strict rules to minimize pilot fatigue and require periodic recertification. The existence of such requirements effectively limits the supply of qualified pilot candidates and increases pilot salaries and related labor costs. A shortage of pilots would require us to further increase our labor costs, which would result in an increase in our operating expenses and negative impacts to Adjusted Contribution Margin. Such requirements also impact pilot scheduling, work hours and the number of pilots required to be employed for our operations.

In addition, our operations and financial condition may be negatively impacted if we are unable to train pilots in a timely manner. Due to an industry-wide shortage of qualified pilots, driven by the flight hours requirements under the FAA Qualification Standards, including any special requirements related to certain types of aircraft, and attrition resulting from the hiring needs of other industry participants, pilot training timelines have significantly increased and stressed the availability of flight simulators, instructors and related training equipment. Although we have taken measures to secure additional pilot training resources and flight simulator availability, the training of our pilots may not be accomplished in a cost-efficient manner or in a manner timely enough to support our operational needs.

Due to the flexibility on the types of aircraft and routes we offer, we may not have access to a qualified pilot at the departure location. We rely on commercial airlines to fly our pilots to the departure location. Any disruption to such commercial airline activity may cause us to delay or cancel a flight and could adversely affect our reputation, business, results of operation and financial condition. See “— *Aviation businesses are often affected by factors beyond their control including: air traffic congestion at airports; airport slot restrictions; air traffic control inefficiencies; increased and changing security measures; changing regulatory and governmental requirements; new or changing travel-related taxes; any of which could have a material adverse effect on our business, results of operations and financial condition.*”

Pilot attrition may negatively affect our operations and financial condition.

In recent years, we have experienced significant volatility in our attrition, including volatility resulting from pilot wage and bonus increases at other industry participants, the growth of cargo, low-cost and ultra-low-cost airlines, and more pilots reaching retirement age. In prior periods, these factors, at times, caused our pilot attrition rates to be higher than our ability to hire and retain replacement pilots. If our attrition rates are higher than our ability to hire and retain replacement pilots, our operations and financial results could be materially and adversely affected.

We may be subject to unionization, work stoppages, slowdowns or increased labor costs and the unionization of our pilots, maintenance workers and inflight crewmembers could result in increased labor costs.

Our business is labor intensive and while our employees, particularly our pilots and our maintenance workers, are not currently represented by labor unions, we may, in the future, experience union organizing activities of our pilots, maintenance workers or other crewmembers. Such union organization activities could lead to work slowdowns or stoppages, which could result in loss of business. In addition, union activity could result in demands that may increase our operating expenses and adversely affect our business, financial condition, results of operations and competitive position. Any of the different crafts or classes of our crewmembers could unionize at any time, which would require us to negotiate in good faith with the crew member group's certified representative concerning a collective bargaining agreement. In addition, we may be subject to disruptions by unions protesting the non-union status of our other crewmembers. Any of these events would be disruptive to our operations and could harm our business.

We may never realize the full value of our intangible assets, including goodwill or our long-lived assets, causing us to record impairments that may materially adversely affect our financial conditions and results of operations.

In accordance with applicable accounting standards, we are required to test our indefinite-lived intangible assets, including goodwill for impairment on an annual basis, or more frequently where there is an indication of impairment. We are also required to test certain of our other assets for impairment where there is any indication that an asset may be impaired, such as our market capitalization being less than the book value of our equity.

In addition, we may be required to recognize losses in the future due to, among other factors, extreme fuel price volatility, tight credit markets, government regulatory changes, decline in the fair values of certain tangible assets, such as aircraft, intangible assets, including goodwill, unfavorable trends in historical or forecasted results of operations and cash flows and an uncertain economic environment, as well as other uncertainties.

We identified a triggering event for the legacy Wheels Up reporting unit (excluding Air Partner) ("WUP Legacy") that occurred in the fiscal quarter ended September 30, 2022, and, accordingly, we performed an interim quantitative impairment assessment. The interim quantitative assessment was performed as of September 30, 2022, using the income approach. As a result of this assessment, a non-cash goodwill impairment charge of \$62.0 million was recorded to WUP Legacy for the third quarter ended September 30, 2022. During the fourth quarter ended December 31, 2022, we identified a triggering event for WUP Legacy, and, accordingly, we performed an interim quantitative impairment assessment. The interim quantitative assessment was performed as of December 31, 2022, using the income approach. As a result of this assessment, a non-cash goodwill impairment charge of \$118.0 million was recorded to WUP Legacy during the fourth quarter ended December 31, 2022. See Note 2, Summary of Significant Accounting Policies and Note 7, Goodwill and Intangible Assets in the of the Notes to Consolidated Financial Statements included herein for additional information.

Quantitative impairment assessments are sensitive to key assumptions, such as expected future cash flows, the degree of volatility in equity and debt markets, and our stock price. If the assumptions used in our assessments are not realized, or such assumptions change due to a change in business or market conditions impacting our forecasts, rises in interest rates that impact our estimate of weighted average cost of capital, or if the trading price of our Class A common stock declines significantly from historical levels, it is possible that an additional impairment charge for tangible or intangible assets, including goodwill, may need to be recorded in the future, including as result of the effects of factors outside our control on our flight schedules and business.

The value of our aircraft could also be impacted in future periods by changes in supply and demand for these aircraft, including as a result of the grounding of aircraft, which could adversely impact our business, operating results, cash flows, financial condition and liquidity, and cause adverse impacts to us under the agreements governing our indebtedness obligations. See also "*The residual value of our owned aircraft may be less than estimated in our depreciation policies.*"

An impairment loss related to our tangible or intangible assets, including goodwill, could have a material adverse effect on our financial condition and operating results. In addition, an impairment loss that is based on,

among others, changes in business or market conditions impacting our forecasts, the weighted average cost of capital or the market price of our Class A common stock, may adversely impact the perception of the Company held by stockholders, investors, members and customers, which may adversely impact our business, results of operations or financial condition, and the market price and volatility of our Class A common stock and Public Warrants.

The residual value of our owned aircraft may be less than estimated in our depreciation policies.

As of December 31, 2022, we had \$394.6 million of property and equipment and related assets, net of accumulated depreciation, of which \$344.5 million relates to owned aircraft. In accounting for these long-lived assets, we make estimates about the expected useful lives of the assets, the expected residual values of certain of these assets, and the potential for impairment based on the fair value of the assets and the cash flows they generate. Factors indicating potential impairment include, but are not limited to, significant decreases in the market value of the long-lived assets, a significant change in the condition of the long-lived assets and operating cash flow losses associated with the use of the long-lived assets. In the event the estimated residual value of any of our aircraft types is determined to be lower than the residual value assumptions used in our depreciation policies, the applicable aircraft type in our fleet may be impaired and may result in a material reduction in the book value of applicable aircraft types we operate or we may need to prospectively modify our depreciation policies. An impairment on any of the aircraft types we operate or an increased level of depreciation expense resulting from a change to our depreciation policies could result in a material negative impact to our financial results. Similarly, any factor that may cause an impairment on any of the aircraft types we operate may result in lower appraised values for such aircraft, which could cause adverse impacts to us under the agreements governing our indebtedness obligations.

Significant reliance on Textron aircraft and spare parts poses risks to our business and prospects.

As part of our business strategy, we have historically flown Textron Aviation ("Textron") aircraft substantially. A majority of the aircraft we currently operate are the product of that single manufacturer. We have negotiated preferred rates with Textron for line maintenance services, certain component repair services and to purchase and exchange parts. Parts and services from Textron are subject to their product and workmanship warranties. If Textron fails to adequately fulfill its obligations towards us or experiences interruptions or disruptions in production or provision of services due to, for example, bankruptcy, natural disasters, labor strikes or disruption of its supply chain, including due to ongoing impacts from the COVID-19 pandemic and the global economic slowdown, we may experience a significant delay in the delivery of or fail to receive previously ordered aircraft and parts, which would adversely affect our revenue and results of operations and could jeopardize our ability to meet the demands of our program participants. Although we could choose to operate aircraft of other manufacturers or increase our reliance on third-party operators, such a change would involve substantial expense to us and could disrupt our business activities.

Significant reliance on Pratt and Whitney and Rolls Royce aircraft engines poses risks to our owned and leased aircraft.

As part of our business strategy, we have historically relied on Pratt & Whitney and Rolls Royce aircraft engines to power our owned and leased aircraft. We have also entered into Program Agreements covering certain of our aircraft related to engine maintenance and overhauls for certain aircraft in our fleet. If either Pratt & Whitney or Rolls Royce fail to adequately fulfill their obligations towards us or experience interruptions or disruptions in production or provision of services due to, for example, bankruptcy, natural disasters, labor strikes or disruption of its supply chain, we may experience a significant delay in the delivery of or fail to receive previously ordered aircraft engines and parts, which would adversely affect our revenue and profitability and could jeopardize our ability to meet the demands of our program participants. In addition, if we fail to meet our obligations or are otherwise in default under the Program Agreements, our access to aircraft engines and parts may become limited and we may experience adverse consequences under the agreements governing our indebtedness, each of which could adversely impact our business, operations, cash flow, financial condition and liquidity.

We may incur substantial maintenance costs as part of our leased aircraft return obligations.

Our aircraft lease agreements may contain provisions that require us to return aircraft airframes and engines to the lessor in a specified condition or pay an amount to the lessor based on the actual return condition of the

equipment. These lease return costs are recorded in the period in which they are incurred. We estimate the cost of maintenance lease return obligations and accrue such costs over the remaining lease term when the expense is probable and can be reasonably estimated. Any unexpected increase in maintenance return costs may negatively impact our financial position and results of operations.

We are exposed to operational disruptions due to maintenance.

Our fleet requires regular maintenance work, which may cause operational disruption. Our inability to perform timely maintenance and repairs can result in our aircraft being underutilized which could have an adverse impact on our business, financial condition and results of operations. On occasion, airframe manufacturers and/or regulatory authorities require mandatory or recommended modifications to be made across a particular fleet which may mean having to ground a particular type of aircraft. This may cause operational disruption to, and impose significant costs on, us. Furthermore, our operations in remote locations, where delivery of components and parts or transportation of maintenance personnel could take a significant period of time, could result in delays in our ability to maintain and repair our aircraft. We often rely on commercial airlines to deliver such components and parts or transport maintenance personnel. Any such delays may pose a risk to our business, financial condition and results of operations. See “— *Aviation businesses are often affected by factors beyond their control including: air traffic congestion at airports; airport slot restrictions; air traffic control inefficiencies; increased and changing security measures; changing regulatory and governmental requirements; new or changing travel-related taxes; any of which could have a material adverse effect on our business, results of operations and financial condition.*” Moreover, as our aircraft base increases and our fleet ages, our maintenance costs could potentially increase and we may be unable to manage the composition of our fleet in a manner that reduces costs due to the availability and prices for replacement aircraft and parts.

Our transition to in-house maintenance, repair and overhaul activities could prove unsuccessful or impact key relationships.

We acquired MRO facilities as part of past acquisitions, and our business strategy contemplates that certain of the MRO activities for which we have historically relied on third-parties to perform would instead be handled at our facilities. We may be unsuccessful in such efforts or unable to expand such services commensurate with our growth, which could have an adverse effect on our future business and results of operations.

The successful execution of our MRO strategy could adversely affect our relationships with vendors historically providing MRO services to us, from whom we expect to continue to require maintenance and other services. In addition, performing such services in-house would internalize the risks and potential liability for the performance of such services. If maintenance is not performed properly this may lead to significant damage to aircraft, loss of life, negative publicity and legal claims against us, each of which could have an adverse impact on our business, results of operations, cash flows, financial condition and liquidity.

Significant increases in fuel costs that we are unable to pass along to our members and customers could have a material adverse effect on our business, financial condition and results of operations.

Fuel is essential to the operation of our aircraft and to our ability to carry out our transport services. Fuel costs are a key component of our operating expenses. A significant increase in fuel costs may impact flight activity by our members and customers, and otherwise negatively impact our revenue, operating expenses and results of operations, including Adjusted Contribution Margin. Pursuant to our membership agreements, we are able to add a limited fuel surcharge to our guaranteed capped rates with specified prior notice, and to our members and customers without capped rate pricing directly by adjusting our pricing when needed. In 2022, we introduced a fuel surcharge for our customers that is applied when the cost of cost of Jet A fuel, as published by the Argus U.S. Jet Fuel IndexTM, is more than \$2.00 per gallon and is calculated based on estimated billable flight time. Given our contractual ability to pass on increased fuel costs, in whole or in part, to certain of our customers and mitigate the risk with others, we do not maintain hedging arrangements for the price of fuel. However, increased fuel surcharges may adversely affect our member retention, customer flight activity and revenue if a prolonged period of high fuel costs occurs. In addition, potential increased environmental regulations that might require new fuel sources (e.g., sustainable aviation fuel) could lead to increased costs. To the extent there is a significant increase in fuel costs that affects the

amount our customers choose to fly with us, it may have a material adverse effect on our business, financial condition and results of operations.

If we face problems with any of our third-party service providers, our operations could be adversely affected.

Our reliance upon others to provide essential services on behalf of our operations may limit our ability to control the efficiency and timeliness of contract services. We have entered into agreements, including Program Agreements, with OEMs and third-party contractors to provide various facilities and services required for our operations, including aircraft maintenance, ground facilities and IT services, and expect to enter into additional similar agreements in the future. In particular, we rely on OEMs, Textron, Hartzell Propeller Inc. and third-party providers for procurement of replacement parts or to provide component exchange or repair services for our fleet. We also rely on Pratt and Whitney and Rolls Royce to provide engine maintenance for their respective engine products. Our agreements with such OEMs, and other service providers, are subject to termination after notice. If our third-party service providers terminate their contracts with us, including Program Agreements, or do not provide timely or consistently high-quality service, we may not be able to replace them in a cost-efficient manner or in a manner timely enough to support our operational needs, which could have a material adverse effect on our business, financial condition and results of operations. In addition, our operations could be materially and adversely affected by the failure or inability of OEMs to provide sufficient parts or related maintenance and support services to us in a timely manner.

Some of our business is dependent on our third-party operators to provide flights for our customers. If such third-party operators do not perform adequately or terminate their relationships with us, our costs may increase and our business, financial condition and results of operations could be adversely affected.

While we operate a significant portion of the flights for our customers, the transition to increased utilization of third-party operators is a key element of our go-forward, “asset right” fleet strategy. For the year ended December 31, 2022, approximately 25% of our revenue generating flights were fulfilled by third-party aircraft operators on our behalf, a substantial majority of which were with our ten most frequently used partners. We face the risk that any of our third-party operators may not fulfill their contracts and deliver their services on a timely basis, or at all. The ability of our third-party operators to effectively satisfy our requirements could also be impacted by any such third-party operators’ financial difficulty or damage to their operations caused by fire, terrorist attack, natural disaster, pandemic or other events. In addition, due to aircraft supply constraints across the industry, we may be required to pay more for capacity with our third-party operators to service customer or member flights. The failure of any third-party operators to perform to our expectations could result in delayed or cancelled flights or service credits, and harm the applicable portion of our business and customer relationships. Our reliance on third-party operators and our inability to fully control any operational difficulties or increased costs with our third-party operators could have a material adverse effect on the portion of our business where we use third-party operators, financial condition and results of operations.

In addition, due to our reliance on third-parties to supplement our capabilities, we are subject to the risk of disruptions to their operations, which has in the past and may in the future result from many of the same risk factors disclosed in this Part I, Item 1A. — “*Risk Factors*” section, such as the impact of adverse economic conditions and the inability of third-parties to hire or retain skilled personnel, including pilots and maintenance personnel. Several of these third-party operators provide significant capacity that we would be unable to replace in a short period of time should that operator fail to perform its obligations to us. Disruptions to capital markets, shortages of skilled personnel and adverse economic conditions in general, have subjected certain of these third-party operators to significant financial and operational pressures, which have in the past and could result in future temporary or permanent cessation of their operations.

Union strikes or staff shortages among airport workers or certain pilots of third-party aircraft operators may result in disruptions of our operations and thus could have a material adverse effect on some of our business, results of operations and financial condition. Any significant disruption to our operations as a result of problems with any of our third-party aircraft operators would have an adverse effect on our business, results of operations and financial condition.

In addition, we have entered into agreements with contractors to provide various facilities and services required for our operations. Because we rely on others to provide such services, our ability to control the efficiency and timeliness of such services is limited. Similar agreements may be entered into in any new markets we decide to serve. We are also at risk should one of these service providers cease operations, and there is no guarantee that we could replace these providers on a timely basis with comparably priced providers, or at all. Any material problems with the efficiency and timeliness of contract services, resulting from financial hardships or otherwise, could have a material adverse effect on our business, results of operations and financial condition.

In addition, in the event potential competitors establish cooperative or strategic relationships with third-party aircraft operators in the markets we serve, offer to pay third-party aircraft operators more attractive rates or guarantee a higher volume of flights than we have historically offered, we may not have access to the necessary number of aircraft to achieve our planned growth. If our third-party aircraft operators are unable or unwilling to support our growth, or we are unable to add new operators, some of our business and results of operations could be adversely affected. As the private aviation market grows, we expect competition for third-party aircraft operators to increase. Further, we expect that as competition in the private aviation market grows, the use of exclusive contractual arrangements with third-party aircraft operators, sometimes requiring volume guarantees and prepayments or deposits, may increase. This may require us to purchase or lease additional aircraft that may not be available or require us to incur significant capital or operating expenditures, in each case which may adversely impact our business, results of operations and financial condition.

Our insurance may become too difficult or expensive to obtain. If we are unable to maintain sufficient insurance coverage, it may materially and adversely impact our results of operations and financial position.

Hazards are inherent in the aviation industry and may result in loss of life and property, potentially exposing us to substantial liability claims arising from the operation of aircraft. We carry insurance for aviation hull, aviation liability, premises, hangarkeepers, product, war risk, general liability, workers compensation, directors and officers, cyber and other insurance customary in the industry in which we operate. Insurance underwriters are required by various federal and state regulations to maintain minimum levels of reserves for known and expected claims. However, there can be no assurance that underwriters have established adequate reserves to fund existing and future claims. The number of accidents, as well as the number of insured losses within the aviation and aerospace industries, and the impact of general economic conditions on underwriters may result in increases in premiums above the rate of inflation. To the extent that our existing insurance carriers are unable or unwilling to provide us with sufficient insurance coverage, and if insurance coverage is not available from another source (for example, a government entity), our insurance costs may increase and may result in our being in breach of regulatory requirements or contractual arrangements requiring that specific insurance be maintained, which may have a material adverse effect on our business, financial condition and results of operations.

In addition, incidents related to aircraft operation with respect to the portion of our business where we use third-party operators are covered by our third-party operators' insurance. If our third-party aircraft operators' insurance costs increase, such operators are likely to pass the increased costs to us, which could cause us to increase the prices paid by our customers. Such cost increases could adversely affect demand for our products and services and harm our business.

Our self-insurance programs may expose us to significant and unexpected costs and losses.

Since January 1, 2021, we have maintained employee health insurance coverage on a self-insured basis. We do maintain stop loss coverage which sets a limit on our liability for both individual and aggregate claim costs. Prior to January 1, 2021, we maintained such coverage on a fully insured basis. We record a liability for our estimated cost of claims incurred and unpaid as of each balance sheet date. Our estimated liability is recorded on an undiscounted basis and includes a number of significant assumptions and factors, including historical trends, expected costs per claim, actuarial assumptions and current economic conditions. Our history of claims activity for all lines of coverage has been and will be closely monitored, and liabilities will be adjusted as warranted based on changing circumstances. It is possible, however, that our actual liabilities may exceed our estimates of loss. In addition, we have rapidly hired employees to match the growth of our business, which may cause revaluation of our estimated liabilities and losses. We may also experience an unexpectedly large number of claims that result in costs or

liabilities in excess of our projections, and therefore we may be required to record additional expenses. For these and other reasons, our self-insurance reserves could prove to be inadequate, resulting in liabilities in excess of our available insurance and self-insurance. If a successful claim is made against us and is not covered by our insurance or exceeds our policy limits, our business may be negatively and materially impacted.

If our efforts to continue to build our strong brand identity and improve member satisfaction and loyalty are not successful, we may not be able to attract or retain members, and our operating results may be adversely affected.

We must continue to build and maintain strong brand identity for our products and services, which have expanded over time. We believe that strong brand identity will continue to be important in attracting members. If our efforts to promote and maintain our brand are not successful, our operating results and our ability to attract members and other customers may be adversely affected. From time to time, our members and other customers may express dissatisfaction with our products and service offerings, in part due to factors that could be outside of our control, such as the timing and availability of aircraft and service interruptions driven by prevailing political, regulatory or natural conditions. To the extent dissatisfaction with our products and services is widespread or not adequately addressed, our brand may be adversely impacted and our ability to attract and retain members may be adversely affected. With respect to our planned expansion into additional markets, we will also need to establish our brand and to the extent we are not successful, our business in new markets would be adversely impacted.

Any failure to offer high-quality customer support may harm our relationships with our customers and could adversely affect our reputation, brand, business, financial condition and results of operations.

Through our marketing, advertising, and communications with our customers, we set the tone for our brand as aspirational but also within reach. We strive to create high levels of customer satisfaction through the experience provided by our team and representatives. The ease and reliability of our offerings, including our ability to provide high-quality customer support, helps us attract and retain customers. Customers depend on our account managers and member services team to resolve any issues relating to our products and services, such as scheduling changes and other updates to trip details and assistance with certain billing matters. Our ability to provide effective and timely support is largely dependent on our ability to attract and retain skilled employees who can support our customers and are sufficiently knowledgeable about our product and services. As we continue to grow our business and improve our platform, we will face challenges related to providing quality support at an increased scale. Any failure to provide efficient customer support, or a market perception that we do not maintain high-quality support, could adversely affect our reputation, brand, business, financial condition and results of operations.

If we are unable to adequately protect our intellectual property interests or are found to be infringing on intellectual property interests of others, we may incur significant expense and our business may be adversely affected.

Our intellectual property includes our trademarks, domain names, website, mobile and web applications, software (including our proprietary algorithms and data analytics engines), copyrights, trade secrets and inventions (whether or not patentable). We believe that our intellectual property plays an important role in protecting our brand and the competitiveness of our business. If we do not adequately protect our intellectual property, our brand and reputation may be adversely affected and our ability to compete effectively may be impaired.

We protect our intellectual property through a combination of trademark, copyright, and trade secret laws, contracts and policies. Our efforts may not be sufficient or effective. For example, we do not have any issued patents and have not registered any of our copyrights. Moreover, we have registered our trademarks and domain names that we currently use in certain countries, but we may not be able to register them in other territories in which we may operate now or in the future or the cost of registering may significantly increase. Further, we may be unable to prevent competitors from acquiring trademarks or domain names that are similar to or diminish the value of our intellectual property. In addition, it may be possible for other parties to copy or reverse engineer our applications or other technology offerings. Moreover, our proprietary algorithms, data analytics engines, or other software or trade secrets, including UP FMS, may be compromised by third-parties or our employees, which could cause us to lose any competitive advantage we may have from them.

In addition, our business is subject to the risk of third-parties infringing our intellectual property. We may not always be successful in securing protection for, or identifying or stopping infringements of, our intellectual property and we may need to resort to litigation in the future to enforce our rights in this regard. Any such litigation could result in significant costs and a diversion of resources. Further, such enforcement efforts may result in a ruling that our intellectual property rights are unenforceable.

Moreover, companies in the aviation and technology industries are frequently subject to litigation based on allegations of intellectual property infringement, misappropriation or other violations. As we expand and raise our profile, the likelihood of intellectual property claims being asserted against us grows. Further, we may acquire or introduce new technology offerings, which may increase our exposure to patent and other intellectual property claims. Any intellectual property claims asserted against us, whether or not having any merit, could be time-consuming and expensive to settle or litigate. If we are unsuccessful in defending such a claim, we may be required to pay substantial damages or could be subject to an injunction or agree to a settlement that may prevent us from using our intellectual property or making our offerings available to customers. Some intellectual property claims may require us to seek a license to continue our operations, and those licenses may not be available on commercially reasonable terms or may significantly increase our operating expenses. If we are unable to procure a license, we may be required to develop non-infringing technological alternatives, which could require significant time and expense. Any of these events could adversely affect our business, financial condition and results of operations.

A delay or failure to identify and devise, invest in and implement certain important technology, business and other initiatives could have a material impact on our business, financial condition and results of operations.

In order to operate our business, achieve our goals, and remain competitive, we continuously seek to identify and devise, invest in, implement and pursue technology, business and other important initiatives, such as those relating to aircraft fleet structuring, UP FMS, business processes, information technology, initiatives seeking to ensure high quality service experience and others.

Our business and the aircraft we operate are characterized by changing technology, introductions and enhancements of models of aircraft and services and shifting customer demands, including technology preferences. Our future growth and financial performance will depend in part upon our ability to develop, market and integrate new services and to accommodate the latest technological advances and customer preferences. In addition, the introduction of new technologies or services that compete with our product and services could result in our revenues decreasing over time. If we are unable to upgrade our operations or fleet with the latest technological advances in a timely manner, or at all, our business, financial condition and results of operations could suffer.

A failure in our technology or breaches of the security of our information technology infrastructure may adversely affect our business and financial condition and disrupt our customers' businesses.

The performance and reliability of the technology that we and our third-party operators use is critical to our ability to compete effectively. A significant internal technological error or failure or large-scale external interruption in the technological infrastructures on which we and our third-party operators depend, such as power, telecommunications or the Internet, may disrupt our internal network. Any substantial, sustained or repeated failure of the technology that we or our third-party operators use could impact our ability to conduct our business, lower the utilization of our aircraft, and result in increased costs. Our and our third-party operators' technological systems and related data may be vulnerable to a variety of sources of interruption due to events beyond our control, including natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues.

In addition, as a part of our ordinary business operations, we collect and store sensitive data, including personally identifiable information of our employees and customers. Our information systems are subject to an increasing threat of continually evolving cybersecurity risks, as evidenced by a recent incident in which a cloud-based data storage system we maintain for customers was accessed by an intruder. On December 6, 2020, an unauthorized actor located outside of the U.S. gained access to certain files in the cloud-based storage system where certain of our flight management system customers (aircraft owners/operators) upload documents related to flights. Some of those documents contained personally identifiable information regarding flight passengers. We responded to the incident by implementing our incident response plan, remediating the vulnerability that enabled the data

security breach, and engaging both internal resources as well as outside experts for ongoing mitigation of any adverse impact. Nevertheless, it is possible that individuals whose personal information was included in the documents involved could be subject to identity theft if their information is misused, which could trigger complaints and potential liability, including through class action litigation.

Methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving, and may be difficult to anticipate or to detect for long periods of time. We may not be able to prevent future data security breaches or unauthorized uses of data. A compromise of the technology systems we use resulting in the loss, disclosure, misappropriation of, or access to, employees' or business partners' information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personally identifiable information, disruption to our operations and damage to our reputation, any, or all of which could adversely affect our business and financial condition.

We rely on third-party Internet, mobile, and other products and services to deliver our mobile and web applications and flight management system offerings, and any disruption of, or interference with, our use of those services could adversely affect our business, financial condition, results of operations and customers.

Our platform's continuing and uninterrupted performance is critical to our success. That platform is dependent on the performance and reliability of Internet, mobile and other infrastructure services that are not under our control. For example, we currently host our platform, including our mobile and web-based applications and the UP FMS, and support our operations using a third-party provider of cloud infrastructure services. While we have engaged reputable vendors to provide these products or services, we do not have control over the operations of the facilities or systems used by our third-party providers. These facilities and systems may be vulnerable to damage or interruption from natural disasters, cybersecurity attacks, human error, terrorist attacks, power outages, pandemics and similar events or acts of misconduct. In addition, any changes in one of our third-party service provider's service levels may adversely affect our ability to meet the requirements of our customers or needs of our employees. While we believe we have implemented reasonable backup and disaster recovery plans, we have experienced, and expect that in the future we will experience, interruptions, delays and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, capacity constraints or external factors beyond our control. Sustained or repeated system failures would reduce the attractiveness of our offerings and could disrupt our customers', suppliers', third-party vendors' and aircraft providers' businesses. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times, as we expand our products and service offerings. Any negative publicity or user dissatisfaction arising from these disruptions could harm our reputation and brand, may adversely affect the usage of our offerings, and could harm our business, financial condition and results of operation.

We rely on third-parties maintaining open marketplaces to distribute our mobile and web applications and to provide the software we use in certain of our products and offerings, including the provision of our flight management system. If such third-parties interfere with the distribution of our products or offerings, with our use of such software, or with the interoperability of our platform with such software, our business would be adversely affected.

Our platform's mobile applications rely on third-parties maintaining open marketplaces, including the Apple App Store and Google Play, which make applications available for download. We cannot be assured that the marketplaces through which we distribute our applications will maintain their current structures or that such marketplaces will not charge us fees to list our applications for download.

We rely upon certain third-party software and integrations with certain third-party applications to provide our platform and products and service offerings. As our offerings expand and evolve, we may use additional third-party software or have an increasing number of integrations with other third-party applications, software, products and services. Third-party applications, software, products and services are constantly evolving, and we may not be able to maintain or modify our platform, including our mobile and web-based applications and UP FMS, to ensure its compatibility with third-party offerings following development changes. Moreover, some of our competitors or technology partners may take actions which disrupt the interoperability of our offerings with their own products or

services, or exert strong business influence on our ability to, and the terms on which we, operate our platform and provide our products and service offerings to customers.

In addition, if any of our third-party providers cease to provide access to the third-party software that we use, do not provide access to such software on terms that we believe to be attractive or reasonable, do not provide us with the most current version of such software, modify their products, standards or terms of use in a manner that degrades the functionality or performance of our platform or is otherwise unsatisfactory to us or gives preferential treatment to competitive products or services, we may be required to seek comparable software from other sources, which may be more expensive or inferior, or may not be available at all. Any of these events could adversely affect business, financial condition and results of operations.

Because we use software to collect and store personal information, privacy concerns in the territories in which we operate could result in additional costs and liabilities to us or inhibit sales of our software offering.

The regulatory framework for privacy issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Many government bodies and agencies have adopted or are considering adopting laws and regulations regarding the collection, use, storage and disclosure of personal information and breach notification procedures. We are also required to comply with laws, rules and regulations relating to data security. Interpretation of these laws, rules and regulations and their application to our software and professional services in applicable jurisdictions is ongoing and cannot be fully determined at this time.

In the U.S., these include rules and regulations promulgated under the authority of the Federal Trade Commission, the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, and the CCPA and other state and federal laws relating to privacy and data security. By way of example, the CCPA requires covered businesses to provide new disclosures to California residents, provide them new ways to opt-out of certain disclosures of personal information, and allows for a new cause of action for data breaches. It includes a framework that includes potential statutory damages and private rights of action. There is some uncertainty as to how the CCPA, and similar privacy laws emerging in other states, could impact our business as it depends on how such laws will be interpreted. As we expand our operations, compliance with privacy laws may increase our operating costs.

Outside the U.S., an increasing number of laws, regulations, and industry standards apply to data privacy and security. For example, the GDPR, took effect in the European Union (“EU”) on May 25, 2018. Following the withdrawal of the United Kingdom (“UK”) from the EU, the UK continues to generally apply GDPR in substantially equivalent form. The GDPR increased covered businesses’ data privacy and security obligations and imposed stringent data privacy and security requirements, including, for example, detailed notices about how such businesses process personal data, the implementation of security measures, mandatory security breach notification requirements, contractual data protection requirements on data processors and limitations on the retention of records of personal data processing activities.

Such restrictions could increase our exposure to regulatory enforcement action, increase our compliance costs, and adversely affect our business.

Aviation businesses are often affected by factors beyond their control including: air traffic congestion at airports; airport slot restrictions; air traffic control inefficiencies; increased and changing security measures; changing regulatory and governmental requirements; new or changing travel-related taxes; any of which could have a material adverse effect on our business, results of operations and financial condition.

Like other aviation companies, our business is affected by factors beyond our control, including air traffic congestion at airports, airport slot restrictions, air traffic control inefficiencies and staffing shortages, increased and changing security measures, changing regulatory and governmental requirements, and new or changing travel-related taxes. Factors that cause flight delays frustrate passengers and increase operating costs and decrease revenues, which in turn could adversely affect demand for our products and services and profitability. Any general reduction in flight volumes could have a material adverse effect on our business, results of operations and financial condition.

In the U.S., the federal government singularly controls all U.S. airspace, and aviation operators are completely dependent on the FAA to operate that airspace in a safe, efficient and affordable manner. The expansion of our business into international markets involves a greater degree of interaction with the regulatory authorities of the foreign countries in which we may operate. The air traffic control system, which is operated by the FAA, in the U.S., faces challenges in managing the growing demand for U.S. air travel. U.S. and foreign air-traffic controllers often rely on outdated technologies that routinely overwhelm the system and compel aviation operators to fly inefficient, indirect routes resulting in delays and increased operational cost. In January 2023, the FAA experienced an unexpected technical system outage that resulted in all domestic commercial air traffic being temporarily grounded for several hours, which adversely impacted airlines and private aviation industry operators during the duration of the outage. There have also been recent instances where understaffing of certain U.S. and foreign air traffic control systems have led to flight delays and cancellations, and resulted in significant costs to aviation operators. These instances are capable of repetition and may harm our business and results of operations in the future.

In addition, discussions regarding privatization of the U.S. air traffic control system are ongoing, which could adversely affect our business. Further, implementation of the Next Generation Air Transport System by the FAA could result in changes to aircraft routings and flight paths that could lead to increased noise complaints and lawsuits, resulting in increased costs.

Extreme weather, natural disasters and other adverse events could have a material adverse effect on our business, results of operations and financial condition.

Adverse weather conditions and natural disasters, such as hurricanes, winter snowstorms or earthquakes, can cause flight cancellations or significant delays. We frequently fly to small or non-primary airports without a commercial airline presence, which may not maintain the level of preparedness to continue operations during such events. Cancellations or delays due to adverse weather conditions or natural disasters, air traffic control problems or inefficiencies, breaches in security or other factors may affect us to a greater degree than our competitors who may be able to recover more quickly from these events, and therefore could have a material adverse effect on our business, results of operations and financial condition to a greater degree than other air carriers. Any general reduction in passenger traffic could have a material adverse effect on our business, results of operations and financial condition.

We are subject to risks associated with climate change, including the potential increased impacts of severe weather events on our operations and infrastructure.

All climate change-related regulatory activity and developments may adversely affect our business and financial results by requiring us to reduce our emissions, make capital investments to modernize certain aspects of our operations, purchase carbon offsets or sustainable aviation fuel, or otherwise pay for our emissions. Such activity may also impact us indirectly by increasing our operating costs and adversely affecting our Adjusted Contribution Margin.

The potential physical effects of climate change, such as increased frequency and severity of storms, floods, fires, fog, mist, freezing conditions, sea-level rise and other climate-related events, could affect our operations, infrastructure, and financial results. Operational impacts, such as the delay or cancellation of flights, could result in loss of revenue, decrease the demand for our products and services, and harm our reputation. In addition, certain airports that we frequently utilize and certain of our facilities are in locations susceptible to the impacts of storm-related flooding and sea-level rise, which could result in costs and loss of revenue. We could incur significant costs to improve the climate resiliency of our infrastructure and otherwise prepare for, respond to, and mitigate such physical effects of climate change. We are not able to accurately predict the materiality of any potential losses or costs associated with the physical effects of climate change.

Our business is primarily focused on certain targeted geographic regions making us vulnerable to risks associated with having geographically concentrated operations.

Our customer base is primarily concentrated in certain geographic regions of the U.S., including the northeast, southeast, southwestern and western regions. As a result, our business, financial condition and results of operations are susceptible to regional economic downturns and other regional factors, including state regulations and budget

constraints and severe weather conditions, catastrophic events or other disruptions. Likewise, our international operations and customers are generally concentrated in certain European and Middle East countries. As we seek to expand in our existing markets, opportunities for growth within these regions will become more limited and the geographic concentration of our business may increase.

The operation of aircraft is subject to various risks, and failure to maintain an acceptable safety record may have an adverse impact on our ability to obtain and retain customers.

The operation of aircraft is subject to various risks, including catastrophic disasters, crashes, mechanical failures and collisions, which may result in loss of life, personal injury and/or damage to property and equipment. We may experience accidents in the future. These risks could endanger the safety of our customers, our personnel, third-parties, equipment, cargo and other property (both ours and that of third-parties), as well as the environment. If any of these events were to occur, we could experience loss of revenue, termination of customer contracts, higher insurance rates, litigation, regulatory investigations and enforcement actions (including potential grounding of our fleet and suspension or revocation of our operating authorities) and damage to our reputation and customer relationships. In addition, to the extent an accident occurs with an aircraft we operate or charter, we could be held liable for resulting damages, which may involve claims from injured passengers, and survivors of deceased passengers and property owners. There can be no assurance that the amount of our insurance coverage available in the event of such losses would be adequate to cover such losses, or that we would not be forced to bear substantial losses from such events, regardless of our insurance coverage. Moreover, any aircraft accident or incident, even if fully insured, and whether involving us or other private aircraft operators, could create a public perception that we are less safe or reliable than other private aircraft operators, which could cause our customers to lose confidence in us and switch to other private aircraft operators or other means of transportation. In addition, any aircraft accident or incident, whether involving us or other private aircraft operators, could also affect the public's view of industry safety, which may reduce the amount of trust by our customers.

We incur considerable costs to maintain the quality of (i) our safety program, (ii) our training programs and (iii) our fleet of aircraft. We cannot guarantee that these costs will not increase. Likewise, we cannot guarantee that our efforts will provide an adequate level of safety or an acceptable safety record. If we are unable to maintain an acceptable safety record, we may not be able to retain existing customers or attract new customers, which could have a material adverse effect on our business, financial condition and results of operations. Failure to comply with regulatory requirements related to the maintenance of our aircraft and associated operations may result in enforcement actions, including revocation or suspension of our operating authorities in the U.S. and potentially other countries.

Any damage to our reputation or brand image could adversely affect our business or financial results.

Maintaining a good reputation globally is critical to our business. Our reputation or brand image could be adversely impacted by, among other things, any failure to maintain high ethical, social and environmental sustainability practices for all of our operations and activities, our impact on the environment, public pressure from investors or policy groups to change our policies, such as movements to institute a "living wage," customer perceptions of our advertising campaigns, sponsorship arrangements or marketing programs, customer perceptions of our use of social media, or customer perceptions of statements made by us, our employees and executives, agents or other third-parties. In addition, we operate in a highly visible industry that has significant exposure to social media. Negative publicity, including as a result of misconduct by our customers, vendors or employees, can spread rapidly through social media. Any change in public perception of the private aviation industry due to perceived negative impacts on the environment and climate change may have an adverse impact on the demand for our products, services and reputations, which could adversely affect our business, results of operations and financial condition. Should we not respond in a timely and appropriate manner to address negative publicity, our brand and reputation may be significantly harmed. Damage to our reputation or brand image or loss of customer confidence in our services could adversely affect our business and financial results as well as require additional resources to rebuild or repair our reputation.

We could suffer losses and adverse publicity stemming from any accident involving our aircraft models operated by third-parties.

Certain aircraft models that we operate have experienced accidents while operated by third-parties. If other operators experience accidents with aircraft models that we operate, obligating us to take such aircraft out of service until the cause of the accident is determined and rectified, we may lose revenues and customers. It is also possible that the FAA or other regulatory bodies in another country could ground a model of aircraft that we fly and restrict it from flying in their airspace. In addition, safety issues experienced by a particular model of aircraft could result in customers refusing to use that particular aircraft model or a regulatory body grounding that particular aircraft model. The value of the aircraft model might also be permanently reduced in the secondary market if the model were to be considered less desirable for future service, which may adversely impact our ability to comply with certain covenants under the agreements governing our indebtedness or require us to post additional collateral to comply with such covenants. Such accidents or safety issues related to aircraft models that we operate could have a material adverse effect on our business, financial condition and results of operations.

Terrorist activities or warnings have dramatically impacted the aviation industry and will likely continue to do so.

The terrorist attacks of September 11, 2001 and their aftermath have negatively impacted the aviation business in general. If additional terrorist attacks are launched against the aviation industry, there will be lasting consequences of the attacks, which may include loss of life, property damage, increased security and insurance costs, increased concerns about future terrorist attacks, increased government regulation and airport delays due to heightened security. We cannot provide any assurance that these events will not harm the aviation industry generally or our operations or financial condition in particular.

Risks Related to Our Indebtedness and Contractual Obligations

Our obligations in connection with our contractual obligations, including long-term leases and debt financing obligations, could impair our liquidity and thereby harm our business, results of operations and financial condition.

We have significant long-term lease and debt financing obligations primarily relating to our aircraft fleet, and we may incur additional obligations as we expand our aircraft fleet and operations. As of December 31, 2022, we had 67 aircraft under operating leases, with an average remaining lease term of approximately 4.0 years. As of December 31, 2022, future minimum lease payments due under all long-term operating leases were approximately \$152.8 million. In addition, on October 14, 2022, WUP LLC, an indirect subsidiary of the Company, issued equipment notes (collectively, the “Equipment Notes”) in an aggregate principal amount of \$270.0 million (the “2022-1 Equipment Note Financing”) secured by 134 of the Company’s owned aircraft fleet and certain of our intellectual property assets of the Company and certain of its subsidiaries. The Equipment Notes require quarterly payments of interest and a specified percentage of unpaid principal amount, and have final expected distribution dates ranging from July 15, 2025 to October 15, 2029 depending on the type of aircraft, unless earlier redeemed by WUP LLC. As of December 31, 2022, \$270.0 million aggregate principal amount of the Equipment Notes were outstanding, with a weighted average remaining maturity of 5.7 years.

Our ability to timely pay our contractual obligations, including our long-term lease obligations and required payments under the Equipment Notes, or perform our obligation to provide services for which we have already received deferred revenue, will depend on our results of operations, cash flow, liquidity and ability to secure additional financing, which will in turn depend on, among other things, the success of our current business strategy, U.S. and global economic and political conditions, the availability and cost of financing, and other factors that may be beyond our control. If our liquidity is materially diminished, our cash flow available to fund our working capital requirements and operations, debt service obligations, capital expenditures and strategic initiatives may be materially and adversely affected, or we may not be able to realize the benefits of, or otherwise maintain, certain relationships with our business partners, members and customers. We cannot be assured that our operations will generate sufficient cash flow to make any required payments or perform our obligation to provide services for which we have already received deferred revenue, or that we will be able to obtain financing to make expenditures in pursuit of our strategic initiatives. The amount of our contractual obligations and timing of required payments could have a material adverse effect on our business, results of operations and financial condition.

Our ability to obtain financing or access capital markets may be limited.

There are a number of factors that may limit our ability to raise financing or access capital markets in the future, including future debt and future contractual obligations, our liquidity and credit status, our operating cash flows, the market conditions in the aviation industry, U.S. and global economic conditions, the general state of the capital markets and the financial position of the major providers of aircraft and other aviation industry financing. We also may not, without the consent of Delta, issue any equity or equity-linked securities to certain domestic commercial air carriers. We cannot assure you that we will be able to source external financing for our capital needs, and if we are unable to source financing on acceptable terms, or unable to source financing at all, our business could be materially adversely affected. To the extent we finance our activities with debt, we may become subject to financial and other covenants that may restrict our ability to pursue our business strategy or otherwise constrain our growth and operations.

Our ability to obtain additional financing on terms we deem attractive or access the capital markets may be limited under certain circumstances.

Our operations are capital intensive, and we require sufficient liquidity levels for our operations and strategic growth plans. We have significant debt obligations and may seek to incur additional indebtedness in the future to fund working capital requirements, debt service obligations, capital expenditures and strategic initiatives. Numerous factors may affect our ability to obtain financing or access the capital markets in the future on terms attractive to us, including our liquidity, operating cash flows and the timing of capital requirements, credit status and any credit ratings assigned to us, market conditions in the private aviation industry, U.S. and global economic conditions and conditions in the capital markets generally, and the availability of our assets as collateral for future financings. We can provide no assurance that external financing will be available to us in the future on terms that we deem attractive, or at all, to fund the capital needs for our business. If we are unable to source additional financing on terms we deem attractive, or at all, our business, results of operations and financial condition could be materially adversely affected, and we may be unable to execute our strategic goals.

Agreements governing our debt obligations include financial and other covenants that provide limitations on our business and operations under certain circumstances, and failure to comply with any of the covenants in such agreements could adversely impact us.

Our financing agreements, including those in connection with the 2022-1 Equipment Note Financing, and other financing agreements that we may enter into from time to time, contain certain affirmative, negative and financial covenants, and other customary events of default. Under certain circumstances, such covenants require us to maintain minimum liquidity levels, limit our ability to enter into certain strategic transactions, make certain investments, pay dividends and make certain other specified restricted payments, and limit the loan-to-value ratio of all aircraft financed under the Equipment Notes based on periodic appraisals of aircraft. Certain covenants in our financing agreements are subject to important exceptions, qualifications and cure rights, including, under limited circumstances, the requirement to provide additional collateral or prepay or redeem certain obligations. In addition, certain of our financing agreements are cross-collateralized, such that an event of default or acceleration of indebtedness under one agreement could result in an event of default under other financing agreements. If we fail to comply with such covenants, if any other events of default occur for which no waiver or amendment is obtained, or if we are unable to timely refinance the debt obligations subject to such covenants or take other mitigating actions, the holders of our indebtedness could, among other things, declare outstanding amounts immediately due and payable and, subject to the terms of relevant financing agreements, repossess or foreclose on collateral, including certain of our aircraft or other assets used in our business. The acceleration of significant indebtedness or actions to repossess or foreclose on collateral may cause us to renegotiate, repay or refinance the affected obligations, and there is no assurance that such efforts would be successful or on terms we deem attractive. In addition, any acceleration or actions to repossess or foreclose on collateral under our financing agreements could result in a downgrade of any credit ratings then applicable to us, which could result in additional events of default or limit our ability to obtain additional financing.

Legal and Regulatory Risks Relating to Our Business

We are subject to significant governmental regulation and changes in government regulations imposing additional requirements and restrictions on our operations could increase our operating costs and result in service delays and disruptions.

All interstate air carriers, including us, are subject to regulation by the DOT, the FAA and other governmental agencies, including the DHS, the TSA, the CBP and others. The laws enforced by these and other agencies impose substantial costs on us, may reduce air travel demand, and also may restrict the manner in which we conduct our business now or in the future, resulting in a material adverse effect on our operations. We also incur substantial costs in maintaining our current certifications and otherwise complying with the laws to which we are subject. An adverse decision by a federal agency may have a material adverse effect on our operations, such as an FAA decision to ground, or require time consuming inspections of or maintenance on, all or any of our aircraft. Our business may also be affected if government agencies shut down for any reason or if there is significant automation or another operational disruption, such as those attributed to Air Traffic Control or weather.

In addition, as described under the caption “— Delaware law and our Organizational Documents contain certain provisions, including anti-takeover provisions that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable,” we are also subject to restrictions imposed by federal law on foreign ownership of U.S. airlines and oversight by the DOT in maintaining our status as a U.S. Citizen (as such term is set forth in Title 49, U.S. Code, Section 40102 and administrative interpretations thereof issued by the DOT or its predecessor or successors, or as the same may be from time to time amended). A failure to comply with or changes to these restrictions may materially adversely affect our business.

Revocation of permits, approvals, authorizations and licenses.

Our business also requires a variety of federal, state and local permits, approvals, authorizations and licenses. Our business depends on the maintenance of such permits, approvals, authorizations and licenses. Our business is subject to regulations and requirements and may be adversely affected if we are unable to comply with existing regulations or requirements or if changes in applicable regulations or requirements occur.

We are subject to various environmental and noise laws and regulations, which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to increasingly stringent federal, state, local and foreign laws, regulations and ordinances relating to the protection of the environment and noise, including those relating to emissions to the air, discharges (including storm water and de-icing fluid discharges) to surface and subsurface waters, safe drinking water and the use, management, disposal and release of, and exposure to, hazardous substances, oils and waste materials. We are or may be subject to new or proposed laws and regulations that may have a direct effect (or indirect effect through our third-party specialists or airport facilities at which we operate) on our operations, including related to the environment, climate change and related reporting. Any such existing, future, new or potential laws and regulations could have an adverse impact on our business, results of operations and financial condition.

Similarly, we are subject to environmental laws and regulations that require us to investigate and remediate soil or groundwater to meet certain remediation standards. Under certain laws, generators of waste materials, lessees, and current and former owners or operators of facilities, can be subject to liability for investigation and remediation costs at locations that have been identified as requiring response actions. Liability under these laws may be strict, joint and several, meaning that we could be liable for the costs of cleaning up environmental contamination regardless of fault or the amount of wastes directly attributable to us.

Environmental regulation and liabilities, including new or developing laws and regulations, or our initiatives in response to pressure from our stakeholders may increase our costs of operations and adversely affect us.

In recent years, governments, customers, suppliers, employees and other of our stakeholders have increasingly focused on climate change, carbon emissions, waste generation and energy use and the public disclosure of such items. Laws and regulations that curb the use of conventional energy or require the use of renewable fuels or

renewable sources of energy, such as sustainable aviation fuel or wind or solar power, could result in a decrease in the availability of hydrocarbon-based fuels for our aircraft or result in higher costs for such fuels. In addition, governments could pass laws, regulations or taxes that increase the cost of such fuels, thereby decreasing demand for our services and also increasing the costs of our operations by our third-party aircraft operators. Other laws or pressure from our stakeholders may adversely affect our business and financial results by requiring, or otherwise causing, us to reduce our emissions, make capital investments to modernize certain aspects of our operations, purchase carbon offsets or otherwise pay for our emissions, or make disclosures about or energy usage or emissions. Such activity may also impact us indirectly by increasing our operating costs. More stringent environmental laws, regulations or enforcement policies, as well as motivation to maintain our reputation with our key stakeholders, could have a material adverse effect on our business, financial condition and results of operations.

The issuance of operating restrictions applicable to one of the aircraft types we operate could have a material adverse effect on our business, results of operations and financial condition.

Our owned and leased fleet is comprised of a limited number of aircraft types, including the Beechcraft King Air 350i turboprop, Hawker 400XP, Cessna Citation Excel/XLS, Citation X and CJ3 aircraft. The issuance of FAA or manufacturer directives restricting or prohibiting the use of any one or more of the aircraft types we operate could have a material adverse effect on our business, results of operations and financial condition. In addition, such restrictions might also permanently reduce the value of certain aircraft types in the secondary market, which may adversely impact our ability to comply with certain covenants under the agreements governing our indebtedness or require us to post additional collateral to comply with such covenants.

We may become involved in litigation that may materially adversely affect us.

From time to time, we may become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including employment, commercial, product liability, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and enforcement proceedings. Such matters can be time-consuming, divert management attention and resources, cause us to incur significant expenses or liability and/or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe that we have meritorious claims or defenses. Because litigation is inherently unpredictable, the results of any of these actions may have a material adverse effect on our business, results of operations and financial condition.

Risks Relating to Ownership of Our Securities and Being a Public Company

Our Warrants are accounted for as liabilities and the changes in value of our Warrants could have a material effect on our financial results.

On April 12, 2021, the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the SEC together issued a statement regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled “Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies (“SPACs”))” (the “SEC Statement”). Specifically, the SEC Statement focused on certain settlement terms and provisions related to certain tender offers following a business combination, which terms are similar to those contained in the warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us (the “Warrant Agreement”), which govern our Warrants. As a result of the SEC Statement, prior to the Business Combination, Aspirational reevaluated the accounting treatment of its 7,991,544 public warrants (“Public Warrants”) and 4,529,950 private warrants (“Private Warrants”) and, together with the Public Warrants, the “Warrants”) and determined to classify the Warrants as derivative liabilities measured at fair value, with changes in fair value each period reported in earnings.

As a result, included on our consolidated balance sheet as of December 31, 2022 contained in this Annual Report are derivative liabilities related to embedded features contained within the Warrants. Financial Accounting Standards Board Accounting Standards Codification (“ASC”) 815, *Derivatives and Hedging* provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in earnings in the statement of operations. As a result of the recurring fair value measurement, our financial statements and results of operations may fluctuate quarterly, based

on factors, which are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non-cash gains or losses on our Warrants each reporting period and that the amount of such gains or losses could be material.

We may amend the terms of the Warrants in a manner that may be adverse to holders of Public Warrants with the approval by the holders of at least 65% of the then outstanding Public Warrants.

The Warrants were issued in registered form under the Warrant Agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The Warrant Agreement provides that (a) the terms of the Warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or correct any mistake or defective provision or (ii) adding or changing any provisions with respect to matters or questions arising under the Warrant Agreement as the parties to the Warrant Agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the Warrants and (b) all other modifications or amendments require the vote or written consent of at least 65% of the then outstanding Public Warrants and, solely with respect to any amendment to the terms of the Private Warrants or any provision of the Warrant Agreement with respect to the Private Warrants, at least 65% of the then outstanding Private Warrants. Accordingly, we may amend the terms of the Public Warrants in a manner adverse to a holder if holders of at least 65% of the then outstanding Public Warrants approve of such amendment. Although our ability to amend the terms of the Public Warrants with the consent of at least 65% of the then outstanding Public Warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the Warrants, shorten the exercise period or decrease the number of shares of Class A common stock purchasable upon exercise of a Warrant.

We will have broad discretion over the use of proceeds from the exercise of our Warrants and options, and we may invest or spend the proceeds in ways with which investors do not agree and in ways that may not yield a return.

We will have broad discretion over the use of proceeds from the exercises of our Warrants and options. Investors may not agree with our decisions, and our use of the proceeds may not yield a return on investment. We intend to use these net proceeds for general corporate purposes, which may include capital expenditures and working capital. Our use of these proceeds may differ substantially from our current plans. Our failure to apply the net proceeds from the exercises of Warrants and options effectively could impair our ability to pursue our growth strategy or could require us to raise additional capital.

There is no guarantee that our Warrants will be in the money, and they may expire worthless and the terms of our Warrants may be amended.

The exercise price for our Warrants is \$11.50 per share of Class A common stock. There is no guarantee that the Warrants will be in the money at any given time prior to their expiration. If the trading price of our Class A common stock declines, the Warrants may expire worthless.

We may redeem your unexpired Warrants prior to their exercise at a time that is disadvantageous to you, thereby making your Warrants worthless.

We have the ability to redeem the outstanding Warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.01 per Warrant if, among other things, the last reported sale price of a share of Class A common stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the Warrant holders (the "Reference Value") equals or exceeds \$18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Warrant). If and when the Warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. As a result, we may redeem the Warrants as set forth above even if the holders are otherwise unable to exercise the Warrants. Redemption of the outstanding Warrants as described above could force holders to: (1) exercise Warrants and pay the exercise price therefor at a time when it may be disadvantageous for the holders to do so; (2) sell Warrants at the then-current market price when the holders might otherwise wish to hold Warrants; or (3) accept the nominal redemption price which, at the time the outstanding Warrants are called for redemption, we expect would

be substantially less than the market value of the Warrants. Except in limited circumstances, none of the Private Warrants will be redeemable by us (so long as they are held by Aspirational or its permitted transferees).

In addition, we have the ability to redeem the outstanding Warrants at any time after they become exercisable and prior to their expiration, at a price of \$0.10 per Warrant if, among other things, the Reference Value equals or exceeds \$10.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Warrant). In such a case, the holders will be able to exercise their Warrants prior to redemption for a number of shares of Class A common stock determined based on the redemption date and the fair market value of our Class A common stock. The value received upon exercise of the Warrants (1) may be less than the value the holders would have received if they had exercised their Warrants at a later time where the underlying share price is higher and (2) may not compensate the holders for the value of the Warrants, including because the number of ordinary shares received is capped at 0.361 Class A common stock per Warrant (subject to adjustment) irrespective of the remaining life of the Warrants.

We identified material weaknesses in internal control over financial reporting, and determined that they resulted in our internal control over financial reporting and disclosure controls and procedures not being effective, during the year ended December 31, 2022. If we are not able to remediate these material weaknesses, or we identify additional deficiencies in the future or otherwise fail to maintain an effective system of internal controls, including disclosure controls and procedures, this could result in material misstatements of our financial statements or cause us to fail to meet our reporting obligations.

The SEC rules define a material weakness as a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a registrant's financial statements will not be prevented or detected on a timely basis. Wheels Up is required to annually provide management's attestation on internal controls pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley") beginning with the year ended December 31, 2022. We are also required to disclose significant changes made to our internal control procedures on a quarterly basis and any material weaknesses identified by our management in our internal control over financial reporting during the course of related assessments. In addition, our independent registered public accounting firm must attest to the effectiveness of our internal control over financial reporting under Sarbanes-Oxley. The standards required for a public company under Sarbanes-Oxley are significantly more stringent than those previously required of Wheels Up as a privately-held company prior to the closing of the Business Combination on July 13, 2021.

In connection with the preparation of the audited financial statements to be included in this Annual Report on Form 10-K, management identified a material weakness in certain internal controls over financial reporting related to the financial statement close process. The material weakness resulted in a restatement of the Company's unaudited condensed consolidated financial statements as of and for the three and nine months ended September 30, 2022 to recognize a non-cash goodwill impairment charge which should have been recognized during the three months ended September 30, 2022. Management determined that such material weakness resulted in the Company's internal control over financial reporting and disclosure controls and procedures not being effective as of September 30, 2022. The Company filed a Quarterly Report on Form 10-Q/A with the SEC on March 31, 2023 to restate the unaudited condensed consolidated financial statements as of and for the three and nine months ended September 30, 2022.

In connection with an audit of Wheels Up's consolidated financial statements for the year ended December 31, 2022, management assessed the effectiveness of our internal control over financial reporting as of December 31, 2022 and identified material weaknesses in our internal controls over financial reporting with respect certain deficiencies in information technology ("IT") general controls for IT systems and applications that are relevant to the preparation of the consolidated financial statements, and the failure to maintain effective controls over the financial statement close and key business processes. These deficiencies could impact the effectiveness of IT-dependent controls, as well as the effectiveness of our controls around the periodic closing and preparation processes for our financial statements, which could result in future misstatement(s) impacting financial statement accounts and disclosures that may in-turn result in a material misstatement of our annual or interim financial statements that we would have failed to prevent or detect. As a result of these material weaknesses, our management concluded that our internal control over financial reporting and disclosure controls and procedures were not effective as of December 31, 2022. See Part II, Item 9A. — "Controls and Procedures" in this Annual Report for additional

information about these material weaknesses and management's assessment of our internal control over financial reporting and disclosure controls and procedures during the year ended December 31, 2022.

In addition, in connection with an audit of Aspirational's financial statements for the year ended December 31, 2020 prior to the consummation of the Business Combination, Aspirational identified a defined material weakness in its internal control over financial reporting due to a lack of controls to identify and record expenses that require accrual to ensure liabilities in the financial statements are reported completely and accurately. Following the issuance of the SEC Statement, on May 4, 2021, after consultation with Aspirational's independent registered public accounting firm, Aspirational's management and Aspirational's audit committee concluded that, in light of the SEC Statement, it was appropriate to restate (i) certain items on Aspirational's previously issued audited balance sheet as of September 25, 2020, which were related to Aspirational's initial public offering, (ii) Aspirational's unaudited quarterly financial statements as of September 30, 2020 and for the period from July 7, 2020 (inception) through September 30, 2020 and (iii) Aspirational's audited financial statements as of December 31, 2020 and for the period from July 7, 2020 (inception) through December 31, 2020. See "*Our Warrants are accounted for as liabilities and the changes in value of our Warrants could have a material effect on our financial results.*" Due solely to the events that led to the restatement of certain of Aspirational's financial statements, Aspirational concluded that it had a material weakness in its internal controls over financial reporting. We have implemented measures to remediate the material weakness with respect to Aspirational.

Effective internal controls are necessary for us to provide reliable financial statements and prevent or detect fraud. The material weaknesses in internal control over financial reporting described above, any new deficiencies identified in the future or any deficiencies in our disclosure controls and procedures, if not timely remediated, could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. We are in the process of implementing a remediation plan to remediate the material weaknesses identified in fiscal year 2022, which is designed to improve our internal controls. We can provide no assurance that the measures we have taken to-date and any actions that we may take in the future will be sufficient to remediate these control deficiencies, or that such remediation measures will be effective at preventing or avoiding potential future significant deficiencies or material weaknesses in our internal controls. If we identify any new deficiencies in the future or are not able to successfully remediate the material weaknesses identified in fiscal year 2022 and related deficiencies in our disclosure controls and procedures, the accuracy and timing of our financial reporting may be adversely affected, stockholders, investors, members and customers may lose confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock and Public Warrants could decline, we could be subject to sanctions or investigations by the SEC, NYSE or other regulatory authorities, and we may not be able to source external financing for our capital needs on acceptable terms or at all. Each of the foregoing items could adversely affect our business, results of operations, financial condition, and the market price and volatility of our Class A common stock and Warrants. In addition, we have expended, and expect to continue to expend, significant resources, including accounting-related costs and significant management oversight, in order to assess, implement, maintain, remediate and improve the effectiveness of our internal control over financial reporting and our general control environment.

In addition, as a result of the material weaknesses described above, the change in accounting for the Warrants, past restatements of Aspirational's and our financial statements, and other matters raised or that may in the future be raised by the SEC, we face the potential for litigation or other disputes which may include, among others, claims invoking the federal and state securities laws, contractual claims or other claims arising from the deficiencies in our internal control over financial reporting described above, the preparation of our financial statements and the restatement described above. As of the date of this Annual Report, we have no knowledge of any such litigation or dispute. However, we can provide no assurance that such litigation or dispute will not arise in the future. Any such litigation or dispute, whether successful or not, could have a material adverse effect on our business, results of operations, liquidity and financial condition.

The restatement of our prior quarterly financial statements may affect stockholder and investor confidence in us or harm our reputation, and may subject us to additional risks and uncertainties, including increased costs and the increased possibility of legal proceedings and regulatory inquiries, sanctions or investigations.

In connection with the preparation of the audited financial statements to be included in this Annual Report on Form 10-K, management identified a material weakness in certain internal controls over financial reporting related to the financial statement close process. These deficiencies related to the review of complex accounting matters, which resulted in a restatement of the Company's unaudited condensed consolidated financial statements as of and for the three and nine months ended September 30, 2022 to recognize a non-cash goodwill impairment charge which should have been recognized during the three months ended September 30, 2022. The Company filed a Quarterly Report on Form 10-Q/A with the SEC on March 31, 2023 to restate the unaudited condensed consolidated financial statements as of and for the three and nine months ended September 30, 2022.

As a result of the restatement described above, we have incurred, and may continue to incur, unanticipated costs for accounting and legal fees in connection with, or related to, such restatement. In addition, such restatement could subject the Company to a number of additional risks and uncertainties, including the increased possibility of legal proceedings and inquiries, sanctions or investigations by the SEC, NYSE or other regulatory authorities. Any of the foregoing may adversely affect our reputation, the accuracy and timing of our financial reporting, or our business, results of operations, liquidity and financial condition, or cause stockholders, investors, members and customers to lose confidence in the accuracy and completeness of our financial reports or cause the market price of our Class A common stock and Public Warrants to decline.

Certain of our stockholders will experience immediate dilution as a consequence of future issuances of Class A common stock pursuant to the 2021 LTIP, as part of the Earnout Shares, due to the cash exercise of WUP stock options and due to the exchange of any WUP profits interests for shares of Class A common stock at a level above the intrinsic value of the WUP profits interests.

As of December 31, 2022, there were 251,982,984 and 249,338,569 shares of Class A common stock issued and outstanding, respectively, which excludes the possible future issuance of any Class A common stock as Earnout Shares and in connection with the exercise of any Warrants. If stock options are cash exercised, or if due to appreciation of our Class A common stock, WUP profits interests become exchangeable for a greater amount of shares of Class A common stock, the percentage ownership held by existing stockholders in Wheels Up will be different.

In addition, our employees, non-employee directors and consultants hold and are expected to be granted equity awards under the Wheels Up Experience Inc. 2021 Long-Term Incentive Plan ("2021 LTIP"). Existing stockholders will experience additional dilution when those equity awards and purchase rights become vested and settled or exercisable, as applicable, for shares of our Class A common stock.

The issuance of additional Class A common stock may adversely affect prevailing market prices for our shares of Class A common stock and Warrants.

The price of our Class A common stock and Warrants may be volatile.

The price of our Class A common stock as well as our Warrants may fluctuate due to a variety of factors, including:

- changes in the industries in which we and our customers operate;
- changes in general market conditions;
- changes in macro-economic conditions, including the price of fuel;
- effects of the spread of infectious diseases, public health threats and pandemics on the U.S. and global economy;
- developments involving our competitors, such as material announcements;
- changes in laws and regulations affecting our business;
- variations in our operating performance and the performance of our competitors in general;

- changes in our level of indebtedness and other obligations, or terms or covenants associated with our contractual obligations or indebtedness;
- changes in our credit ratings;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- actions by stockholders, including the sale by stockholders of any of their shares of our Class A common stock;
- increases or decreases in reported holdings by insiders or significant stockholders;
- fluctuations in trading volume;
- additions and departures of key personnel;
- commencement of, or involvement in, litigation involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- the volume of shares of our Class A common stock available for public sale; and
- general economic and political conditions, such as the effects of recessions, increases in interest rates, local and national elections, fuel prices, international currency fluctuations, corruption, political instability and acts of war or terrorism.

These market and industry factors may materially reduce the market price of our Class A common stock and our Warrants regardless of our operating performance.

We do not intend to pay cash dividends for the foreseeable future.

We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as our Board deems relevant.

If analysts do not publish research about our business or if they publish inaccurate or unfavorable research, our stock price and trading volume could decline.

The trading market for our Class A common stock will depend in part on the research and reports that analysts publish about our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, the price of our Class A common stock would likely decline. If few analysts cover us, demand for our Class A common stock could decrease and our Class A common stock price and trading volume may decline. Similar results may occur if one or more of these analysts stop covering us in the future or fail to publish reports on us regularly.

We may be subject to actions by activist stockholders or securities litigation, each of which could cause us to incur substantial costs and could divert management's attention and resources.

The market price of our Class A common stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert management's attention from other business concerns, which could seriously harm our business.

In addition, activist stockholders may periodically attempt to affect changes, engage in proxy solicitations or advance stockholder proposals. While our Board and management team strive to maintain constructive, ongoing communications with all of our stockholders and welcome their views and opinions with the goal of working together constructively to enhance value for all stockholders, responding to actions by activist stockholders can be costly and time-consuming, may disrupt our operations, and could divert the attention and resources of management and our employees. Such activities could also interfere with our ability to execute our strategic plan. Any perceived uncertainties as to our future strategy or direction resulting from activist strategies could harm our business and adversely impact the market price and volatility of our Class A common stock.

Future resales of our Class A common stock may cause the market price of our securities to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our Class A common stock in the public market or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class A common stock. The lock-up restrictions applicable to securities held by certain of our stockholders following the Business Combination expired on January 9, 2022. The sale or possibility of sale of these shares could have the effect of increasing the volatility in our Class A common stock price or the market price of our Class A common stock could decline if the holders of currently restricted shares sell them or are perceived by the market as intending to sell them.

The New York Stock Exchange ("NYSE") may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

The NYSE has established certain standards for the continued listing of a security on the NYSE. There can be no assurance that we will meet these standards in the future to maintain the listing of our Class A common stock or the Warrants on the NYSE. Factors that could impact our ability to maintain the listing of our Class A common stock or the Warrants on NYSE include the status of the market for, and trading price of, our Class A common stock or the Warrants, our reported results of operations in future periods, and general economic, market and industry conditions.

If we receive a notice from the NYSE stating that our Class A common stock and/or the Warrants may be subject to delisting, we may take action to avoid such delisting. Any such actions intended to avoid delisting may not be successful and could have a material adverse effect on our business, results of operations and financial condition.

If our Class A common stock or the Warrants are delisted from the NYSE, we may seek to list on another stock exchange or quotation service. If we obtain a substitute listing for our Class A common stock or the Warrants, it will likely be on a securities exchange with less liquidity and more volatility, and stockholders may not be able to sell their Class A common stock or Warrants in the quantities, at the times, or at the prices potentially available on a more liquid trading market. As a result of these factors, the price of our Class A common stock or the Warrants is likely to decline under this scenario. If we are not able to obtain a substitute listing for our Class A common stock or the Warrants, stockholders may encounter difficulty or be unable to sell their Class A common stock or the Warrants. A delisting of our Class A common stock or the Warrants from the NYSE could also adversely affect our ability to obtain financing and/or result in a loss of confidence by our members, customers, business partners, stockholders, warrantholders or employees.

The obligations associated with being a public company involve significant expenses and require significant resources and management attention, which may divert from our business operations.

As a public company, we are subject to the reporting requirements of the Exchange Act and Sarbanes-Oxley. The Exchange Act requires the filing of annual, quarterly and current reports with respect to a public company's business and financial condition. Sarbanes-Oxley requires, among other things, that a public company establish and maintain effective internal control over financial reporting. As a result, we will incur significant legal, accounting and other expenses that we did not previously incur. Our entire management team and many of our other employees

will need to devote substantial time to comply and may not effectively or efficiently manage our transition into a public company.

These rules and regulations will result in us incurring substantial legal and financial compliance costs and will make some activities more time-consuming and costly. For example, these rules and regulations will likely make it more difficult and more expensive for us to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be difficult for us to attract and retain qualified people to serve on our Board, its committees or as executive officers.

Delaware law and our Organizational Documents contain certain provisions, including anti-takeover provisions that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.

Our Organizational Documents and the General Corporation Law of the State of Delaware (the "DGCL") contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay for shares of our Class A common stock, and therefore depress the trading price of our Class A common stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of our Board or taking other corporate actions, including effecting changes in our management. Among other things, our Organizational Documents include provisions regarding:

- providing for a classified board of directors with staggered, three-year terms;
- the ability of our Board to issue shares of preferred stock, including "blank check" preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- our Certificate of Incorporation prohibits cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the limitation of the liability of, and the indemnification of, our directors and officers;
- the ability of our Board to amend our Bylaws, which may allow our Board to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend our Bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our Board or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our Board and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our Board or management.

The provisions of our Certificate of Incorporation requiring exclusive forum in the Court of Chancery of the State of Delaware for certain types of lawsuits may have the effect of discouraging certain lawsuits, including derivative lawsuits and lawsuits against our directors and officers, by limiting plaintiffs' ability to bring a claim in a judicial forum that they find favorable.

Our Certificate of Incorporation provides that, to the fullest extent permitted by law, and unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, in the event that such court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) will be the sole and exclusive forum for any claims made by any stockholder (including a beneficial owner) for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders, (iii) any

action asserting a claim against us, our directors, officers or employees arising pursuant to any provision of the DGCL or our Bylaws or our Certificate of Incorporation (as either may be amended from time to time), (iv) any action asserting a claim against us, our directors, officers or employees governed by the internal affairs doctrine or (v) any action asserting an “internal corporate claim” as that term is defined in Section 115 of the DGCL. Notwithstanding the foregoing, our Certificate of Incorporation provides that the general exclusive forum provision will not apply to suits brought to enforce a duty or liability created by the Securities Act or the Exchange Act. Instead, our Certificate of Incorporation provides that federal district courts will be the sole and exclusive forum for claims under the Securities Act. In addition, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder.

These provisions may have the effect of discouraging certain lawsuits, including derivative lawsuits and lawsuits against our directors and officers, by limiting plaintiffs’ ability to bring a claim in a judicial forum that they find favorable. The enforceability of similar choice of forum provisions in other companies’ certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our Certificate of Incorporation to be inapplicable or unenforceable in such action.

Our Organizational Documents include provisions limiting voting by non-U.S. Citizens.

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, our Organizational Documents restrict voting of shares of our capital stock by non-U.S. Citizens. The restrictions imposed by federal law currently require that no more than 25% of our stock be voted, directly or indirectly, by persons who are not U.S. Citizens, and that our chief executive officer, president, at least two-thirds of our officers and at least two-thirds of the members of our Board be U.S. Citizens. Our Bylaws provide that if the number of shares of our capital stock owned or controlled by non-U.S. Citizens exceed 25% of the voting power of our capital stock (the “Ownership Threshold”), the voting rights of the capital stock owned or controlled by non-U.S. Citizens and not registered on a separate stock record (the “Foreign Stock Record”) at the time of any vote or action will be suspended. The suspension of voting power will be terminated upon the earlier of (i) the shares are transferred to a U.S. Citizen and (ii) the registration of the shares on the Foreign Stock Record.

The Foreign Stock Record is maintained by our transfer agent. It is the duty of each stockholder that is not a U.S. Citizen to register his, her or its shares of capital stock as a non-U.S. Citizen. We and our transfer agent will not permit the number of shares entered on the Foreign Stock Exchange to exceed the Ownership Threshold. If the number of shares on the Foreign Stock Record exceeds the Ownership Threshold, each stockholder with capital stock registered on the Foreign Stock Record will have their voting rights suspended on a pro rata basis such that the voting rights afforded to the stock registered on the Foreign Stock Record is equal to the Ownership Threshold. The voting rights will be reinstated once the voting rights of the capital stock registered on the Foreign Stock Record does not exceed the Ownership Threshold, not taking into consideration the pro rata reduction.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Aircraft Assets

As of December 31, 2022, we owned and leased certain aircraft utilized in our fleet. As part of our “floating fleet” model, our aircraft do not return to a home base. We believe this allows us to keep our aircraft positioned to most efficiently address our member flight requests, ensuring broad geographic coverage with the fleet and limiting costly repositioning flights. Our aircraft are subject to regular maintenance, inspection and certifications schedules

that may result in an aircraft being located at a one of our controlled or third-party maintenance facilities from time-to-time. See “Our Aircraft Fleet” in Part I, Item 1 of this Annual Report for more information about our aircraft fleet as of December 31, 2022.

Ground Facilities

Wheels Up does not currently own any real property. We lease the land and buildings that we occupy, which primarily consist of FBOs, storage hangars, maintenance facilities and office space.

FBOs and Storage Hangars

We lease aircraft storage hangars utilized in our operations across the United States. Certain hangar leases are accompanied by ramp or ground leases. These leases are generally shorter in duration and permit access from both the air and land sides. In addition, we lease an FBO at CVG.

Maintenance Facilities

We lease maintenance facilities utilized in our operations across the United States. Our maintenance facilities primarily consist of specialized hangars with equipment and tools necessary to maintain and repair our aircraft. These leases are generally longer in duration and contain a mix of hangars and accompanying office space. Our maintenance facilities also house certain mobile maintenance equipment that we use when responding to maintenance requests on aircraft located away from such facilities.

Offices

We lease our corporate headquarters located in New York, New York. We use this facility for executive management, finance and accounting, legal, human resource management, technology, marketing, sales and other administrative functions. We also have various leases for sales offices or operational functions, primarily located within the United States. Air Partner also leases certain office space outside of the United States. Our member services team has leased office space located in the Atlanta, Georgia and Columbus, Ohio areas. We have long-term leases for our corporate office in New York, New York and our new member operations center under construction in the Atlanta, Georgia area, while most leases for our other offices have shorter durations.

We believe that our existing facilities are in good condition and suitable for the conduct of our business.

ITEM 3. 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 financial condition, results of operations or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II.

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Class A common stock and Public Warrants have been listed on the NYSE under the symbol “UP” and “UP WS”, respectively, since July 14, 2021. Prior to the closing of the Business Combination on July 13, 2021, our Class A Common stock and Public Warrants were listed on the NYSE under the symbols “ASPL” and “ASPL WS”, respectively. We do not currently intend to list the Private Warrants on any securities exchange.

Holders

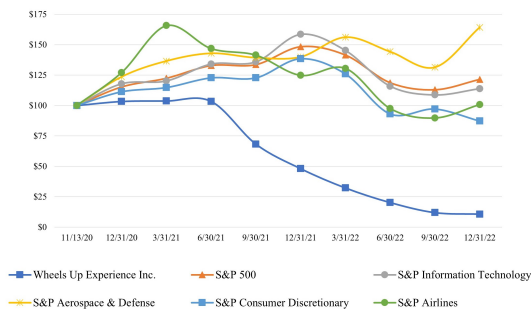
As of March 27, 2023, there were approximately 98, one and six holders of record of our Class A common stock, Public Warrants and Private Warrants, respectively. Such numbers do not include beneficial owners holding our securities through nominee names.

Dividends

We have not paid any cash dividends on our Class A common stock. We do not anticipate declaring or paying cash dividends on our Class A common stock for the foreseeable future.

Stock Performance Graph

The following graph sets forth the cumulative stockholder return (assuming reinvestment of dividends) to our stockholders from November 13, 2020, the date that Aspirational’s Class A ordinary shares were first quoted on the NYSE, through December 31, 2022, as well as the corresponding returns on the S&P 500 Index, the S&P IT Index, the S&P 500 Airlines Index, the S&P Aerospace & Defense Select Index and the S&P 500 Consumer Discretionary Index. The stock performance graph assumes that \$100 was invested on November 13, 2020 and assumes reinvestment of dividends. Historical total stockholder return is not necessarily indicative of future results.



The performance graph above shall not be deemed “soliciting material” or to be “filed” with the SEC for purposes of Section 18 of the Exchange Act or subject to Regulation 14A or 14C, other than as provided by this Item 5, or to the liabilities of Section 18 of the Exchange Act, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act.

Unregistered Sales of Equity Securities and Use of Proceeds

None.

Issuer Purchases of Equity Securities

The table below sets forth information regarding purchases of our Class A common stock during the three months ended December 31, 2022:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share
October 1, 2022 through October 31, 2022	—	\$ —
November 1, 2022 through November 30, 2022	257,830	\$ 1.32
December 1, 2022 through December 31, 2022	—	\$ —
Total	257,830	\$ 1.32

(1) Reflects shares withheld for payment of tax liability arising as a result of the vesting of restricted stock for certain officers.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes to our consolidated financial statements included in Part II, Item 8 of this Annual Report. 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 for many reasons including the risks faced by us described in Item 1A. "Risk Factors" and elsewhere in this Annual Report. Please refer to our Cautionary Note Regarding Forward-Looking Statements above. Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" 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 for all periods discussed.

This section generally discusses the results of our operations for the year ended December 31, 2022 compared to the year ended December 31, 2021. For a discussion of the year ended December 31, 2021 compared to the year ended December 31, 2020, see "Management's Discussion and Analysis of Financial Conditions and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2021, which was filed with the U.S. Securities and Exchange Commission ("SEC") on March 10, 2022.

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 December 31, 2022, we have 215 aircraft in our owned and leased fleet that includes Turboprops, Light, Midsize, Super-Midsize and Large-Cabin jets. As of December 31, 2022, we also have a managed fleet across all private aircraft cabin classes of approximately 120 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 membership 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. During 2019, we launched Connect, our introductory membership tier. The Connect membership offers variable rate pricing on a per trip basis and is designed for the consumer with less frequent flight needs, 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 and website to on-demand charter flights, dynamic pricing, a variety of Shared Flights, empty-leg Hot Flights, Shuttles, and the Wheels Up 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.

During 2020, we added a non-membership offering to tap into a larger addressable market and expand flyer participation in our marketplace. 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, and website where they can view the 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. Our non-membership offerings are a potentially important source of new member leads and an opportunity to increase utilization of our aircraft fleet to generate incremental Flight revenue.

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 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 UP FMS, sponsorships and partnership fees, and special missions revenue, including government, defense, emergency and medical transport.

Recent Developments

Acquisitions & Aircraft Purchases

Aircraft Purchases

In January 2022, we entered into an agreement with Textron Financial Corporation to exercise our purchase option on 32 leased aircraft. The negotiated purchase price for all aircraft was \$65.0 million, and in connection with the purchase we received a reimbursement of approximately \$6.1 million for unused maintenance reserves. The sale was completed in February 2022.

Alante Air Charter, LLC Acquisition

In February 2022, we acquired Alante Air Charter, LLC (“Alante Air”), a Scottsdale, Arizona based private jet charter business. The total purchase price for Alante Air was \$15.5 million, which was paid in cash. The acquisition added 12 Light jets to our controlled fleet.

Air Partner plc Acquisition

In April 2022, we acquired Air Partner plc (“Air Partner”), a United Kingdom-based international aviation services group with operations in 18 locations across four continents. The total purchase price for Air Partner was \$108.2 million, which was paid in cash.

Key Business Initiatives

Tropic Ocean Investors LLC Investment and Partnership

In March 2022, we made a minority cash investment of \$10.0 million in Tropic Ocean Investors LLC (“Tropic Ocean”) and entered into a multiyear commercial cooperation agreement. Tropic Ocean is the world’s largest amphibious airline and leading provider of last-mile private charter and scheduled service in Florida, the Northeastern United States (“U.S.”), the Bahamas, the Caribbean and beyond.

Fuel Surcharge and Carbon Offset Fee

On April 9, 2022, we implemented a fixed hourly fuel surcharge ranging from \$295 per hour to \$895 per hour across our fleet.

On May 2, 2022, we announced we would implement a new fuel surcharge framework effective June 1, 2022. The fuel surcharge is applied when the cost of Jet A fuel, as published by the Argus U.S. Jet Fuel Index™, is more than \$2.00 per gallon and is calculated based on estimated billable flight time.

In addition, on May 2, 2022, we announced a carbon offset fee will be added to each hour of flight time effective June 1, 2022. The fee ranges from \$20 per flight hour to \$65 per flight hour.

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 new Atlanta Member Operations Center is expected to centralize our critical functions with the goal of better serving our members and customers. The Company anticipates that the new Atlanta Member Operations Center will be completed in mid-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.

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.

Financing Activities

2022-1 Equipment Note Financing

In October 2022, Wheels Up Partners LLC ("WUP LLC"), an indirect subsidiary of the Company, entered into a Note Purchase Agreement (the "Note Purchase Agreement"), pursuant to which WUP LLC issued \$270.0 million aggregate principal amount of 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 expenses) equal to 96% of the principal amount and bear interest at the rate of 12% per annum with annual amortization of the principal amount equal to 10% per annum. The final expected distribution date of the Equipment Notes varies from July 15, 2025 to October 15, 2029 depending on the type of aircraft, unless redeemed earlier by WUP LLC. 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. WUP LLC's obligations under the Equipment Notes are guaranteed by the Company and certain of its subsidiaries.

Business Impact of COVID-19

During the first half of 2020, in order to minimize the adverse impact of the COVID-19 pandemic on our operating costs and cash flows we took a number of temporary actions, including a voluntary employee leave of absence program, reduced work schedules, departmental hiring freezes, reduced salaries for certain executives, a cutback in capital expenditures, removing some of our aircraft from service and implementation of stringent, essential-only expense management policies. Since that time, we have reduced or eliminated the majority of these temporary actions. However, as a result of the increased rate of COVID-19 spread during a portion of the fourth quarter of 2021 and into the first quarter of 2022, flight volumes were negatively impacted, primarily due to a combination of customer cancellations, access to third-party supply and reduced crew availability resulting from COVID-19 exposure.

Moving forward, we believe the COVID-19 pandemic has led to a shift in consumer prioritization of wellness and safety, with private aviation viewed increasingly by those in the addressable market as a health-conscious decision rather than a discretionary luxury. We believe this will translate into an increase in flight demand over time.

Air Carrier Payroll Support Program

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law. The CARES Act provided the airline industry with up to (i) \$25.0 billion in grants with assurances the support is to be used exclusively for employee salaries, wages and benefits, and (ii) \$25.0 billion in secured loans.

Wheels Up applied to the Treasury for assistance under the Payroll Support Program ("PSP") as established by the CARES Act. We were awarded \$76.4 million to support ongoing operations, all of which has been received. In

addition, each of Mountain Aviation, LLC and Alante Air separately applied for assistance under the PSP, and were awarded an aggregate of \$7.3 million and \$0.6 million, respectively, all of which was received prior to our acquisition of such businesses in January 2021 and February 2022, respectively.

The CARES Act support payments were conditioned on our agreement to refrain from conducting involuntary employee layoffs or furloughs through September 30, 2020. Other conditions included continuing essential air service as directed by the U.S. Department of Transportation, a prohibition on conducting any stock repurchase or paying any dividends through September 30, 2021, certain restrictions on executive and other employee compensation through March 24, 2022 and certain ongoing reporting obligations through March 24, 2022. Based on the amount received, we were not required to provide financial protection, such as issuing a warrant, other equity interest or debt instrument, to the Treasury in conjunction with the payroll support obtained. All such conditions applicable to us ceased to apply during the year ended December 31, 2022.

The CARES Act also provided for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. This provided us with approximately \$3.1 million of additional liquidity prior to the deferred payment dates.

Key Factors Affecting Results of Operations

We believe that the following factors have affected our financial condition and results of operations and are expected to continue to have a significant effect:

Market Competition

We compete for market share in the private aviation industry, which consists of a highly fragmented group of companies providing varying types of services. The industry is customer driven and highly competitive. Our ability to retain members is a key factor in our ability to generate revenue. We are impacted by current trends in both how technology is used to book private aviation services and how new business models are expanding the types and variety of flight services offered. Options include a mix of whole aircraft ownership, fractional ownership, jet card ownership, membership models and other forms of access. We believe our business model differentiates us within the industry by striving to reduce the upfront cost of flying private while also providing more flexibility and availability compared to traditional competitive private aviation programs.

Costs and Expense Management

Our operating results are impacted by our ability to manage costs and expenses and achieving a balance between investing in appropriate resources to grow revenue with a focus on driving decreased losses and eventual profitability. We are working to find opportunities to enhance margins and operate more efficiently, including bringing routine airframe, engine maintenance and periodic inspections in-house and away from third-party vendors to help reduce costs. We believe this will increase the availability of our aircraft and lower the cost of providing our services. As we experience inflationary pressures, including wage and medical costs, or supply chain disruptions for parts and supplies our margins are negatively impacted.

In addition, we are investing significant time and resources into developing sophisticated pricing and scheduling algorithms and data optimization engines to help optimize the utility and efficiency of our fleet. Our operations, data science and revenue management teams collectively use data and technology to manage our dynamic pricing and drive operational efficiencies.

Economic Conditions

The private aviation industry is volatile and affected by economic cycles and trends. On-demand flying is typically discretionary for members and customers and may be affected by negative trends in the economy. Consumer confidence, fluctuations in fuel prices, inflation, increases in interest rates, geopolitical instability, changes in governmental regulations, safety concerns and other factors all could negatively impact our business. Typically, the larger cabin classes of aircraft are more sensitive to and affected by economic cycles. While we believe we have positioned our "Asset Right" aircraft fleet to best serve our total addressable market, the foregoing

factors, many of which are outside of our control, may adversely impact our ability to grow our business or provide products and services on terms attractive to our members and customers.

Pilot Availability and Attrition

In recent years, we have experienced increased competition for qualified pilots that are eligible for hire due to our more stringent pilot qualifications and flight training standards. In response, we implemented new pilot hiring and retention initiatives and rewarded pilots with certain equity compensation initiatives that were the first of their kind in the private aviation industry, which have been important factors to attract new pilots and retain experienced pilots. However, if the supply of qualified pilots is reduced or our actual pilot attrition rates are materially different than our projections, our operations and financial results could be adversely affected.

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 ("GAAP").

These non-GAAP financial measures are an addition, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP and should not be considered as an alternative to any performance measures derived in accordance with GAAP. We believe that these non-GAAP financial measures of financial results provide useful supplemental information to investors, about Wheels Up. However, there are a number of limitations related to the use of these non-GAAP financial measures and their nearest GAAP equivalents, including that they exclude significant expenses that are required by 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, (vi) public company readiness related expenses, (vii) restructuring charges, (viii) change in fair value of warrant liability, (ix) losses on the extinguishment of debt and (x) other items not indicative of our ongoing operating performance. We include Adjusted EBITDA as a supplemental measure for assessing operating performance and for the following:

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

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

	Year Ended December 31,	
	2022	2021
Net loss	\$ (555,547)	\$ (197,230)
<i>Add back (deduct)</i>		
Interest expense	7,515	9,519
Interest income	(3,670)	(53)
Income tax expense	170	58
Other expense, net	1,041	—
Depreciation and amortization	65,936	54,198
Equity-based compensation expense	88,979	49,673
Public company readiness expense ⁽¹⁾	—	3,298
Acquisition and integration expenses ⁽²⁾	21,269	8,712
Restructuring charges ⁽³⁾	10,380	—
Changes in fair value of warrant liability	(9,516)	(17,951)
Loss on extinguishment of debt	—	2,379
Corporate headquarters relocation expense	—	31
Impairment of goodwill ⁽⁴⁾	180,000	—
Other ⁽⁵⁾	8,192	—
Adjusted EBITDA	\$ (185,251)	\$ (87,366)

(1) Includes costs primarily associated with compliance, updated systems and consulting in advance of transitioning to a public company.

(2) Consists mainly of system conversions, merging of operating certificates, re-branding costs and fees paid to external advisors in connection with strategic transactions.

(3) During 2022, we recorded restructuring charges for employee separation programs following strategic business decisions.

(4) Represents non-cash impairment charges related to goodwill realized in the third and fourth quarters of the fiscal year ended December 31, 2022. See Note 2, Summary of Significant Accounting Policies and Note 7, Goodwill and Intangible Assets in the of the Notes to Consolidated Financial Statements included herein.

(5) Related to a one-time charge for certain aged receivables and inventory. The Company does not currently expect to include such items as an add back to Net loss for the purpose of calculating Adjusted EBITDA in future periods, as the Company does not currently expect that the historical one-time charge is reasonably likely to recur within the next two years.

Adjusted Contribution and Adjusted Contribution Margin

We calculate Adjusted Contribution as gross profit (loss) excluding depreciation and amortization and adjusted further for (i) equity-based compensation included in cost of revenue, (ii) acquisition and integration expense included in cost of revenue, (iii) restructuring expenses in cost of revenue and (iv) other expenses 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:

- Used to understand our ability to achieve profitability over time through scale and leveraging costs; and,
- Provides useful information for historical period-to-period comparisons of our business and to identify trends.

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

	Year Ended December 31,			
	2022		2021	
Revenue	\$	1,579,760	\$	1,194,259
Less: Cost of revenue		(1,540,325)		(1,117,633)
Less: Depreciation and amortization		(65,936)		(54,198)
Gross profit (loss)	\$	(26,501)	\$	22,428
Gross margin		(1.7)%		1.9%
<i>Add back:</i>				
Depreciation and amortization	\$	65,936	\$	54,198
Equity-based compensation expense in cost of revenue		14,456		4,541
Acquisition and integration expense in cost of revenue		3,060		1,010
Restructuring expense in cost of revenue		34		—
Other ⁽¹⁾		961		—
Adjusted Contribution	\$	57,946	\$	82,177
Adjusted Contribution Margin		3.7 %		6.9 %

(1) Related to a one-time charge for certain aged inventory. The Company does not currently expect to include such items as an add back to Gross profit (loss) for the purpose of calculating Adjusted Contribution Margin in future periods, as the Company does not currently expect that the historical one-time charge is reasonably likely to recur within the next two years.

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 December 31,		% Change
	2022	2021	
Active Members	12,661	12,040	5 %

	Year Ended December 31,		% Change
	2022	2021	
Active Users ⁽¹⁾	13,846	12,543	10 %
Live Flight Legs	79,664	73,522	8 %
Flight Revenue per flight leg	13,470	11,884	13 %

(1) Active Users presented for annual periods are Active Users for the fourth quarter of the year presented.

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.

Component 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. 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 currently estimated to be three years as of December 31, 2022. 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, which are not eligible for capitalization. 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, public company readiness expenses and any other cost or expense incurred not deemed to be related to the cost of revenue, sales and marketing expense or technology and development expense.

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. 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.

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.

Impairment of Goodwill

Impairment of goodwill consists of any write off of goodwill during the period. Impairment is recorded when the carrying value of a reporting unit exceeds its fair value as of the impairment assessment date. See Note 2, Summary of Significant Accounting Policies in the of the Notes to Consolidated Financial Statements included herein.

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”).

Loss on Extinguishment of Debt

Loss on extinguishment of debt consists of the write off of unamortized debt discounts and deferred financing costs associated with the early repayment of credit facilities and promissory notes.

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 for the Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021

The following table sets forth our results of operations for the years ended December 31, 2022 and 2021 (in thousands, except percentages):

	Year Ended December 31,		Change in	
	2022	2021	\$	%
Revenue	\$ 1,579,760	\$ 1,194,259	\$ 385,501	32 %
Costs and expenses:				
Cost of revenue	1,540,325	1,117,633	422,692	38 %
Technology and development	57,240	33,579	23,661	70 %
Sales and marketing	117,110	80,071	37,039	46 %
General and administrative	183,531	113,331	70,200	62 %
Depreciation and amortization	65,936	54,198	11,738	22 %
Gain on sale of aircraft held for sale	(4,375)	(1,275)	(3,100)	243 %
Impairment of goodwill	180,000	—	180,000	— %
Total costs and expenses	2,139,767	1,397,537	742,230	53 %
Loss from operations	(560,007)	(203,278)	(356,729)	175 %
Other income (expense):				
Change in fair value of warrant liability	9,516	17,951	(8,435)	(47)%
Loss on extinguishment of debt	—	(2,379)	2,379	(100)%
Interest income	3,670	53	3,617	6825 %
Interest expense	(7,515)	(9,519)	2,004	(21)%
Other expense, net	(1,041)	—	(1,041)	n/a
Total other income (expense)	4,630	6,106	(1,476)	(24)%
Loss before income taxes	(555,377)	(197,172)	(358,205)	(182)%
Income tax expense	(170)	(58)	(112)	193 %
Net loss	(555,547)	(197,230)	(358,317)	182 %
Less: net income (loss) attributable to non-controlling interests	(387)	(7,210)	6,823	(95)%
Net loss attributable to Wheels Up Experience Inc.	\$ (555,160)	\$ (190,020)	\$ (365,140)	192 %

Revenue

Revenue increased by \$385.5 million, or 32%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase in revenue was attributable to the following changes, by revenue type (in thousands, except percentages):

	Year Ended December 31,		Change in	
	2022	2021	\$	%
Flight	\$ 1,073,094	\$ 873,724	\$ 199,370	23%
Membership	90,132	69,592	20,540	30%
Aircraft management	242,032	225,265	16,767	7%
Other	174,502	25,678	148,824	580%
Total	\$ 1,579,760	\$ 1,194,259	\$ 385,501	32%

Flight revenue growth was primarily driven by an 8% increase in Live Flight Legs, which resulted in a \$73.0 million increase in flight revenue, and a 13% increase in flight revenue per Live Flight Leg, which drove \$126.4 million of year-over-year improvement. The increase in Live Flight Legs was primarily attributable to an increase in the number of Active Members, as well the acquisition of Air Partner in April 2022. The increase in Flight revenue per Live Flight Leg was primarily driven by our program changes in 2022, including pricing increases and the introduction of a fuel surcharge combined with higher mix of jet and large cabin flying. Excluding the impact of acquisitions during the fiscal year ended December 31, 2022, flight revenue would have increased by 19%.

Growth in membership revenue was driven entirely by a 5% increase in Active Members combined with a higher mix of Core members in the year.

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 stem from increased flight activity, as well as inflationary cost increases.

The increase in Other revenue was primarily attributable to an \$84.3 million increase in sales of whole aircraft and the acquisition of Air Partner in April 2022. Excluding the impact of acquisitions during the period, other revenue would have increased by 370%.

Costs and Expenses

Cost of Revenue

Cost of revenue increased \$422.7 million, or 38%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily attributable to an increase in Live Flight Legs, increase in whole aircraft sales activity, increase in aircraft management revenue, and costs of revenue incurred by Air Partner and Alante since their respective dates of acquisition. Additionally, pilot availability, increased fuel costs, maintenance challenges and wage inflation also contributed to the increase. Excluding the impact of acquisitions during the period, cost of revenue would have increased by 32%.

Adjusted Contribution Margin decreased 320 basis points for the year ended December 31, 2022 compared to the year ended December 31, 2021, which was primarily attributable to cost pressures and supply constraints impacting us and the industry. 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.

Technology and Development

Technology and development expenses increased \$23.7 million, or 70%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily attributable to an increase of \$13.7 million in employee compensation and allocable costs, of which \$1.8 million was related to an increase in equity-

based compensation, partially offset by an increase in capitalized internal costs related to the development of internal use software of \$3.8 million. Third-party consultant fees also increased \$12.0 million, partially offset by a \$10.6 million increase in capitalized external costs related to the development of internal use software. The increase was also driven by a \$7.1 million increase in enterprise software expense as well as \$3.3 million in technology and development expenses incurred by Air Partner since date of acquisition.

Sales and Marketing

Sales and marketing expenses increased \$37.0 million, or 46%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily attributable to \$19.1 million due to the Air Partner acquisition, an increase in headcount and related compensation and allocable costs of \$11.3 million, of which \$5.8 million was related to equity-based compensation, a \$4.9 million increase in Events and Member Experience expense and a \$4.4 million increase in sales commissions for memberships, flight revenue and whole aircraft sales.

General and Administrative

General and administrative expenses increased \$70.2 million, or 62%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily attributable to a \$21.7 million increase in equity-based compensation expense, \$16.5 million of expenses incurred by Air Partner since date of acquisition, an \$18.1 million increase in professional fees associated with acquisition, integration and consulting activities as well as a \$6.8 million increase in salaries and benefits expense as a result of increased headcount, severance and wage inflation.

Depreciation and Amortization

Depreciation and amortization expenses increased \$11.7 million, or 22%, for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was primarily attributable to a \$7.9 million increase related to amortization of software development costs, as well as \$5.0 million of depreciation and amortization expenses recognized by Air Partner since the date of acquisition. The increase was partially offset by a \$1.7 million decrease in amortization associated with fully amortized intangible assets.

Impairment of Goodwill

We recorded non-cash goodwill impairment charges totaling \$180.0 million in the second half of the year ended December 31, 2022, following our interim quantitative goodwill impairment tests performed over WUP Legacy as of September 30, and December 31, 2022 (see Notes 2 and 7 in the Notes to Consolidated Financial Statements included herein).

Interest Income

Interest income increased \$3.6 million for the year ended December 31, 2022 compared to the year ended December 31, 2021. The increase was attributable to higher rates of interest earned on cash equivalents in money market funds, U.S. treasury bills and time deposits.

Interest Expense

Interest expense decreased \$2.0 million for the year ended December 31, 2022 compared to the year ended December 31, 2021. The decrease was primarily attributable to the decreased duration of debt outstanding during fiscal 2022 as compared to fiscal 2021.

Other Expense, Net

Other expense, net was \$1.0 million for the year ended December 31, 2022 with no comparable amount in the year ended December 31, 2021.

Income Tax Expense

Income tax expense increased \$0.1 million the year ended December 31, 2022 compared to the year ended December 31, 2021.

Net Loss

As a result of the factors described above, net loss increased \$358.3 million for the year ended December 31, 2022 compared to the year ended December 31, 2021.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity have historically consisted of financing activities, including proceeds from the Business Combination, and operating activities, primarily from the increase in deferred revenue associated with the sale of Prepaid Blocks. As of December 31, 2022, we had \$585.9 million of cash and cash equivalents, which were primarily invested in money market funds and \$34.3 million of restricted cash. We believe our cash and cash equivalents on hand, will be sufficient to meet our projected working capital and capital expenditure requirements for at least the next 12 months.

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, WUP LLC, an indirect subsidiary of the Company, entered into a Note Purchase Agreement, pursuant to which WUP LLC issued \$270.0 million aggregate principal amount of the Equipment Notes using an EETC (enhanced equipment trust certificate) loan structure. The Equipment Notes were issued for net proceeds (before transaction-related expenses) equal to 96% of principal amount and bear interest at the rate of 12% per annum with annual amortization of principal amount equal to 10% per annum. The final expected distribution date of the Equipment Notes varies from July 15, 2025 to October 15, 2029 depending on the type of aircraft, unless redeemed earlier by WUP LLC. The final expected distribution date of the Equipment Notes varies from July 15, 2025 to October 15, 2029 depending on the type of aircraft, unless redeemed earlier by WUP LLC.

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 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.

Cash Flows

The following table summarizes our cash flows for the years ended December 31, 2022, and 2021 (in thousands):

	Year Ended December 31,			
	2022		2021	
Net cash provided by (used in) operating activities	\$	(230,689)	\$	126,490
Net cash used in investing activities	\$	(175,242)	\$	(38,670)
Net cash provided by financing activities	\$	244,786	\$	374,026
Net increase (decrease) in cash, cash equivalents and restricted cash	\$	(166,569)	\$	461,846

Cash Flow from Operating Activities

Net cash used in operating activities for the year ended December 31, 2022 was \$230.7 million. The cash outflow from operating activities primarily consisted of our net loss, net of non-cash charges of \$224.1 million and a \$118.8 million increase in operating assets, which were partially offset by an \$112.2 million increase in operating liabilities. The increase in operating liabilities was primarily driven by a \$103.3 million increase in deferred revenue attributable to an increase in Prepaid Block purchases. During the year ended December 31, 2022, we sold \$1,004.5 million of Prepaid Blocks compared to \$896.7 million for the year ended December 31, 2021. The increase in Prepaid Block purchases was primarily attributable to the growth of Active Members and flight activity combined with the two program changes in 2022.

Cash Flow from Investing Activities

Net cash used in investing activities for the year ended December 31, 2022 was \$175.2 million. The cash outflows from investing activities were primarily attributable to \$111.3 million of capital expenditures, including \$27.7 million of capitalized software development costs, purchases of aircraft held for sale of \$40.1 million and \$75.1 million paid to acquire Alante Air and Air Partner, net of cash received, which were partially offset by \$51.2 million of proceeds from sale of aircraft held for sale, net of selling costs.

Cash Flow from Financing Activities

Net cash provided by financing activities for the year ended December 31, 2022 was \$244.8 million. Cash provided by financing activities was primarily driven by \$259.2 million of net proceeds from the issuance of the Equipment Notes, partially offset by \$6.7 million of debt issuance costs as well as by \$7.7 million of payments for shares that were withheld to settle employee taxes due upon the vesting of restricted stock and restricted stock units.

Off-Balance Sheet Arrangements

As of December 31, 2022, we were not a party to any off-balance sheet arrangements, as defined in Regulation S-K, that have or are reasonably likely to have a current or future material effect on our financial condition, results of operations or cash flows.

Contractual Obligations and Commitments

As of December 31, 2022, 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 10, Long-Term Debt of the Notes to Consolidated Financial Statements included herein. For further information about our lease obligations, see Note 12, Leases of the Notes to Consolidated Financial Statements included herein. For further information about deferred revenue, see Note 5, Revenue of the Notes to Consolidated Financial Statements included herein.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of our operations is based on our consolidated financial statements and accompanying notes, which have been prepared in accordance with accounting principles generally accepted in the U.S. Certain amounts included in or affecting the consolidated financial statements presented in this Annual Report and related disclosure must be estimated, requiring management to make assumptions with respect to values or conditions which cannot be known with certainty at the time the consolidated financial statements are prepared. Management believes that the accounting policies set forth below comprise the most important "critical accounting policies" for Wheels Up. A "critical accounting policy" is one which is both important to the portrayal of our financial condition and results of operations and that involves difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Management evaluates such policies on an ongoing basis, based upon historical results and experience, consultation with experts and other methods that management considers reasonable in the particular circumstances under which the judgments and estimates are made, as well as management's forecasts as to the manner in which such circumstances may change in the future.

Revenue Recognition

We determine revenue recognition through the following steps in accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, a performance obligation is satisfied.

A performance obligation is a promise in a contract to transfer a distinct service to the customer and is the basis of revenue recognition. There are contracts which could have more than one performance obligation. For contracts that include additional performance obligations, we account for individual performance obligations if they are distinct. If there is a group of performance obligations bundled in a contract, the transaction price is required to be allocated based upon the relative standalone selling prices of the promised services underlying each performance obligation. We generally determine the standalone selling price based on the prices charged to customers. If there are services included in the transaction price for which the standalone selling price is not directly observable, then we would first apply the standalone selling price for those services that are known, such as the flight hourly rate, and then allocate the total consideration proportionately to the other performance obligations in the contract.

Revenue is recognized when control of the promised service is transferred to our member or the customer, in an amount that reflects the consideration we expect to be entitled to in exchange for those services. Our revenue is reported net of discounts and incentives. We generally do not issue refunds for flights unless there is a failure to meet our service obligations. Refunded amounts for initiation fees and annual dues are granted to some customers that no longer wish to remain members following their first flight. We generally do not have contracts that include variable terms.

We utilize registered independent third-party air carriers in the performance of a portion of our flights. We evaluate whether there is a promise to transfer services to the customer, as the principal, or to arrange for services to be provided by another party, as the agent, using a control model. The nature of the flight services we provide to members is similar regardless of which third-party air carrier is involved. Wheels Up directs third-party air carriers to provide an aircraft to a member or customer. If Wheels Up has primary responsibility to fulfill the obligation, then the revenue and the associated costs are reported on a gross basis in the consolidated statements of operations.

Business Combinations and Asset Acquisitions

We account for business combinations and asset acquisitions using the acquisition method of accounting, which requires allocation of the purchase price to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. For acquisitions meeting the definition of a business combination in ASC 805, *Business Combinations*, the excess of the purchase price over the amounts recognized for assets acquired and liabilities assumed is recorded as goodwill. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed in a business combination with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of operations. For acquisitions meeting the definition of an asset acquisition, the fair value of the consideration transferred, including transaction costs, is allocated to the assets acquired and liabilities assumed based on their relative fair values. No goodwill is recognized in an asset acquisition.

The acquisition method of accounting requires us to exercise judgment and make estimates and assumptions regarding fair values using the information available as of the date of acquisition. We may also refine these estimates over a one-year measurement period, to reflect any new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. If we are required to retroactively adjust provisional amounts that we have recorded for the fair value of assets and liabilities in connection with an acquisition, these adjustments could materially impact our financial position and results of operations. Assumptions that we make in estimating the fair value of acquired developed technology, trade names, customer relationships and other identifiable intangible assets include future cash flows that we expect to generate from the acquired assets. If the subsequent actual results and updated projections of the underlying business activity change compared with the assumptions and projections used to develop these values, we could record impairment charges.

Goodwill and Intangible Assets

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed in business combinations. The carrying value of goodwill is tested for impairment on an annual basis or on an interim basis if events or changes in circumstances indicate that an impairment loss may have occurred (i.e., a triggering event). Our annual goodwill impairment testing date is October 1st. The test for impairment is performed at the reporting unit level. On April 1, 2022, we acquired Air Partner plc ("Air Partner") and determined that Air Partner represents a new reporting unit for the purposes of assessing potential impairment of goodwill, and therefore the private aviation services operating segment was divided into two reporting units - Air Partner and the legacy Wheels Up reporting unit ("WUP Legacy").

Goodwill impairment is the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying value of goodwill. We use both qualitative and quantitative approaches when testing goodwill for impairment. Our qualitative approach evaluates various events including, but not limited to, macroeconomic conditions, changes in the business environment in which we operate, a sustained decrease in our share price and other specific facts and circumstances. If, after assessing qualitative factors, we determine that it is more-likely-than-not that the fair value of our reporting unit is greater than the carrying value, then performing a quantitative impairment assessment is unnecessary and our goodwill is not considered to be impaired. If, based on the qualitative assessment, we conclude that it is more-likely-than-not that the fair value of the reporting unit is less than the carrying value, or if we elect to bypass the qualitative assessment, we proceed with performing the quantitative impairment assessment.

When a quantitative impairment assessment is performed, we primarily determine the fair value of our reporting unit using a discounted cash flow model, or income approach, and supplement this with observable valuation multiples for comparable companies, as appropriate. The completion of the discounted cash flow model requires that we make a number of significant estimates and assumptions, which include projections of future revenue, costs and expenses, capital expenditures and working capital changes, as well as assumptions about the estimated weighted average cost of capital and other relevant variables. We base our estimates and assumptions on our recent

performance, our expectations of future performance, economic or market conditions and other assumptions we believe to be reasonable. Actual future results may differ from those estimates.

Intangible assets, other than goodwill, acquired in a business combination are recognized at their fair value as of the date of acquisition. We periodically reassess the useful lives of our definite-lived intangible assets when events or circumstances indicate that useful lives have significantly changed from the previous estimate.

See Note 7, Goodwill and Intangible Assets of the Notes to Consolidated Financial Statements included herein for additional information about impairment testing for goodwill and intangible assets, including the goodwill impairment charges that we recognized during the fiscal year ended December 31, 2022.

Impairment of Long-Lived Assets

Long-lived assets include aircraft, property and equipment, finite-lived intangible assets and operating lease right-of-use assets. We review the carrying value of long-lived assets for impairment when events or circumstances indicate that the carrying value may not be recoverable based on the estimated undiscounted future cash flows expected to result from the use and eventual disposition of the asset. The circumstances that would indicate potential impairment may include, but are not limited to, a significant change in the manner in which an asset is being used or losses associated with the use of an asset. We review long-lived assets for impairment at the individual asset or the asset group level for which the lowest level of independent cash flows can be identified and measured. If the carrying amount of a long-lived asset or asset group is determined not to be recoverable, an impairment loss is recognized and a write-down to fair value is recorded.

Equity-Based Compensation

Prior to the Business Combination, we issued equity-based compensation awards to employees and consultants, including stock options, profits interests and restricted interests, under the WUP option plan and WUP management incentive plan. In connection with the Business Combination, we adopted and have issued equity under the Wheels Up Experience Inc. 2021 Long-Term Incentive Plan, which provides for grants of various types of awards including stock options, restricted stock units and other stock-based awards.

Equity-based compensation awards are measured at the date of grant based on the estimated fair value of the respective award and the resulting compensation expense is recognized over the requisite service period of the respective award. WUP restricted interests contained a performance condition that provides for accelerated vesting upon the occurrence of a change in control or an initial public offering including consummation of a transaction with a special-purpose acquisition company. For performance-based awards, the grant date fair value of the award is expensed over the vesting period when the performance condition is considered probable of being achieved. Earnout Shares issued in connection with the Business Combination contain market conditions for vesting. Compensation expense related to an award with a market condition is recognized on a tranche-by-tranche basis (accelerated attribution method) over the requisite service period and is not reversed if the market condition is not satisfied. We account for forfeitures of awards as they occur.

Fair value of our historical and outstanding equity-based compensation awards, including stock options, WUP profits interests, WUP restricted interests and RSU awards with market-based vesting conditions, were estimated using the Black Scholes option-pricing model and a Monte Carlo simulation model was used to determine the fair value of grants with market conditions. Both the Black-Scholes option-pricing model and the Monte Carlo simulation model requires management to include key inputs and assumptions, including the fair value of an underlying common interest in WUP or our current Class A common stock quoted market price, the expected trading volatility over the term of the award, the expected term of the award, risk-free interest rates and expected dividend yield. We evaluate the inputs and assumptions used to value our share-based awards on each grant date.

- Expected Volatility. Since Wheels Up was not actively traded on the New York Stock Exchange until July 2021, we used the average volatility of a mix of several unrelated publicly traded companies within the airline industry and certain travel technology companies, which we consider to be comparable to our business, over a period equivalent to the expected term of the awards. As our common stock accumulates

more trading history, we will incorporate more of our own historical volatility and continue to use benchmark volatility with respect to periods beyond our common stock's trading history.

- Expected Term. The expected term represents the period that our equity-based awards are expected to be outstanding. We determine the expected term using the midpoint between the requisite service period and the contractual term of the award due to us having insufficient historical exercise data.
- Risk-Free Interest Rate. The interest rates used are based on the implied yield available for zero-coupon Treasury notes at the time of grant with maturities approximately equal to the expected term of the award.
- Expected Dividend Yield. The dividend rate used is zero as we have never paid any cash dividends on our common interests and do not currently anticipate doing so in the foreseeable future.

Prior to the time that WUP consummated the Business Combination with Aspirational on July 13, 2021, in the absence of a public trading market, the grant date fair value of our WUP common interests was determined by the WUP board of directors, with input from management and the assistance of an independent third-party valuation specialist. The WUP board of directors intended for all WUP stock options granted to have an exercise price per share not less than the per share fair value of WUP common interests on the date of grant. The valuations of WUP common interests were determined in accordance with the guidance provided by the American Institute of Certified Public Accountants Audit and Accounting Practice Series, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

The assumptions we use in the valuation models were based on future expectations combined with management judgment, and considering a number of objective and subjective factors to determine the fair value of WUP common interests as of the date of each WUP stock option grant, including the following:

- the nature and history of our business;
- the economic outlook in general and the outlook of our industry;
- our stage of development and the competitive environment;
- our historical and forecasted operating results;
- our overall financial position;
- the rights and preferences of WUP preferred interests relative to common interests;
- the likelihood of achieving a liquidity event, such as an initial public offering or sale based on current conditions;
- any adjustment necessary to recognize a discount for lack of marketability; and,
- the market performance of comparable publicly-traded companies.

In valuing our equity-based awards, we determined the total equity value of our business considering various valuation approaches including the income approach and market approach. Based on our facts and circumstances, we primarily used a discounted cash flow method, or the income approach, to approximate the fair value of our total equity on the grant date of a respective award.

As described above, the income approach involves applying appropriate discount rates to estimated cash flows that are based on forecasts of revenue, costs and capital expenditures, which are then discounted back to the present value using a rate of return derived from companies of similar type and risk profile. The discount rate reflects the risks inherent in the cash flows and the market rates of return available from alternative investments of similar type and quality as of the valuation date. Our assumptions underlying the estimates were consistent with the plans and estimates that we use to manage the business. The risks associated with achieving our forecasts were assessed in selecting the appropriate discount rates. As there have not been enough transactions with available market data involving similar companies, we considered but did not apply the market approach.

We then used the option pricing method to allocate the equity value and determine the estimated fair value of WUP common interests. The option pricing method allocates values to each equity class based on the liquidation preferences, participation rights and exercise prices of the equity class. We also include a discount to recognize the risk associated with the lack of marketability and liquidity of our equity. The discount adjustment is applied to account for the fact holders of private company interests do not have access to trading markets similar to those enjoyed by stockholders of public companies.

Application of these approaches involves the development of significant estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, costs and expenses, and cash flows, discount rates, market multiples, the selection of comparable companies and weighting the probability of certain future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the fair value we recorded for WUP common interests and ultimately how much equity-based compensation expense is recognized.

The grant date fair value calculated using the methodology discussed above is also utilized with respect to WUP profit interests and restricted interests. WUP restricted interests had a performance condition, as well as a service condition to vest. As a result, no compensation expense is recognized until the performance condition has been satisfied. Subsequent to satisfaction of the performance condition, compensation expense is recognized to the extent the requisite service period has been completed and compensation expense thereafter is recognized on a straight-line basis over the remaining requisite service period.

Recent Accounting Pronouncements

For further information on recent accounting pronouncements, see Note 2, Summary of Significant Accounting Policies of the Notes to Consolidated Financial Statements included herein.

ITEM 7A. 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.

Interest Rates

Interest rate risk is the risk that the Company will incur economic losses due to adverse changes in interest rates. We are subject to market risk associated with changes in interest rates. Changes in interest rates could lead to significant fluctuations in the fair value of the Equipment Notes or our cash equivalents, which are primarily in the form of money market funds, U.S. treasury bills and time deposits. In October 2022, WUP LLC, an indirect subsidiary of the Company, entered into a Note Purchase Agreement, pursuant to which WUP LLC issued \$270.0 million aggregate principal amount of Equipment Notes. The Equipment Notes bear interest at the fixed rate of 12% per annum. As of December 31, 2022, all of the Company's long-term debt obligations had fixed interest rates. Changes in interest rates may impact our ability to refinance the Equipment Notes or obtain additional financing on attractive terms or at all.

Aircraft Fuel

We are subject to market risk associated with changes in the price and availability of aircraft fuel. Aircraft fuel expense for the year ended December 31, 2022 represented 15% of our total cost of revenue and includes the recharge of fuel costs to our aircraft management customers. Based on our 2022 fuel consumption, a hypothetical 10% increase in the average price per gallon of aircraft fuel would have increased fuel expense by approximately \$22 million for the year ended December 31, 2022. We do not purchase or hold any derivative instruments to protect against the effects of changes in fuel but due to our dynamic pricing we do have some ability to raise our prices on flights not subject to a capped rate. In addition, our agreements allow us to potentially bill members a fuel price surcharge and we exercised our right to apply this surcharge to our hourly rate for the first time on April 9, 2022. Subsequently, on May 2, 2022, we announced a new fuel surcharge framework. Beginning on June 1, 2022, we

calculated and billed the fuel surcharge based on the cost of Jet A fuel, which limits our direct exposure to volatility in Jet A fuel prices to the extent the fuel surcharge applies. See the caption “*Fuel Surcharge and Carbon Offset Fee*” set forth in Part II, Item 7 — “*Management’s Discussion and Analysis of Operations*” in this Annual Report on Form 10-K for further information regarding the details of the fuel surcharge.

Foreign Currency Exchange

We are subject to foreign currency exchange risk primarily through Air Partner’s international operations, which involve revenue and expenses denominated in foreign currencies. To manage foreign currency exchange risk, we execute international revenue and expense transactions in the same foreign currency to the extent practicable. As of December 31, 2022, we did not hold any derivative instruments to protect against the risk of foreign currency fluctuations.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Wheels Up Experience Inc.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Wheels Up Experience Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2022, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, because of the effect of the material weaknesses described in the following paragraphs on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2022, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

A material weakness is a deficiency, or combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis. The following material weaknesses have been identified and included in management’s assessment.

The Company identified certain deficiencies in information technology (“IT”) general controls over user access, including appropriate segregation of duties, and program change management controls, which, in the aggregate, constitute a material weakness. Additionally, the Company did not maintain effective controls over the financial statement close and key business processes to achieve complete, accurate and timely financial accounting, reporting and disclosures in accordance with GAAP.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Company as of and for the year ended December 31, 2022. The material weaknesses identified above were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2022 consolidated financial statements, and this report does not affect our report dated March 31, 2023, which expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Annual Report on Internal Control over Financial Reporting (“Management’s Report”). Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Our audit of, and opinion on, the Company’s internal control over financial reporting does not include the internal control over financial reporting of Air Partner plc, a wholly owned subsidiary, whose financial statements reflect total assets and revenues constituting 8.8 and 5.5 percent, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2022. As indicated in Management’s Report, Air Partner plc was acquired during 2022. Management’s assertion on the effectiveness of the Company’s internal control over financial reporting excluded internal control over financial reporting of Air Partner plc.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other information

We do not express an opinion or any other form of assurance on the remediation plans or related actions described in Management's report.

/s/ GRANT THORNTON LLP

New York, New York
March 31, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Wheels Up Experience Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Wheels Up Experience Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2022 and 2021, the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and our report dated March 31, 2023, expressed an adverse opinion.

Basis for opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Impairment – WUP Legacy reporting unit

As described in Note 7 to the financial statements, management performed quantitative impairment tests over the Company’s WUP Legacy reporting unit during the year ended December 31, 2022. As a result of these tests, management recorded total goodwill impairment charges of \$180 million for the year ended December 31, 2022. We identified management’s goodwill impairment assessment over the WUP Legacy reporting unit as a critical audit matter.

The principal considerations for our determination that this is a critical audit matter are the significant management estimates and assumptions required to assess the reporting unit's fair value. Auditing these estimates and assumptions requires a high degree of auditor judgment.

Our audit procedures related to the WUP Legacy reporting unit impairment tests included the following, among others. We utilized firm specialists to assist in evaluating significant assumptions used to determine the fair value of the reporting unit, including management's reconciliation of the carrying value of the reporting unit to its market value. We evaluated the reasonableness of the resulting implied control premium by comparing to guideline industry transactions, and we tested estimated cost synergies that a market participant would realize by comparing against historical data.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2014.

New York, New York
March 31, 2023

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

	December 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 585,881	\$ 784,574
Accounts receivable, net	112,383	79,403
Other receivables	5,524	8,061
Parts and supplies inventories, net	29,000	9,410
Aircraft inventory	24,826	—
Aircraft held for sale	8,952	18,101
Prepaid expenses	39,715	21,789
Other current assets	13,338	11,736
Total current assets	819,619	933,074
Property and equipment, net	394,559	317,836
Operating lease right-of-use assets	106,735	108,582
Goodwill	348,118	437,398
Intangible assets, net	141,765	146,959
Restricted cash	34,272	2,148
Other non-current assets	78,157	35,067
Total assets	\$ 1,923,225	\$ 1,981,064
LIABILITIES AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 27,006	\$ —
Accounts payable	43,166	43,672
Accrued expenses	148,947	107,153
Deferred revenue, current	1,075,133	933,527
Operating lease liabilities, current	29,945	31,617
Intangible liabilities, current	2,000	2,000
Other current liabilities	18,023	17,068
Total current liabilities	1,344,220	1,135,037
Long-term debt, net	226,234	—
Deferred revenue, non-current	1,742	1,957
Operating lease liabilities, non-current	82,755	83,461
Warrant liability	751	10,268
Intangible liabilities, non-current	12,083	14,083
Other non-current liabilities	3,520	30
Total liabilities	1,671,305	1,244,836
Commitments and contingencies (Note 11)		
Equity:		
Class A common stock, \$0.0001 par value; 2,500,000,000 authorized; 251,982,984 and 245,834,569 shares issued and 249,338,569 and 245,834,569 common shares outstanding as of as of December 31, 2022 and December 31, 2021, respectively	25	25
Additional paid-in capital	1,545,508	1,450,839
Accumulated deficit	(1,275,873)	(720,713)
Accumulated other comprehensive loss	(10,053)	—
Treasury stock, at cost, 2,644,415 and 0 shares, respectively	(7,687)	—
Total Wheels Up Experience Inc. stockholders' equity	251,920	730,151
Non-controlling interests	—	6,077
Total equity	251,920	736,228
Total liabilities and equity	\$ 1,923,225	\$ 1,981,064

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

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

	Year Ended December 31,		
	2022	2021	2020
Revenue	\$ 1,579,760	\$ 1,194,259	\$ 694,981
Costs and expenses:			
Cost of revenue (exclusive of items shown separately below)	1,540,325	1,117,633	634,775
Technology and development	57,240	33,579	21,010
Sales and marketing	117,110	80,071	55,124
General and administrative	183,531	113,331	64,885
Depreciation and amortization	65,936	54,198	58,529
CARES Act grant	—	—	(76,376)
Gain on sale of aircraft held for sale	(4,375)	(1,275)	—
Impairment of goodwill	180,000	—	—
Total costs and expenses	2,139,767	1,397,537	757,947
Loss from operations	(560,007)	(203,278)	(62,966)
Other income (expense):			
Change in fair value of warrant liability	9,516	17,951	—
Loss on extinguishment of debt	—	(2,379)	—
Interest income	3,670	53	550
Interest expense	(7,515)	(9,519)	(22,989)
Other expense, net	(1,041)	—	—
Total other income (expense)	4,630	6,106	(22,439)
Loss before income taxes	(555,377)	(197,172)	(85,405)
Income tax expense	(170)	(58)	—
Net loss	(555,547)	(197,230)	(85,405)
Less: Net loss attributable to non-controlling interests	(387)	(7,210)	(6,764)
Net loss attributable to Wheels Up Experience Inc.	\$ (555,160)	\$ (190,020)	\$ (78,641)
Net loss per share of Class A common stock:			
Basic	\$ (2.26)	\$ (0.93)	\$ (0.48)
Diluted	\$ (2.26)	\$ (0.93)	\$ (0.48)
Weighted-average shares of Class A common stock outstanding:			
Basic	245,672,099	204,780,896	162,505,231
Diluted	245,672,099	204,780,896	162,505,231

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

WHEELS UP EXPERIENCE INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year Ended December 31,		
	2022	2021	2020
Net loss	(555,547)	\$ (197,230)	\$ (85,405)
Other comprehensive loss:			
Foreign currency translation adjustments	(10,053)	—	—
Comprehensive loss	(565,600)	(197,230)	(85,405)
Less: Comprehensive loss attributable to non-controlling interests	(387)	(7,210)	(6,764)
Comprehensive loss attributable to Wheels Up Experience Inc.	<u>\$ (565,213)</u>	<u>\$ (190,020)</u>	<u>\$ (78,641)</u>

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

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

(in thousands)	Class A Common Stock			Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Treasury Stock		Non-controlling interests	Total
	Shares	Amount					Shares	Amount		
Balance at December 31, 2019	116,581,682	\$ —	12	\$ 401,595	\$ (452,052)	\$ —	—	\$ —	\$ (5,809)	\$ (56,254)
Consideration issued for business combinations	52,794,775	—	5	432,139	—	—	—	—	—	432,144
Contributions	340,690	—	—	—	—	—	—	—	—	—
Equity-based compensation	—	—	—	2,227	—	—	—	—	1,115	3,342
Change in non-controlling interests allocation	—	—	—	(37,483)	—	—	—	—	37,483	—
Net loss	—	—	—	—	(78,641)	—	—	—	(6,764)	(85,405)
Balance at December 31, 2020	169,717,147	\$ —	17	\$ 798,478	\$ (530,693)	\$ —	—	\$ —	\$ 26,025	\$ 293,827
Consideration issued for business combinations	3,968,900	—	1	30,171	—	—	—	—	—	30,172
Exercise of stock options	352,051	—	—	2,107	—	—	—	—	—	2,107
Exchange of profits interests	199,368	—	—	1,866	—	—	—	—	(1,866)	—
Equity-based compensation	—	—	—	32,433	—	—	—	—	17,240	49,673
Issuance of common stock in connection with Business Combination and PIPE Investment	71,597,103	—	7	656,297	—	—	—	—	—	656,304
Transaction costs attributable to the issuance of common stock in connection with Business Combination and PIPE Investment	—	—	—	(70,406)	—	—	—	—	—	(70,406)
Acquisition of warrant liabilities	—	—	—	(28,219)	—	—	—	—	—	(28,219)
Change in non-controlling interests allocation	—	—	—	28,112	—	—	—	—	(28,112)	—
Net loss	—	—	—	—	(190,020)	—	—	—	(7,210)	(197,230)
Balance at December 31, 2021	245,834,569	\$ —	25	\$ 1,450,839	\$ (720,713)	\$ —	—	\$ —	\$ 6,077	\$ 736,228
Equity-based compensation	—	—	—	54,549	—	—	—	—	34,430	88,979
Change in non-controlling interests allocation	—	—	—	40,120	—	—	—	—	(40,120)	—
Shares withheld for employee taxes on vested equity awards	—	—	—	—	—	—	2,644,415	(7,687)	—	(7,687)
Issuance of Class A common stock upon settlement of restricted stock units	6,148,415	—	—	—	—	—	—	—	—	—
Net loss	—	—	—	—	(555,160)	—	—	—	(387)	(555,547)
Other comprehensive loss	—	—	—	—	—	(10,053)	—	—	—	(10,053)
Balance at December 31, 2022	251,982,984	\$ —	25	\$ 1,545,508	\$ (1,275,873)	\$ (10,053)	2,644,415	\$ (7,687)	\$ —	\$ 251,920

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

WHEELS UP EXPERIENCE INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2022	2021	2020
OPERATING ACTIVITIES:			
Net loss	\$ (555,547)	\$ (197,230)	\$ (85,405)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	65,936	54,198	58,529
Amortization of deferred financing costs and debt discount	766	618	1,612
Accretion of investments	—	—	—
Equity-based compensation	88,979	49,673	3,342
Change in fair value of warrant liability	(9,516)	(17,951)	—
Provision for expected credit losses	8,129	3,264	7,119
Loss on extinguishment of debt	—	2,379	—
Gain on sale of aircraft held for sale	(4,375)	—	—
Impairment of goodwill	180,000	—	—
Other	1,575	—	—
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable	(23,946)	(21,923)	14,506
Other receivables	2,537	144	6,968
Parts and supplies inventories	(21,693)	(3,418)	(636)
Aircraft inventory	(29,470)	—	—
Prepaid expenses	(3,058)	(11,360)	(418)
Other non-current assets	(41,555)	(34,218)	877
Operating lease liabilities, net	(490)	(1,949)	1,094
Accounts payable	(9,702)	13,116	(13,868)
Accrued expenses	19,143	14,616	(6,080)
Deferred revenue	103,313	278,827	218,129
Other assets and liabilities	(1,715)	(2,296)	3,875
Net cash provided by (used in) operating activities	(230,689)	126,490	209,644
INVESTING ACTIVITIES:			
Purchases of property and equipment	(83,559)	(15,234)	(7,109)
Acquisition of businesses, net of cash acquired	(75,093)	7,844	97,104
Purchases of aircraft held for sale	(40,105)	(31,669)	—
Proceeds from sale of aircraft held for sale, net	51,208	13,568	—
Capitalized software development costs	(27,693)	(13,179)	(8,415)
Net cash provided by (used in) investing activities	(175,242)	(38,670)	81,580
FINANCING ACTIVITIES:			
Proceeds from stock option exercises	—	2,107	—
Purchase of shares for treasury	(7,687)	—	—
Proceeds from Business Combination and PIPE Investment	—	656,304	—
Transaction costs in connection with the Business Combination and PIPE Investment	—	(70,406)	—
Proceeds from long-term debt, net of discount	259,200	—	755
Repayments of long-term debt	—	(214,081)	(63,450)
Loans to employees	—	102	(93)
Payment of debt issuance costs	(6,727)	—	—
Net cash provided by (used in) financing activities	244,786	374,026	(62,788)
Effect of exchange rate changes on cash	(5,424)	—	—
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(166,569)	461,846	228,436
CASH, CASH EQUIVALENTS AND RESTRICTED CASH BEGINNING OF PERIOD	786,722	324,876	96,440
CASH, CASH EQUIVALENTS AND RESTRICTED CASH END OF PERIOD	\$ 620,153	\$ 786,722	\$ 324,876
CASH PAID DURING THE PERIOD FOR:			
Interest	\$ —	\$ 11,661	\$ 21,717
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Non-cash consideration issued for business acquisition of Delta Private Jets, LLC	\$ —	\$ —	\$ 427,007
Non-cash consideration issued for business acquisition of Gama Aviation LLC	\$ —	\$ —	\$ 32,638
Non-cash consideration issued for business acquisition of Mountain Aviation, LLC	\$ —	\$ 30,172	\$ —
Assumption of warrant liability in Business Combination	\$ —	\$ 28,219	\$ —

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

WHEELS UP EXPERIENCE INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND OPERATIONS

Wheels Up Experience Inc. (together with its consolidated subsidiaries, “Wheels Up”, the “Company”, “our”, “we”, and “us”) is a leading brand in private aviation that strives to deliver a total private aviation solution.

On July 13, 2021 (the “Closing Date”), we consummated the transactions contemplated by the Agreement and Plan of Merger (the “Merger Agreement”), dated as of February 1, 2021, as amended on May 6, 2021, by and among Aspirational Consumer Lifestyle Corp., a blank check company incorporated as a Cayman Islands exempted company (“Aspirational”), Wheels Up Partners Holdings LLC, a Delaware limited liability company (“WUP”), Kittyhawk Merger Sub LLC., a Delaware limited liability company and a direct wholly owned subsidiary of Aspirational (“Merger Sub”), Wheels Up Blocker Sub LLC, a Delaware limited liability company and a direct wholly owned subsidiary of Aspirational (“Blocker Sub”), the Blocker Merger Subs (as defined in the Merger Agreement) and the Blockers (as defined in the Merger Agreement). In connection with the closing of the Merger Agreement, Aspirational filed a notice of deregistration with the Cayman Islands Registrar of Companies, together with the necessary accompanying documents, and filed a certificate of incorporation and a certificate of corporate domestication with the Secretary of State of the State of Delaware, under which Aspirational was domesticated and continues as a Delaware corporation, changing its name to “Wheels Up Experience Inc.” (the “Domestication”).

On the Closing Date, (i) the Blockers simultaneously merged with and into the respective Blocker Merger Subs, with the Blockers surviving each merger as wholly owned subsidiaries of Wheels Up (the “First Step Blocker Mergers”), (ii) thereafter, the surviving Blockers simultaneously merged with and into Blocker Sub, with Blocker Sub surviving each merger (the “Second Step Blocker Mergers”), and (iii) thereafter, Merger Sub merged with and into WUP, with WUP surviving the merger, with Wheels Up as its managing member (the “Company Merger” and collectively with the First Step Blocker Mergers and the Second Step Blocker Mergers, the “Mergers” and, together with the Domestication, the “Business Combination”) (See Note 3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation and Basis of Presentation

The consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the U.S. (“U.S. GAAP”). The consolidated financial statements include the accounts of Wheels Up Experience Inc. 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 14). All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

Preparing the 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 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.

Fair Value Measurements

The carrying values of cash and cash equivalents, accounts receivable, deferred revenue, accounts payable and long-term debt approximate fair value due to either the short-term nature of such instruments or the fact that the interest rate of the long-term debt is based upon current market rates.

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.

The determination of where an asset or liability falls in the hierarchy requires significant judgment. When developing fair value estimates, we maximize the use of observable inputs and minimize the use of unobservable inputs. When available, the estimated fair value of financial instruments is based on quoted prices in active markets that are available on the measurement date. If quoted prices in active markets are not available, the determination of estimated fair value is based on standard market valuation methodologies, giving priority to observable inputs.

The following methods and assumptions were used to estimate the fair value of each class of financial assets and liabilities for which it is practicable to estimate fair value:

- Cash equivalents — The carrying amount of money market funds approximates fair value and is classified within Level 1 because we determined the fair value through quoted market prices.
- Long-term debt — The carrying amount approximates fair value based on the interest rates currently available for debt with similar terms and remaining maturities. We utilized Level 2 inputs to determine the fair value.
- Warrant liability — Public Warrants (as defined below) are classified within Level 1 as these securities are traded on an active public market. Private Warrants (as defined below) are classified within Level 2. We utilized the value of the Public Warrants as an approximation of the value of the Private Warrants as they are substantially similar to the Public Warrants, but not directly traded or quoted on an active market.

Certain non-financial assets are measured at fair value on a non-recurring basis, including property and equipment, goodwill and intangible assets. These assets are subject to fair value adjustments in certain circumstances, such as when there is evidence of an impairment.

Cash Equivalents

Cash equivalents consist of highly liquid investments that are readily convertible into cash. We consider securities with initial maturities of three months or less, when purchased, to be cash equivalents.

Restricted Cash

Restricted cash is pledged as security for letters of credit and also includes cash and cash equivalents that are unavailable for immediate use due to contractual restrictions. We classify restricted cash as current or non-current based on the remaining term of the restriction.

Accounts and Allowance for Credit Losses

Accounts receivable, net, primarily consists of contractual amounts we expect to collect from members and customers related to membership subscriptions and flights, including amounts currently due from credit card companies. We record accounts receivable at the original invoiced amount.

We monitor exposure for losses and maintain an allowance for credit losses for any receivables that may be uncollectible. We estimate uncollectible receivables based on the receivable's age, customer credit-worthiness, past transaction history with the customer, changes in payment terms and the condition of the general economy and the industry as a whole. When it is determined that the amounts are not recoverable, the receivable is written off against the allowance. Changes in the allowance for credit losses from December 31, 2020 to December 31, 2022 were as follows (in thousands):

	Amount
Balance as of December 31, 2020	\$ 2,339
Current period provision	3,264
Write-offs, net and other	315
Balance as of December 31, 2021	\$ 5,918
Current period provision	8,129
Write-offs, net and other	(4,065)
Balance as of December 31, 2022	\$ 9,982

Concentration of Credit Risk

Financial instruments that may potentially expose us to concentrations of credit risk primarily consist of cash, cash equivalents, restricted cash and receivables. We place cash and cash equivalents with multiple high credit quality financial institutions. We hold certain cash and cash equivalents associated with our non-U.S.-based operations at international financial institutions. To the extent that our international cash holdings increase or decrease in the future, our exposure to fluctuations in foreign currency exchange rates may correspondingly increase or decrease and could have a material adverse effect on our business, financial condition or results of operations. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to certain limits and although deposits are held with multiple financial institutions, deposits at times may exceed the federally insured limits. We have not experienced any losses in such accounts.

Accounts receivable are spread over many members and customers. We monitor credit quality on an ongoing basis and maintain reserves for estimated credit losses.

There were no customers that accounted for 10% or more of revenue for the years ended December 31, 2022, 2021 and 2020. There were no customers that accounted for 10% or more of accounts receivable as of December 31, 2022 and 2021.

Parts and Supplies Inventories

Inventories are used in operations and are generally not for sale. Inventories are comprised of spare aircraft parts, materials and supplies, which are valued at the lower of cost or net realizable value. Cost of inventories are determined using the specific identification method. We determine, based on the evidence that exists, whether or not it is appropriate to maintain a reserve for excess and obsolete inventory. The reserve is based on historical experience related to the disposal of inventory due to damage, physical deterioration, obsolescence or other causes. As of December 31, 2022 and 2021, the reserve was not material. Storage costs and indirect administrative overhead costs related to inventories are expensed as incurred.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets include security deposits, which relate primarily to contractual prepayments to third-parties for future services, the current portion of capitalized costs related to sales commissions and referral fees, aircraft held for sale and insurance claims receivable.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization for all property and equipment are calculated using the straight-line method over the estimated useful lives of the related assets. Residual values estimated for aircraft are approximately 50% of the original purchase price. Expenditures that increase the value or productive capacity of assets are capitalized, and repairs and maintenance are expensed as incurred. The estimated useful lives of property and equipment are principally as follows: aircraft—seven years, furniture and fixtures—three years, vehicles—five years, building and improvements—27 years, computer equipment—three years and tooling—ten years. Leasehold improvements are amortized over the shorter of either the estimated useful life of the asset or the remaining term of the lease (see Note 4).

Software Development Costs

We incur costs related to developing the Wheels Up website, mobile application and other internal use software. In addition, we incur costs related to the development of our flight management software. The amounts capitalized include employees' payroll and payroll-related costs, including equity-based compensation, directly associated with the development activities, as well as external direct costs of services used in developing the software. We amortize capitalized costs using the straight-line method over the estimated useful life, which is currently three years, beginning when the software is ready for its intended use. Costs incurred during the preliminary project and post-implementation stages are expensed as incurred.

Leases

We determine if an arrangement is a lease at inception on an individual contract basis. Operating leases are included in operating lease right-of-use assets, operating lease liabilities, current and operating lease liabilities, non-current on the consolidated balance sheets. Operating lease right-of-use assets represent the right to use an underlying asset for the lease term and operating lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease right-of-use assets and operating lease liabilities are recognized at lease commencement date based on the present value of the future minimum lease payments over the lease term. The interest rate implicit in our leases is not readily determinable to discount lease payments. As a result, for all leases, we use an incremental borrowing rate that is based on the estimated rate of interest for a collateralized borrowing of a similar asset, using a similar term as the lease payments at the commencement date.

The operating lease right-of-use assets and operating lease liabilities include any lease payments made, including any variable amounts that are based on an index or rate, and exclude lease incentives. Variability that is not due to an index or rate, such as payments made based on hourly rates, are excluded from the lease liability. Lease terms may include options to extend or terminate the lease. Renewal option periods are included within the lease term and the associated payments are recognized in the measurement of the operating right-of-use asset and operating lease liability when they are at our discretion and considered reasonably certain of being exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

We have elected the practical expedient not to recognize leases with an initial term of 12 months or less on our consolidated balance sheets and lease expense is recognized on a straight-line basis over the term of the short-term lease. For real estate leases, we have elected the practical expedient to account for both the lease and non-lease components as a single lease component and not allocate the consideration in the contract. Certain real estate leases contain fixed lease payments that include real estate taxes, common area maintenance and insurance. These fixed payments are considered part of the lease payment and are included in the operating lease right-of-use assets and operating lease liabilities. For non-real estate leases, including aircraft, we have separated the lease and non-lease

components. The non-lease components of aircraft leases are typically for maintenance services and insurance that are expensed as incurred (see Note 12).

Impairment of Long-Lived Assets

Long-lived assets consist of aircraft, including aircraft held for sale, property and equipment, finite-lived intangible assets and operating lease right-of-use assets. We review the carrying value of long-lived assets for impairment when events and circumstances indicate that the carrying value may not be recoverable based on the estimated undiscounted future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value of the asset or asset group, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the asset or asset group.

We identified triggering events associated with the WUP Legacy (as defined below) reporting unit, the lowest level for which there are discretely identifiable and measurable cash flows, during the second and fourth quarters of 2022, and accordingly, we performed a long-lived asset recoverability test as of June 1 and December 31, 2022, the results of which indicated no impairment. We have not recorded any impairment of our long-lived assets in the fiscal years ended December 31, 2022, 2021 and 2020.

Acquisitions

We account for business combinations and asset acquisitions using the acquisition method of accounting, which requires allocation of the purchase price to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date. For acquisitions meeting the definition of a business combination, the excess of the purchase price over the amounts recognized for assets acquired and liabilities assumed is recorded as goodwill. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed in a business combination with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of operations. Acquisition costs, such as legal and consulting fees, are expensed as incurred for business combinations.

For acquisitions meeting the definition of an asset acquisition, the fair value of the consideration transferred, including transaction costs, is allocated to the assets acquired and liabilities assumed based on their relative fair values. No goodwill is recognized in an asset acquisition (see Note 3 and Note 6).

Goodwill

Goodwill represents the excess of the consideration transferred over the fair value of the identifiable assets acquired and liabilities assumed in business combinations. The carrying value of goodwill is tested for impairment on an annual basis or on an interim basis if events or changes in circumstances indicate that an impairment loss may have occurred (i.e., a triggering event). Our annual goodwill impairment testing date is October 1st. The test for goodwill is performed at the reporting unit level. Subsequent to acquisition, we determined that Air Partner represents a new reporting unit for the purposes of assessing potential impairment of goodwill, and therefore the private aviation services operating segment, our only reportable segment, was divided into two reporting units, the Air Partner reporting unit and the legacy Wheels Up reporting unit ("WUP Legacy").

Goodwill impairment is the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying value of goodwill. We use both qualitative and quantitative approaches when testing goodwill for impairment. Our qualitative approach evaluates various events including, but not limited to, macroeconomic conditions, changes in the business environment in which we operate and other specific facts and circumstances. If, after assessing qualitative factors, we determine that it is more-likely-than-not that the fair value of a reporting unit is greater than its carrying value, then performing a quantitative impairment assessment is unnecessary and the reporting unit is not considered to be impaired. However, if based on the qualitative assessment we cannot conclude that it is more-likely-than-not that the fair value of the reporting unit exceeds its carrying value, or if we elect to bypass the optional qualitative assessment approach, we proceed with performing the quantitative impairment

assessment using a discounted cash flow model, or income approach, and relevant data from guideline public companies, or market approach, to quantify the amount of impairment, if any (see Note 7).

Intangible Assets

Intangible assets other than goodwill consists of acquired finite-lived trade names, customer relationships and developed technology. At initial recognition, intangible assets acquired in a business combination are recognized at their fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any, and are amortized on a straight-line basis over the estimated useful life of the asset, which was determined based on management's estimate of the period over which the asset will contribute to our future cash flows (see Note 7).

Other Current Liabilities

Other current liabilities consist of deposits from owners for managed aircraft. Deposits are collected at the inception of the contract with each owner and returned on the contract termination date, to the extent there are no outstanding payments due at such time.

Warrant Liability

We determine if warrants are equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 480, *Distinguishing Liabilities from Equity* ("ASC 480") and ASC 815, *Derivatives and Hedging* ("ASC 815"). The assessment considers whether warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether warrants meet all of the requirements for equity classification under ASC 815, including whether warrants are indexed to our common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all of the criteria for equity classification, warrants are required to be recorded as a liability at their fair value on date of issuance and each balance sheet date thereafter. Changes in the estimated fair value of warrants are recognized as an unrealized gain or loss.

We recorded the Private Warrants and Public Warrants (each defined below and collectively the "Warrants") assumed as part of the Business Combination (see Note 3 and Note 18) as liabilities.

Deferred Offering Costs

We capitalized certain legal, accounting and other direct third-party costs related to the Business Combination. Deferred offering costs were included as an asset on the consolidated balance sheets and were deferred until the Closing Date, at which time they were deducted from additional paid-in capital of the combined business.

Revenue

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, a performance obligation is satisfied.

Revenue is derived from a variety of sources including, but not limited to, (i) memberships, (ii) flights, (iii) aircraft management and (iv) other.

Wheels Up membership agreements are signed by each member. Wheels Up membership agreements together with the terms and conditions in the flight services agreement govern the use of the Wheels Up membership. We account for a contract when both parties have approved and are committed to perform their obligations, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and collectability of consideration is probable. In addition to retail flights, we also have flight service agreements to sell wholesale flights to customers that are non-members and do not pay annual dues or initiation fees.

Revenue is recorded net of discounts on standard pricing and incentive offerings including special pricing agreements and certain promotions.

Deferred revenue is an obligation to transfer services to a customer for which we have already received consideration. Upon receipt of a prepayment from a customer for all or a portion of the transaction price, we initially recognize a contract liability. The contract liability is settled, and revenue is recognized, when we satisfy our performance obligation to the customer at a future date.

We utilize registered independent third-party air carriers in the performance of a portion of our flights. We evaluate whether there is a promise to transfer services to the customer, as the principal, or to arrange for services to be provided by another party, as the agent, using a control model. The nature of the flight services we provide to members is similar regardless of which third-party air carrier is involved. Wheels Up directs third-party air carriers to provide an aircraft to a member or customer. Based on evaluation of the control model, it was determined that Wheels Up acts as the principal rather than the agent within all revenue arrangements, other than when acting as an intermediary ticketing agent for travel as part of the Commercial Cooperation Agreement (as amended, the “CCA”) with Delta Air Lines, Inc. (“Delta”) and when managed aircraft owners charter their own aircraft, as we have the authority to direct the key components of the service on behalf of the member or customer regardless of which third-party is used. Members can use Prepaid Blocks (defined below) to purchase commercial flights on Delta. Wheels Up charges the member a ticketing fee to use their funds with Delta, which is recorded on a net basis in revenue at the time of booking. Wheels Up passes along the fulfillment of the performance obligation to Delta who actually provides the flight to the member. Owner charter revenue is recognized for flights where the owner of a managed aircraft sets the price for the trip. Wheels Up records owner charter revenue at the time of flight on a net basis for the margin we receive to operate the aircraft. If Wheels Up has primary responsibility to fulfill the obligation, then the revenue and the associated costs are reported on a gross basis in the consolidated statements of operations.

(i) Memberships

New members are typically charged a one-time initiation fee at the commencement of their membership, which is generally non-refundable. In the first year of membership, a portion of the initiation fee is applied to their 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 approximately three years. 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, which is generally but not always 12 months. If a customer qualifies to earn SkyMiles (as defined below) as part of their membership, then a portion of the transaction price is allocated to this performance obligation at contract inception. The amount of the allocation is determined based on our contractual cost for SkyMiles purchases with Delta. If at any time the membership is terminated, any previously unrecognized amounts are recognized in the period of termination.

(ii) Flights

Flights and flight-related services, along with the related costs of the flights, are earned and recognized as revenue at the point in time in which the service is provided. For round trip flights, revenue is recognized upon arrival at the destination for each flight segment.

Members pay a fixed quoted amount for flights. The amount can be based on a contractual capped hourly rate or dynamically priced based on market demand at time of booking. Wholesale customers primarily pay a fixed rate for

flights. In addition, flight costs can be paid by members through the purchase of dollar-denominated credits that can be applied to future costs incurred by members, including flight services, annual dues, and other incidental costs such as catering and ground transportation ("Prepaid Blocks"). Prepaid Blocks are deferred and recognized as revenue when the member completes a flight segment. Prepaid Blocks also can generally be used to purchase commercial flights on Delta. Wheels Up, acting in the capacity of an agent, charges the member a ticketing fee to use their commingled funds on a flight provided by Delta, which is recorded on a net basis at the time of booking.

In addition, Wheels Up continued and expanded a customary WUPJ business practice of providing Medallion Status ("Status") in Delta's SkyMiles Program ("SkyMiles") for purchases of Prepaid Blocks. A member is granted Status free of charge for use during the term of the contract and may assign the Status to any designated individual. A member can use their SkyMiles for purchases of Prepaid Blocks but they do not earn SkyMiles on Wheels Up flights. Any members that meet the designated spend thresholds for Prepaid Blocks or the designated dollar-denominated flight spend thresholds during the year receive the same Status. Additionally, we do not owe Delta any consideration for the grant of each Status provided. Status is not a material right at contract inception and does not give rise to a separate performance obligation. The provided Status is not recognized as revenue, but instead is considered a marketing incentive related to future purchases on Delta.

(iii) Aircraft Management

We manage aircraft for owners in exchange for a contractual fee. Revenue associated with the management of aircraft also includes the recovery of owner incurred expenses including maintenance coordination, cabin crew and pilots, as well as recharging of certain incurred aircraft operating costs and expenses such as maintenance, fuel, landing fees, parking and other related operating costs. We pass the recovery and recharge costs back to owners at either cost or a predetermined margin.

Aircraft management related revenue contains two types of performance obligations. One performance obligation is to provide management services over the contract period. Revenue earned from management services is recognized over the contractual term, on a monthly basis. The second performance obligation is the cost to operate and maintain the aircraft, which is recognized as revenue at the point in time such services are completed.

(iv) Other

Ground Services

Fixed-base operator ("FBO") ground services are provided for aircraft customers that use our facility at Cincinnati/Northern Kentucky International Airport ("CVG"). FBO ground services are comprised of a single performance obligation for aircraft facility services such as fueling, parking, ground power and cleaning. FBO related revenue is recognized at the point in time each service is provided.

We also separately provide maintenance, repair and operations ("MRO") ground services for aircraft owners and operators at certain of our facilities. MRO ground services are comprised of a single performance obligation for aircraft maintenance services such as modifications, repairs and inspections. MRO related revenue is recognized over time based on the cost of inventory consumed and labor hours worked for each service provided.

Flight-Related Services

As part of each flight, there is the option to request flight-related services such as catering or ground transportation for an additional charge. Flight-related services, which are passed through at either cost or a predetermined margin, were \$4.6 million, \$3.3 million and \$1.4 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Software Subscriptions

Subscription revenue consists of fees earned, typically monthly, from third-party operators and other businesses in the private aviation industry for web-based access to UP FMS, which is a collaborative suite of flight software tools that we offer through our acquisition of Avianis Systems LLC. Our subscription services provide users software licenses and related support and updates during the term of the arrangement to enable management of flight

operations. Revenue is generally recognized from such subscription contracts on a straight-line basis over the contract period. Contracts for related professional services, such as customized training or implementation programs, are either on a time and materials or fixed fee basis. Professional services revenue is generally recognized at the point in time the services are performed.

In addition, other revenue includes sales of whole aircraft (as described below), group charter revenue, cargo revenue, revenue sponsorships and partnership fees, safety and security revenue and special missions including government, defense, emergency and medical transport.

Aircraft Sales

We acquire aircraft from vendors and various other third-party sellers in the private aviation industry. On the acquisition date, we determine whether our intent is to sell the aircraft, generally within six to 12 months. If an aircraft is available to be used to service member or customer flights and our intent is either to sell and leaseback the aircraft or sell the aircraft to an aircraft management client, then we classify the purchase as an asset held for sale on the consolidated balance sheets, provided all of the six specified accounting criteria in ASC 360-10-45-9 are met. During the years ended December 31, 2022 and 2021, respectively, aircraft purchases of \$40.1 million and \$31.7 million were recorded as held for sale. Assets held for sale are reported at the lower of cost or fair value less costs to sell. The gain (loss) upon sale of such aircraft is recorded on a net basis as part of income (loss) from operations in the consolidated statements of operations. We recorded a gain on sale of \$4.4 million, \$1.3 million and nil for aircraft sales transactions during the years ended December 31, 2022, 2021 and 2020, respectively.

If our intent is to sell to a third-party customer and we do not intend to use the aircraft to service member or customer flights prior to the sale, we classify the purchase as aircraft inventory on the consolidated balance sheets. Aircraft inventory is valued at the lower of cost or net realizable value. Sales are recorded on a gross basis within other revenue and cost of revenue in the consolidated statements of operations. We recorded \$86.8 million of other revenue for aircraft sales during the year ended December 31, 2022, and there was no revenue recorded for aircraft sales during the years ended 2021 and 2020.

Aircraft Maintenance and Repair

Regular maintenance for owned and leased aircraft is expensed as incurred unless covered by a third-party, long-term flight hour service agreement. We have separate service agreements in place covering scheduled and unscheduled repairs of certain aircraft components, as well as the engines for certain owned and leased aircraft in our fleet. Certain of these agreements, whose original terms generally range from ten to 15 years, require monthly payments at rates based either on the number of cycles each aircraft was operated during each month or the number of flight hours each engine was operated during each month, subject to annual escalations. These power-by-the-hour agreements transfer certain risks, including cost risks, to the third-party service providers. They generally fix the amount we pay per flight hour or number of cycles in exchange for maintenance and repairs under a predefined maintenance program, which are representative of the time and materials that would be consumed. These costs are expensed as the related flight hours or cycles are incurred.

Advertising Costs

We expense the cost of advertising and promoting our services as incurred. Such amounts are included in sales and marketing expense in the consolidated statements of operations and totaled \$10.5 million, \$12.3 million and \$7.2 million, for the years ended December 31, 2022, 2021 and 2020, respectively.

Equity-Based Compensation

Prior to the Business Combination, we issued equity-based compensation awards to employees and consultants, including stock options, profits interests and restricted interests, under the WUP option plan and WUP management incentive plan. In connection with the Business Combination, we adopted and issued Restricted stock units ("RSUs") and stock options under the Wheels Up Experience Inc. 2021 Long-Term Incentive Plan (the "2021 LTIP"). Equity-based compensation awards are measured on the date of grant based on the estimated fair value of

the respective award and the resulting compensation expense is recognized over the requisite service period of the respective award. We account for forfeitures of awards as they occur.

WUP restricted interests have a performance condition that provides for accelerated vesting upon the occurrence of a change in control or an initial public offering including consummation of a transaction with a special-purpose acquisition company. For performance-based awards such as WUP restricted interests and PSUs (as defined below), the grant date fair value of the award is expensed over the vesting period when the performance condition is considered probable of being achieved.

RSUs are measured based upon the fair value of a share of our Class A common stock on the date of grant. RSUs typically vest upon a service-based requirement, and we recognize compensation expense on a straight-line basis over the requisite service period. Certain of our RSUs vest upon achievement of pre-determined performance objectives ("Performance-Based Restricted Stock Units" or "PSUs"), or certain market-based vesting conditions, and may be subject to a participant's continued service. Compensation expense associated with PSUs is recognized based on the quantity of awards we have determined are probable of vesting and is recognized over the longer of the estimated performance goal attainment period or time vesting period. The grant date fair value of awards with market-based vesting conditions is recognized over the derived service period for the award unless the market condition is satisfied in advance of the derived service period, in which case a cumulative catch-up is recognized as of the date of achievement.

Earnout Shares (as defined below) potentially issuable to holders of WUP profits interests and restricted interests as part of the Business Combination (see Note 3 and Note 13) are recorded as equity-based compensation. Earnout Shares contain market conditions for vesting. Compensation expense related to an award with a market condition is recognized on a tranche-by-tranche basis (accelerated attribution method) over the requisite service period and is not reversed if the market condition is not satisfied.

Income Taxes

We account for income taxes using the asset and liability method. Deferred tax assets and liabilities reflect the expected future consequences of temporary differences between the financial reporting and tax bases of assets and liabilities as well as operating losses, capital losses, and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates that are expected to be in effect when these differences are anticipated to reverse. Management makes estimates, assumptions, and judgments to determine our provision for income taxes, deferred tax assets and liabilities, and any valuation allowance recorded against deferred tax assets. We assess the likelihood that our deferred tax assets will be recovered from future taxable income and, to the extent we believe, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, we establish a valuation allowance.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. Interest and penalties related to unrecognized tax benefits are recognized within income tax expense.

Net Income (Loss) per Share

Basic net income (loss) per share is computed by dividing net income (loss) attributable to Wheels Up by the weighted average number of shares of Class A common stock outstanding during the period. Diluted net income (loss) per share is computed based on the weighted average number of shares of Class A common stock outstanding plus the effect of dilutive potential shares of Class A common stock outstanding during the period. During the periods when there is a net loss, potentially dilutive shares of Class A common stock are excluded from the calculation of diluted net loss per share as their effect is anti-dilutive.

Segment Reporting

We identify operating segments as components of Wheels Up for which discrete financial information is available and is regularly reviewed by the chief operating decision maker, or decision-making group, in making decisions regarding resource allocation and performance assessment. The chief operating decision maker is the chief executive officer. We determined that Wheels Up operates in a single operating and reportable segment, private aviation services, as the chief operating decision maker reviews financial information presented on a consolidated basis, accompanied by disaggregated information about revenue, for purposes of making operating decisions, allocating resources, and assessing performance. Substantially all of our long-lived assets are located in the U.S. and revenue from private aviation services is substantially earned from flights throughout the U.S.

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 consolidated balance sheets and the consolidated statements of other comprehensive loss as a cumulative translation adjustment.

Adopted Accounting Pronouncements

In October 2021, the Financial Accounting Standards Board ("FASB") issued accounting standards update ("ASU") 2021-08, *Business Combinations: Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* (ASC 805). This standard simplifies the measurement and recognition of contract assets and contract liabilities from contracts with customers acquired in a business combination. This guidance will generally result in the recognition of contract assets and contract liabilities consistent with those reported by the acquiree immediately before the acquisition date. We adopted ASU 2021-08 on January 1, 2022. This adoption did not have a material impact on our consolidated financial statements.

Accounting Pronouncements Issued but Not Yet Effective

There are no pending ASUs that are currently expected to have a material impact on the Company's consolidated financial statements.

3. BUSINESS COMBINATION

The Business Combination was accounted for as a reverse recapitalization, where Aspirational was treated as the acquired company for financial reporting purposes. This accounting treatment is the equivalent of Wheels Up issuing stock for the net assets of Aspirational, accompanied by a recapitalization whereby no goodwill or other intangible assets are recorded. Accordingly, WUP is deemed the accounting predecessor of the combined business, and Wheels Up, as the parent company of the combined business, is the successor U.S. Securities and Exchange Commission ("SEC") registrant, meaning that all historical financial information presented in the consolidated financial statements prior to the closing of the Business Combination represents the accounts of WUP.

Upon closing of the Business Combination, all outstanding WUP common interests and WUP preferred interests (including WUP restricted interests), as well as shares underlying WUP options, were converted into 190.0 million shares of Class A common stock and rolled over into the combined business. In addition, there were 29.0 million outstanding WUP profits interests recapitalized in connection with the Business Combination that can be exchanged on a value-for-value basis for Class A common stock subject to vesting.

Upon closing of the Business Combination, Aspirational and Aspirational's public shareholders held 6.0 million and 10.6 million shares, respectively, of Class A common stock.

All references to numbers of common shares and per common share data prior to the Business Combination in these consolidated financial statements and related notes have been retroactively adjusted to account for the effect of the reverse recapitalization. The reported share and per share amounts, have been converted by applying the

exchange ratio established in the Merger Agreement of 0.4604, which was based on the Wheels Up implied price per share prior to the Business Combination (the “Exchange Ratio”). On the Closing Date, we received approximately \$656.3 million in gross proceeds. In connection with the Business Combination, we incurred \$70.4 million of transaction costs, consisting of advisory, legal, share registration and other professional fees, which are recorded within additional paid-in capital as a reduction of proceeds.

PIPE Investment

In connection with the Business Combination, Aspirational entered into subscription agreements with certain investors (the “PIPE Investors”), whereby Aspirational issued 55.0 million shares of common stock at a price of \$10.00 per share (the “PIPE Shares”) for an aggregate purchase price of \$550 million (the “PIPE Investment”), which closed simultaneously with the consummation of the Business Combination. On the Closing Date, the PIPE Shares were automatically converted into shares of Class A common stock on a one-for-one basis.

Earnout Shares

Further, as part of the Business Combination, existing holders of WUP equity, including holders of profits interests and restricted interests, but excluding holders of stock options, have the right to receive up to an aggregate of 9.0 million additional shares of Class A common stock in three equal tranches, which are issuable upon the achievement of Class A common stock 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”).

Public Warrants and Private Warrants

The Warrants assumed in the Business Combination include (i) 7,991,544 redeemable warrants sold by Aspirational as part of its initial public offering (the “Public Warrants”) of 23,974,362 units, consisting of one share of Class A common stock and one-third of one warrant exercisable for Class A common stock and (ii) 4,529,950 warrants privately sold by Aspirational at a price of \$1.50 per warrant (the “Private Warrants”) to Aspirational Consumer Lifestyle Sponsor LLC (the “Sponsor”) simultaneously with the closing of the Aspirational initial public offering exercisable for Class A common stock. Each Public Warrant entitles the holder to purchase one share of Class A common stock at a price of \$11.50 per share. Each Private Warrant entitles the Sponsor to purchase one share of Class A common stock at a price of \$11.50 per share.

4. PROPERTY AND EQUIPMENT

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

	December 31, 2022		December 31, 2021	
Aircraft	\$	566,338	\$	482,848
Software development costs		65,303		35,818
Leasehold improvements		11,930		12,584
Computer equipment		3,014		2,147
Building and improvements		1,424		1,424
Furniture and fixtures		3,208		1,960
Tooling		3,835		3,129
Vehicles		1,538		1,142
		<u>656,590</u>		<u>541,052</u>
Less: Accumulated depreciation and amortization		(262,031)		(223,216)
Total	\$	<u>394,559</u>	\$	<u>317,836</u>

Depreciation and amortization expense related to property and equipment was \$43.5 million, \$34.3 million and \$40.8 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Amortization expense related to software development costs, included as part of depreciation and amortization expense of property and equipment, was \$14.6 million, \$6.8 million and \$4.8 million for the years ended December 31, 2022, 2021 and 2020 respectively.

5. REVENUE

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):

	Year Ended December 31,		
	2022	2021	2020
Services transferred at a point in time:			
Flights, net of discounts and fees	\$ 1,073,094	\$ 873,724	\$ 495,419
Aircraft management	232,248	215,368	124,881
Other	166,732	20,910	9,392
Services transferred over time:			
Memberships	90,132	69,592	54,622
Aircraft management	9,784	9,897	7,848
Other	7,770	4,768	2,819
Total	<u>\$ 1,579,760</u>	<u>\$ 1,194,259</u>	<u>\$ 694,981</u>

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct service to the customer and is the basis of revenue recognition. To determine the proper revenue recognition method for contracts, we used judgment to evaluate whether two or more contracts should be combined and accounted for as a portfolio and whether the combined or single contract should be accounted for as more than one performance obligation.

Transaction Price

The transaction prices for each of our primary revenue streams are as follows:

- Flights — The fixed quoted amount including any flight credits.
- Memberships — The initiation fee, less any flight credits, when signing up and annual dues for all years thereafter.
- Aircraft management — The fixed monthly fee to manage the aircraft over the contractual term plus the recovery of owner-incurred expenses and recharge costs that are based on the expenses we incur to operate and maintain the aircraft; and,
- Other — Generally based on contractual amounts or time and materials incurred for the work performed or services rendered.

If there is a group of performance obligations bundled in a contract, the transaction price is allocated based upon the relative standalone selling prices of the promised services underlying each performance obligation.

Payment Terms

Under standard payment terms, the member or customer agrees to pay the full stated price in the contract and financing of the transaction is not provided. Revenue in the consolidated statements of operations is presented net of discounts and incentives of \$12.2 million, \$17.0 million and \$9.5 million, for the years ended December 31, 2022, 2021 and 2020, respectively. We generally do not issue refunds for flights unless there is a failure to meet a service obligation with respect to such flight. Refunded amounts for initiation fees and annual dues are granted to some customers that no longer wish to remain members following their first flight and were \$3.0 million and \$3.5 million for the years ended December 31, 2022 and 2021, respectively.

Contract Balances

Receivables from member and customer contracts are included within accounts receivable, net on the consolidated balance sheets. As of December 31, 2022 and 2021, gross receivables from members and customers were \$112.2 million and \$71.8 million, respectively. As of December 31, 2022 and 2021, undeposited funds, included within accounts receivable, net, were \$10.1 million and \$13.5 million, respectively. As of December 31, 2022 and 2021, the allowance for expected credit losses was \$10.0 million and \$5.9 million, respectively.

Contract liabilities represent obligations to transfer services to a member or customer for which we have already received consideration. Purchases of flights, Prepaid Blocks, initiation fees including flight credits and annual dues payments are received up front in advance of performance under the contract and initially deferred as a liability. Prepaid flights, Prepaid Blocks and flight credits are recognized as revenue and the deferred revenue liability is reduced at the point in time a flight segment is taken. The initiation fee is recognized upon acquisition of the contract on a straight-line basis over the estimated customer relationship period, which approximates three years. The initial annual dues are recognized upon acquisition of the contract on a straight-line basis for a specified length of time, usually 12 months. Any subsequent recurring contract renewals are recognized on a straight-line basis over an estimated period of 12 months from the date the contract is renewed.

The balance classified as current deferred revenue includes prepaid flights and flight credits, annual dues and initiation fees. Prepaid flights and flight credits are redeemable for flights at any time. The balance classified as non-current deferred revenue includes amounts to be recognized beyond 12 months following the balance sheet date.

Deferred revenue consists of the following (in thousands):

	December 31, 2022	December 31, 2021
Flights - Prepaid Blocks	\$ 1,023,985	\$ 876,750
Memberships - annual dues	43,970	47,069
Memberships - initiation fees	3,899	4,072
Flights - credits	4,246	6,633
Other	775	960
Deferred revenue - total	\$ 1,076,875	\$ 935,484

Changes in deferred revenue for the year ended December 31, 2022 were as follows (in thousands):

Deferred revenue - beginning balance	\$ 935,484
Amounts deferred during the period	1,380,894
Revenue recognized from amounts included in the deferred revenue beginning balance	(616,554)
Revenue from current period sales	(622,949)
Deferred revenue - ending balance	\$ 1,076,875

Revenue expected to be recognized in future periods for performance obligations that are unsatisfied, or partially unsatisfied, as of December 31, 2022 approximates \$704.8 million, \$186.1 million and \$186.0 million for 2023, 2024 and 2025, respectively.

Costs to Obtain Contract

Commissions are granted to certain employees and consultants separately for the initial sales of memberships, additional subsequent contract renewals, flights or when a member purchases Prepaid Blocks on their account. Commissions are also granted for the execution of aircraft management agreements, additional subsequent contract renewals and performance over the contractual term. In addition, members are eligible to receive a credit if they refer a new customer who signs up for a membership in the Wheels Up program. The cost of commissions and referral fees are capitalized as an asset on the consolidated balance sheets as these are incremental amounts directly related to attaining a contract with a member. Capitalized costs related to sales commissions and referral fees were \$16.3 million, \$13.2 million and \$6.3 million for the years ended December 31, 2022, 2021 and 2020, respectively. As of December 31, 2022 and 2021, capitalized sales commissions and referral fees of \$8.7 million and \$8.6 million, respectively, are in prepaid expenses and other current assets and \$1.3 million and \$1.4 million, respectively, are in other non-current assets on the consolidated balance sheets.

Amounts capitalized for certain costs incurred to obtain a contract are periodically reviewed for impairment and amortized on a straight-line basis concurrently over the same period of benefit in which the associated contract revenue is recognized. Amortization expense related to capitalized sales commissions and referral fees included in sales and marketing expense in the consolidated statements of operations was \$16.3 million, \$9.1 million and \$7.4 million for the years ended December 31, 2022, 2021 and 2020, respectively.

6. ACQUISITIONS

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 of \$2.9 million were included in general and administrative expense in the consolidated statements of operations for the twelve months ended December 31, 2022. The acquisition of Air Partner was determined to be a business combination.

As of the date of acquisition, the total preliminary 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	\$	\$1,723
Property and equipment, net		2,012
Operating lease right-of-use assets		2,960
Goodwill		83,559
Intangible assets		20,921
Restricted cash		27,507
Other assets		1,671
Total assets acquired		190,353
Total liabilities assumed		(82,159)
Net assets acquired	\$	\$108,194

Current assets of Air Partner included \$18.0 million of cash and \$17.4 million of accounts receivable.

The above initial fair value estimates of the assets acquired and liabilities assumed are provisional. We are still evaluating the fair value of intangible assets, and income taxes, in addition to ensuring all other assets, liabilities and contingencies have been identified and recorded. We have estimated the preliminary fair value of assets acquired and liabilities assumed based on information currently available and will continue to adjust those estimates as

additional information pertaining to events or circumstances present at the acquisition date becomes available during the measurement period.

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	<u>\$ 20,921</u>	<u>5.1</u>

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 9). The valuation method used for the Air Partner intangible assets was the income approach.

The results of Air Partner were included in the consolidated statement of operations from the date of acquisition. Revenue for Air Partner was \$87.6 million, net of intercompany eliminations, and income from operations was \$8.3 million from the date of acquisition through December 31, 2022.

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 consolidated statements of operations for the twelve months ended December 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. While the purchase price allocation is substantially complete, it is still preliminary and subject to change. As of the date of acquisition, the total preliminary 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	<u>22,048</u>
Total assets acquired	39,569
Total liabilities assumed	<u>(24,101)</u>
Net assets acquired	<u>\$ 15,468</u>

Current assets of Alante Air included \$3.0 million of cash and \$1.4 million of accounts receivable, including \$15.0 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.

The results of Alante Air were included in the consolidated statement of operations from the date of acquisition. Revenue for Alante Air was \$2.8 million, net of intercompany eliminations, and loss from operations was \$3.1 million from the date of acquisition through December 31, 2022.

Mountain Aviation, LLC Acquisition

On January 5, 2021, we acquired all of the outstanding equity of Mountain Aviation, LLC ("Mountain Aviation") for a total purchase price of \$40.2 million, consisting of \$30.2 million in WUP common interests and \$10.0 million in cash. In addition, there is a potential incremental cash earn-out of up to \$15.0 million based on achieving certain financial performance metrics related to certain special missions, which represents contingent consideration, and would be payable in the second quarter of 2023 to the extent achieved. The estimated fair value of the earn-out payment using a Monte Carlo simulation model as of the acquisition date was \$0. As a result, we have not recorded a liability for the fair value of contingent consideration payable on the consolidated balance sheet as of December 31, 2022. The valuation of the earn-out is based on significant inputs that are not observable in the market; therefore, it is a Level 3 financial instrument. Mountain Aviation adds to our Super-Midsize jet fleet and operations, provides full-service in-house maintenance capabilities, expands our presence in the Western U.S. and enhances our on-demand transcontinental charter flight capabilities. Acquisition-related costs for Mountain Aviation of \$2.0 million were included in general and administrative expense in the consolidated statements of operations for the year ended December 31, 2022. The acquisition of Mountain Aviation was determined to be a business combination.

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

Current assets	\$	32,667
Property and equipment		741
Intangible assets		5,040
Goodwill		37,238
Other assets		45,874
Total assets acquired		121,560
Total liabilities assumed		(81,388)
Net assets acquired	\$	40,172

Current assets of Mountain Aviation included \$17.8 million of cash and \$10.8 million of accounts receivable, including \$1.5 million 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 and intangible assets. The allocated value of goodwill primarily relates to anticipated synergies and economies of scale by combining the use of Mountain Aviation's aircraft, maintenance capabilities and existing business processes with our other acquisitions. The acquired goodwill is approximately 25.0% deductible for tax purposes.

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

	Amount (In thousands)	Weighted-Average Amortization Period (Years)
Customer relationships - non-defense	\$ 3,400	7.0
Customer relationships - defense	1,200	4.0
Trade name	330	1.0
Non-competition agreement	110	1.0
Total acquired intangible assets	<u>\$ 5,040</u>	<u>5.8</u>

The results of Mountain Aviation were included in the consolidated statement of operations from the date of acquisition. Revenue for Mountain Aviation was \$100.9 million, net of intercompany eliminations, and income from operations was \$18.0 million from the date of acquisition through December 31, 2021.

Gama Aviation LLC

On March 2, 2020, we acquired all the outstanding equity of Gama Aviation LLC ("Gama") for a total purchase price of \$73.9 million consisting of \$5.1 million in WUP common interests, \$41.3 million in cash and the issuance of promissory notes with an aggregate initial principal amount of \$27.5 million payable to certain affiliated parties of Gama. Prior to the date of acquisition, Gama exclusively operated our Wheels Up branded aircraft as an independent third-party operator. We acquired Gama because it provides flight operations and aircraft management services, which includes the management of aircraft on behalf of third-party owners. In connection with the closing of the Gama acquisition, we issued a promissory note to an affiliate of Signature Aviation in the initial principal amount of \$0.8 million in satisfaction of certain pre-existing obligations owed by Wheels Up to such entity. Acquisition-related costs for Gama of \$2.4 million and \$0.4 million were included in general and administrative expense in the consolidated statements of operations for the years ended December 31, 2020 and 2019, respectively. The acquisition of Gama was determined to be a business combination.

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

Current assets	\$ 50,316
Property and equipment	696
Intangible assets	13,000
Goodwill	54,757
Other assets	5,866
Total assets acquired	<u>124,635</u>
Total liabilities assumed	<u>(50,705)</u>
Net assets acquired	<u>\$ 73,930</u>

Current assets of Gama included \$4.7 million of cash and \$43.3 million of accounts receivable including \$18.2 million 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 and intangible assets. The allocated value of goodwill primarily relates to anticipated synergies from future growth using Gama's aircraft under management and Gama's existing business processes. The acquired goodwill is predominately deductible for tax purposes.

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

	Amount (In thousands)	Weighted-Average Amortization Period (Years)
Customer relationships	\$ 10,000	10.0
Trade name	3,000	2.0
Total acquired intangible assets	<u>\$ 13,000</u>	<u>8.2</u>

The results of Gama were included in the consolidated statement of operations from the date of acquisition. Revenue for Gama was \$122.1 million, net of intercompany eliminations, and income from operations was \$39.8 million from the date of acquisition through December 31, 2020. Included in income from operations was \$36.1 million related to the CARES Act grant (defined in Note 8).

Delta Private Jets, LLC Acquisition

On January 17, 2020, we acquired all the outstanding equity of Delta Private Jets, LLC, a wholly-owned subsidiary of Delta, for a total purchase price of \$427.0 million, which was paid in WUP Class E preferred interests. In connection with the acquisition, Delta Private Jets, LLC was renamed Wheels Up Private Jets LLC. We acquired WUPJ because it provides management of aircraft on behalf of third-party owners and provides full service and in-house maintenance capabilities. As part of the acquisition, we also executed an exclusive long-term commercial cooperation agreement with Delta. The CCA has an initial seven-year term and two subsequent renewal periods of three years. The Delta strategic relationship provides high value co-marketing products, features, and benefits to Wheels Up members and Delta customers. Acquisition-related costs for WUPJ of \$2.8 million and \$1.4 million were included in general and administrative expense in the consolidated statements of operations for the years ended December 31, 2020 and 2019, respectively. The acquisition of WUPJ was determined to be a business combination.

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

Current assets	\$ 147,440
Property and equipment	6,729
Intangible assets	150,000
Goodwill	341,671
Other assets	17,608
Total assets acquired	663,448
Total liabilities assumed	(236,441)
Net assets acquired	<u>\$ 427,007</u>

Current assets of WUPJ included \$136.0 million of cash and \$3.3 million of accounts receivable.

Goodwill represents the excess of the purchase price over the fair values of the acquired net tangible and intangible assets. The allocated value of goodwill primarily relates to anticipated benefits that will be generated from the launch of the Delta partnership, which will provide access to a large retail and corporate customer base of high-volume flyers. In addition, by combining the operations of WUPJ with our other acquisitions, we expect synergies and economies of scale that will result in reduced costs within the areas of aircraft management and maintenance. The acquired goodwill is not deductible for tax purposes.

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

	Amount (In thousands)	Weighted-Average Amortization Period (Years)
Status	\$ 80,000	10.0
Customer relationships	60,000	10.0
Trade name	10,000	10.0
Total acquired intangible assets	\$ 150,000	10.0
Total acquired intangible liabilities	\$ 20,000	10.0

The results of WUPJ were included in the consolidated statement of operations from the date of acquisition. Revenue for WUPJ was \$136.4 million and loss from operations was \$16.6 million from the date of acquisition through December 31, 2020. Included in loss from operations was income of \$13.3 million related to the CARES Act grant.

Unaudited Pro Forma Summary of Operations

The accompanying unaudited pro forma summary represents the consolidated results of operations as if the 2021 acquisition of Mountain Aviation and the 2022 acquisitions of Alante Air and Air Partner had been completed as of January 1, 2020. The unaudited pro forma financial results for 2020 reflect the results for the year ended December 31, 2020. The unaudited pro forma financial results for 2021 reflect the results for the year ended December 31, 2021, as well as the effects of pro forma adjustments for the transactions in 2021. The unaudited pro forma financial results for 2022 reflect the results for the year ended December 31, 2022, as well as the effects of pro forma adjustments for the stated 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).

	Year Ended December 31,		
	2022	2021	2020
Net revenue	\$ 1,617,578	\$ 1,346,140	\$ 974,868
Net loss	\$ (505,538)	\$ (186,752)	\$ (89,805)
Net loss attributable to Wheels Up Experience Inc.	\$ (505,151)	\$ (180,740)	\$ (82,692)
Net loss per share	\$ (2.06)	\$ (0.88)	\$ (0.51)

7. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The following table presents goodwill carrying value and the movements, by reporting unit, during the years ended December 31, 2022 and 2021 (in thousands):

	WUP Legacy	Air Partner	Total
Balance as of December 31, 2020	\$ 400,160	\$ —	\$ 400,160
Acquisition of Mountain Aviation	37,238	—	37,238
Balance as of December 31, 2021	\$ 437,398	\$ —	\$ 437,398
Acquisition of Alante Air	13,069	—	13,069
Acquisition of Air Partner	—	83,559	83,559
Impairment of goodwill	(180,000)	—	(180,000)
Foreign currency translation adjustment	—	(5,908)	(5,908)
Balance as of December 31, 2022	\$ 270,467	\$ 77,651	\$ 348,118

Goodwill Impairment

During the second quarter of 2022, we determined that because of a sustained decrease in the quoted market price of our Class A common stock from the Closing Date, combined with a further decline in our operating margins, there was an indication that a triggering event occurred and the carrying value of WUP Legacy may not be recoverable. As a result, we performed an interim quantitative impairment test as of June 1, 2022. Based on the analysis, the fair value of the reporting unit exceeded its carrying value and no impairment was recorded.

During the third quarter of 2022, we determined that because of continued deterioration in our stock price, resulting in a market capitalization that was below the carrying value of our equity, there was an indication that a triggering event occurred and the carrying value of WUP Legacy may not be recoverable. As a result, we performed a quantitative impairment test using the income approach. The fair value using the income approach was based on the present value of estimated future cash flows. The significant underlying unobservable inputs used to measure the fair value included forecasted revenue growth rates and margins, weighted average cost of capital, normalized working capital level and projected long-term growth rates. As a result of this assessment, a goodwill impairment charge of \$62.0 million was recorded to WUP Legacy as of September 30, 2022. The decline in the fair value of the reporting unit, as compared to the quantitative analysis performed as of June 1, 2022, was primarily due to an increase in the discount rate.

In light of the quantitative impairment test performed as of September 30, 2022 over the WUP Legacy reporting unit, we concluded that there was no additional impairment as of October 1, 2022, the date of our annual impairment testing date.

During December 2022, we saw sustained decreases in the quoted price of our Class A common stock and revised our forecast for the WUP Legacy reporting unit. As a result of these factors, we concluded a triggering event had occurred for WUP Legacy and, accordingly, performed an interim quantitative impairment test over the reporting unit as of December 31, 2022. Using the income approach, we calculated the fair value of WUP Legacy as of December 31, 2022, based on the present value of estimated future cash flows. The significant underlying unobservable inputs used to measure the fair value included forecasted revenue growth rates and margins, weighted average cost of capital, normalized working capital level and projected long-term growth rates. As a result of this assessment, a goodwill impairment charge of \$118.0 million was recorded to WUP Legacy. The decline in the fair value of the reporting unit, as compared to the quantitative impairment test performed as of October 1, 2022, was primarily due to the revised forecast for the reporting unit.

We completed our annual goodwill impairment test over the Air Partner reporting unit as of October 1, 2022. We performed a qualitative assessment and determined that it was not more likely than not that the fair value of the reporting unit was less than its carrying values as of October 1, 2022.

Intangible Assets

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

	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

	December 31, 2021		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Status	\$ 80,000	\$ 15,644	\$ 64,356
Customer relationships	74,600	14,443	60,157
Non-competition agreement	210	209	1
Trade name	14,230	5,493	8,737
Developed technology	19,545	6,380	13,165
Leasehold interest – favorable	600	57	543
Total	\$ 189,185	\$ 42,226	\$ 146,959

Amortization expense of intangible assets was \$24.4 million, \$21.8 million and \$19.5 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Intangible Liabilities

Associated with our acquisition of Delta Private Jets on January 17, 2020, we recognized intangible liabilities for the fair value of complimentary Connect Memberships provided to existing Delta SkyMiles 360 customers as of the acquisition date, as required under the CCA. The gross carrying value, accumulated amortization and net carrying value of intangible liabilities consisted of the following (in thousands):

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

	December 31, 2021			
	Gross Carrying Value		Accumulated Amortization	Net Carrying Value
Intangible liabilities	\$ 20,000	\$	3,917	\$ 16,083

Amortization of intangible liabilities, which reduces amortization expense was \$2.0 million for each of the years ended December 31, 2022, 2021 and 2020.

Future amortization expense of intangible assets and intangible liabilities held as of December 31, 2022 are as follows (in thousands):

Year ending December 31,	Intangible Assets	Intangible Liabilities
2023	\$ 23,591	\$ 2,000
2024	22,895	2,000
2025	22,482	2,000
2026	21,624	2,000
2027	17,179	2,000
Thereafter	33,994	4,083
Total	\$ 141,765	\$ 14,083

8. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash Equivalents

Cash and cash equivalents consist of the following (in thousands):

	December 31, 2022				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents
Cash	\$ 155,555	\$ —	\$ —	\$ 155,555	\$ 155,555
Money market funds	230,626	—	—	230,626	230,626
Treasury bills	199,700	—	—	199,700	199,700
Total	\$ 585,881	\$ —	\$ —	\$ 585,881	\$ 585,881

	December 31, 2021				
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cash and Cash Equivalents
Cash	\$ 376,492	\$ —	\$ —	\$ 376,492	\$ 376,492
Money market funds	408,082	—	—	408,082	408,082
Total	\$ 784,574	\$ —	\$ —	\$ 784,574	\$ 784,574

Interest income from cash equivalents of \$3.7 million, \$0.1 million and \$0.6 million was recorded in interest income in the consolidated statements of operations for the years ended December 31, 2022, 2021 and 2020, respectively.

Restricted Cash

As of December 31, 2022, restricted cash on the consolidated balance sheet includes \$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 December 31, 2022. The standby letters of credit expire on December 31, 2033 and June 30, 2034.

The balance as of December 31, 2022 also includes \$26.3 million 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 consolidated balance sheets to the consolidated statements of cash flows is shown below (in thousands):

	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 585,881	\$ 784,574
Restricted cash	34,272	2,148
Total	<u>\$ 620,153</u>	<u>\$ 786,722</u>

Air Carrier Payroll Support Program

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") was signed into law. The CARES Act provides aid in the form of loans, grants, tax credits and other forms of government assistance. Specifically, the CARES Act provided the airline industry with up to \$25.0 billion in grants with assurances the support was to be used exclusively for employee salaries, wages, and benefits.

During 2020, Wheels Up applied for government assistance under the Payroll Support Program from the U.S. Department of the Treasury (the "Treasury") as directed by the CARES Act. We were awarded a total grant of \$76.4 million to support ongoing operations through payroll funding, which was all received by October 2020. We utilized all of the proceeds to offset payroll expenses incurred for the year ended December 31, 2020.

The support payments were conditioned on our agreement to refrain from conducting involuntary employee layoffs or furloughs through September 30, 2020. Other conditions include continuing essential air service as directed by the U.S. Department of Transportation and certain limitations on executive compensation. Based on the amount received, we were not required to provide financial protection to the Treasury in conjunction with the payroll support obtained.

The CARES Act also provides for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. As of December 31, 2021, the total amount of deferred payments outstanding was \$3.1 million. The amounts paid as of December 31, 2022 were \$2.4 million and the remaining balance of \$0.7 million was recorded in other current liabilities on the consolidated balance sheet.

9. FAIR VALUE MEASUREMENTS

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

	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		
	December 31, 2021					
	Level 1	Level 2	Level 3	Fair Value		
Assets:						
Money market funds	\$ 408,082	\$ —	\$ —	\$ 408,082		
Liabilities:						
Warrant liability - Public Warrants	\$ 6,553	\$ —	\$ —	\$ 6,553		
Warrant liability - Private Warrants	—	3,715	—	3,715		
Total liabilities	\$ 6,553	\$ 3,715	\$ —	\$ 10,268		

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

Due to the relatively short period of time between the issuance of the Equipment Notes (as defined below) and the measurement date of December 31, 2022, we believe the fair value of the Equipment Notes as of December 31, 2022 approximated the carrying value (see Note 10).

The Warrants were accounted for as a liability in accordance with ASC 815-40 (see Note 19). The warrant liability was measured at fair value upon assumption and on a recurring basis, with changes in fair value presented in the consolidated statements of operations.

As of the Closing Date and as of December 31, 2022 and 2021, we valued the Warrants by applying the valuation technique of a Monte Carlo simulation model to reflect the redemption conditions. We used Level 1 inputs for the Public Warrants and Level 2 inputs for the Private Warrants. The Private Warrants are substantially similar to the Public Warrants, but not directly traded or quoted on an active 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, 2020	\$ —	\$ —	\$ —
Assumption of Warrants in Business Combination	17,981	10,238	28,219
Change in fair value of warrant liability	(11,428)	(6,523)	(17,951)
Fair value as of December 31, 2021	\$ 6,553	\$ 3,715	\$ 10,268
Change in fair value of warrant liability	(6,074)	(3,443)	(9,517)
Fair value as of December 31, 2022	\$ 479	\$ 272	\$ 751

10. LONG-TERM DEBT

The follow table presents the components of long-term debt on our consolidated balance sheet at December 31, 2022 (in thousands). We did not have outstanding long-term debt obligations as of December 31, 2021.

	Weighted Average Interest Rate	December 31, 2022
2022-1 Equipment Note Financing	12.0 %	\$ 270,000
Total debt		270,000
Less: Total unamortized debt discount and debt issuance costs		16,760
Less: Current maturities of long-term debt		27,006
Long-term debt		\$ 226,234

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

	Maturities
2023	\$ 27,006
2024	27,006
2025	45,767
2026	40,760
2027	35,111
Thereafter	94,350
Total	\$ 270,000

2022-1 Equipment Note Financing

On October 14, 2022, Wheels Up Partners LLC, our indirect subsidiary ("WUP LLC"), issued \$270.0 million aggregate principal 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 is equal to 10% per annum with 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. WUP LLC's obligations under the Equipment Notes are guaranteed by 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 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 December 31, 2022, we were in compliance with the covenants under the Note Purchase Agreement and each Indenture and the related guarantees.

As of December 31, 2022, the carrying value of the aircraft that are subject to first-priority liens under the Equipment Notes was \$328.0 million.

Interest and principal payments on the Equipment Notes are payable quarterly on each January 15, April 15, July 15 and October 15, beginning on January 15, 2023. Amortization expense for debt discounts and deferred financing costs of \$0.8 million was recorded in interest expense in the consolidated statement of operations for the year ended December 31, 2022.

Prior Financing Arrangements and Promissory Notes

Amortization expense for debt discounts and deferred financing costs, which were associated with debt extinguished in prior periods, of \$0.6 million and \$1.6 million were recorded in interest expense in the consolidated statement of operations for the years ended December 31, 2021 and December 31, 2020, respectively. As a result of the early repayment of credit facilities and promissory notes in prior periods, we recorded a \$2.4 million loss on extinguishment of debt for the year ended December 31, 2021, related to the write off of unamortized debt discounts and deferred financing costs.

11. COMMITMENTS AND CONTINGENCIES

The Company has contractual obligations and commitments, primarily in the form of lease arrangements (see Note 12), repayment of long-term debt (see Note 10), legal proceedings and sales and use tax liability.

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 currently believe to be immaterial, 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 December 31, 2022 and December 31, 2021, respectively, we estimate the potential exposure to such tax liability to be \$10.4 million and \$8.5 million, the expense for which is included in accrued expenses on the consolidated balance sheets and cost of revenue in the consolidated statements of operations.

12. 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 CVG 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 total lease costs are as follows (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Operating lease costs	\$ 38,818	\$ 36,079	\$ 19,810
Short-term lease costs	10,725	25,334	17,217
Variable lease payments	17,997	16,747	9,500
Total lease costs	\$ 67,540	\$ 78,160	\$ 46,527

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 any of the years ended December 31, 2022, 2021 and 2020.

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

	Year Ended December 31,		
	2022	2021	2020
Cash paid for amounts included in the measurement of operating lease liabilities:			
Operating cash flows paid for operating leases	\$ 38,934	\$ 38,080	\$ 19,889
Right-of-use assets obtained in exchange for operating lease obligations	\$ 50,385	\$ 69,808	\$ 68,152

Supplemental balance sheet information related to leases are as follows:

	December 31, 2022	December 31, 2021
Weighted-average remaining lease term (in years):		
Operating leases	5.9	6.4
Weighted-average discount rate:		
Operating leases	9.0 %	9.5 %

Maturities of lease liabilities, as of December 31, 2022, are as follows (in thousands):

Year ending December 31,	Operating Leases
2023	\$ 35,284
2024	33,614
2025	20,419
2026	12,283
2027	8,160
Thereafter	43,047
Total lease payments	152,807
Less: Imputed interest	(40,107)
Total lease obligations	\$ 112,700

13. STOCKHOLDERS' EQUITY AND EQUITY-BASED COMPENSATION

Pursuant to the Company's certificate of incorporation, which was filed on June 23, 2021, we are authorized to issue 2.5 billion shares of Class A common stock, with a par value of \$0.0001 per share, and 25.0 million shares of preferred stock, par value \$0.0001 per share. Holders of Class A common stock are entitled to one vote per share.

In January 2021, WUP issued common interests that, following conversion in the Business Combination, represented 3,968,900 common shares issued at \$7.60 per share as part of the acquisition of Mountain Aviation (see Note 6).

Currently, we have the following nine equity-based compensation plans that were approved by the board of directors of WUP prior to the Business Combination, Wheels Up Partners Holdings LLC Equity Incentive Plan ("MIP Plan"), Wheels Up Partners Holdings LLC Equity Incentive Plan II ("MIP Plan II"); Wheels Up Partners Holdings LLC Equity Incentive Plan III ("MIP Plan III"); Wheels Up Partners Holdings LLC Equity Incentive Plan IV ("MIP Plan IV"); and Wheels Up Partners Holdings LLC Equity Incentive Plan V ("MIP Plan V"); Wheels Up Partners Holdings LLC Equity Incentive Plan VI ("MIP Plan VI"); Wheels Up Partners Holdings LLC Equity Incentive Plan VII ("MIP Plan VII") and Wheels Up Partners Holdings LLC Equity Incentive Plan VIII ("MIP Plan VIII" and collectively with the foregoing plans, the "WUP management incentive plan"); and the Wheels Up Partners Holdings LLC Option Plan (the "WUP option plan"), which is the WUP stock option plan. Immediately following the closing of the Business Combination, no further grants could be made under the WUP management incentive plan or the WUP option plan.

In connection with the Business Combination, the board of directors (the "Board") and stockholders of Wheels Up adopted the 2021 LTIP, for employees, consultants and other qualified persons. The 2021 LTIP provides for the grant of incentive options, nonstatutory options, restricted stock, RSUs, rights, dividend equivalents, other stock-based awards, performance awards, cash awards or any combination of the foregoing.

As of the Closing Date, in connection with the Business Combination, the Board granted accelerated vesting of approximately 18 months on all outstanding equity-based compensation awards granted under the WUP management incentive plan or WUP option plan. This modification to our awards resulted in the acceleration of all remaining compensation cost due to a shorter requisite service period as compared to the original award. There was no change to the fair value or incremental compensation cost incurred.

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 the Company’s new 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 RSUs to Mr. Smith on July 1, 2022. The RSUs granted under the 2022 Inducement Plan are subject to time-based vesting and will vest ratably on December 30, 2022, December 30, 2023 and December 30, 2024, respectively, in each case subject to Mr. Smith’s continued employment with Wheels Up through the vesting date.

WUP Management Incentive Plan

In March 2014, the WUP management incentive plan was established, which provided for the issuance of WUP profits interests, restricted or unrestricted, to employees, consultants and other qualified persons.

WUP Profits Interests

As of December 31, 2022, an aggregate of 31.3 million profits interests have been authorized and issued under the WUP management incentive plan.

The following table summarizes the profits interests activity under the WUP management incentive plan as of December 31, 2022:

	Number of WUP Profits Interests	Weighted-Average Grant Date Fair Value
	(In thousands)	
Outstanding WUP profits interests as of January 1, 2022	28,819	\$ 0.42
Granted	—	—
Exchanged	—	—
Expired/forfeited	(6)	0.24
Outstanding WUP profits interests as of December 31, 2022	28,813	\$ 0.42

The weighted-average remaining contractual term as of December 31, 2022 for WUP profits interests outstanding was approximately 8.5 years.

The following table summarizes the status of non-vested WUP profits interests as of December 31, 2022:

	Number of WUP Profits Interests	Weighted-Average Grant Date Fair Value
	(In thousands)	
Non-vested WUP profits interests as of January 1, 2022	4,732	\$ 0.35
Granted	—	—
Vested	(3,029)	0.31
Forfeited	(6)	0.24
Non-vested WUP profits interests as of December 31, 2022	1,697	\$ 0.42

The total unrecognized compensation cost related to non-vested WUP profits interests was \$0.1 million as of December 31, 2022 and is expected to be recognized over a weighted-average period of 0.5 years. The total fair value of vested WUP profits interests amounted to \$1.0 million for the year ended December 31, 2022.

WUP Restricted Interests

As of December 31, 2022, under MIP Plan VII, 4.7 million WUP restricted interests were authorized and issued to certain Wheels Up employees.

The following table summarizes the restricted interests activity under the WUP management incentive plan as of December 31, 2022:

	Number of WUP Restricted Interests (In thousands)	Weighted-Average Grant Date Fair Value
Non-vested and outstanding WUP restricted interests as of January 1, 2022	4,662	\$ 3.98
Granted	—	—
Vested	(4,662)	3.98
Expired/forfeited	—	—
Non-vested and outstanding WUP restricted interests as of December 31, 2022	—	\$ —

WUP restricted interests are time and performance-based awards that vest with a change in control or initial public offering. As a result, we started recording compensation cost for WUP restricted interests on the Closing Date. During the year ended December 31, 2022, we recognized the remaining \$4.3 million of compensation costs related to the WUP restricted interests over the remaining vesting period.

The WUP restricted interests granted vested when both of the following conditions were met: (i) ratably over a four-year service period and (ii) upon the first to occur of (A) a change of control and (B) the later to occur of (1) six months after an initial public offering and (2) 30 days after the expiration of any applicable lock-up period in connection with an initial public offering. The WUP restricted interests lock-up period expired on February 8, 2022.

WUP Option Plan

In December 2016, the WUP option plan was established, which provided for the issuance of stock options to purchase WUP common interests at an exercise price based on the fair market value of the interests on the date of grant. Generally, WUP stock options granted vest over a four-year service period and expire on the tenth anniversary of the grant date. As of December 31, 2022, the number of WUP stock options authorized and issued in aggregate under the WUP stock option plan was 17.5 million.

The following table summarizes the activity under the WUP option plan as of December 31, 2022:

	Number of WUP Stock Options (In thousands)	Weighted- Average Exercise Price	Weighted-Average Grant Date Fair Value
Outstanding WUP stock options as of January 1, 2022	15,713	\$ 7.52	\$ 1.19
Granted	—	—	—
Exercised	—	—	—
Forfeited	(2,729)	7.57	1.12
Expired	—	—	—
Outstanding WUP stock options as of December 31, 2022	12,984	\$ 7.51	\$ 1.20
Exercisable WUP stock options as of December 31, 2022	11,940	\$ 7.46	\$ 1.13

The aggregate intrinsic value as of December 31, 2022 for WUP stock options that were outstanding and exercisable was nil.

The weighted-average remaining contractual term as of December 31, 2022 for WUP stock options that were outstanding and exercisable was approximately 6.7 years and 6.6 years, respectively.

The following table summarizes the status of non-vested WUP stock options as of December 31, 2022:

	Number of WUP Stock Options (In thousands)	Weighted-Average Grant Date Fair Value
Non-vested WUP stock options as of January 1, 2022	3,971	\$ 1.63
Granted	—	—
Vested	(2,667)	1.48
Expired	—	—
Forfeited	(260)	1.64
Non-vested WUP stock options as of December 31, 2022	1,044	\$ 2.00

The total unrecognized compensation cost related to non-vested WUP stock options was \$1.2 million as of December 31, 2022 and is expected to be recognized over a weighted-average period of 0.6 years. The total fair value of WUP stock options vested approximated \$3.9 million for the year ended December 31, 2022.

The WUP profits interests, WUP restricted interests, WUP stock options and Wheels Up stock options valuations were determined using Level 3 inputs. The expected seven-year term was estimated using the midpoint of the four-year service period and the ten-year contractual term of the awards. Expected volatility was estimated based on the historical volatilities of publicly traded companies within the airline industry and certain comparable travel technology companies. We used the published yields for zero-coupon Treasury notes to determine the risk-free interest rate. The expected dividend yield is zero as we have never paid and do not currently anticipate paying any cash dividends.

2021 LTIP

As of December 31, 2022, an aggregate of 27.3 million shares were authorized for issuance under the 2021 LTIP.

RSUs

Wheels Up RSUs granted under the 2021 LTIP vest quarterly or annually over a one to three-year service period. The following tables summarize the activity under the 2021 LTIP related to RSUs as of December 31, 2022:

	Number of RSUs (In thousands)	Weighted-Average Grant Date Fair Value
Non-vested and outstanding RSUs as of January 1, 2022	8,411	\$ 7.32
Granted ⁽¹⁾	18,538	2.96
Vested	(6,107)	5.78
Forfeited	(4,682)	5.22
Non-vested and outstanding RSUs as of December 31, 2022	16,162	\$ 3.46

⁽¹⁾ Includes 1,600,000 RSUs granted to our CEO. See “—2022 CEO Awards” for additional details regarding this grant.

The total unrecognized compensation cost related to non-vested RSUs was \$56.0 million as of December 31, 2022 and is expected to be recognized over a weighted-average period of 1.2 years.

PSUs

Under the terms of the non-vested PSUs granted to certain employees, upon the achievement of certain pre-determined performance objectives, subject to the participant's continued service (except as described under "—2022 CEO Awards"), 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 December 31, 2022:

	Number of PSUs (in thousands)	Weighted-Average Grant Date Fair Value
Non-vested PSUs as of January 1, 2022	—	\$ —
Granted ⁽¹⁾	1,149	2.13
Vested	—	—
Forfeited	(192)	1.95
Non-vested PSUs as of December 31, 2022 ⁽²⁾	957	\$ 2.17

(1) Includes 379,999 PSUs granted to our CEO. See "—2022 CEO Awards" for additional details regarding this grant.

(2) Approximately 577,000 of the PSUs reflected in this table may settle into shares of our Class A common stock equal to 80-120% of the PSUs based on the level of performance.

Equity-based compensation expense associated with PSUs is based on the fair value of our Class A common stock on the grant date, which equals the closing price of our Class A common stock on the grant date. We recognize compensation expense over the vesting period of the awards that are ultimately expected to vest when the achievement of the related performance objectives becomes probable. The total grant date fair value of unvested PSUs as of December 31, 2022 was \$1.9 million. As of December 31, 2022, the achievement of the related performance objective was not probable of being achieved and, accordingly, no compensation cost for the PSUs has been recognized.

2022 CEO Awards

During the second quarter of 2022, the Board approved certain grants under the 2021 LTIP to the Company's Chief Executive Officer consisting of 1,600,000 RSUs that contain a service-based vesting condition (the "CEO Service-Based RSUs"), 380,000 PSUs that contain performance-based vesting conditions (the "CEO PSUs") and 1,615,000 RSUs that contain market-based vesting conditions (the "CEO Market-Based RSUs", together with the CEO Service-Based RSUs and CEO PSUs, the "2022 CEO Awards"). All of the 2022 CEO Awards require continued employment through the vesting date, subject to specified change in control and service termination exceptions. The CEO Service-Based RSUs vest annually over a three-year period from the grant date. The CEO Service-Based RSUs are included in the table under "—RSUs" above as of December 31, 2022.

The CEO PSUs will vest, if at all, with the achievement of certain separate performance conditions based on the achievement of pre-determined annual revenue and earnings before interest, taxes, depreciation and amortization thresholds. Any CEO PSUs that have not vested prior to the date the audited financial statements for the year ending December 31, 2026 are finalized will be forfeited. The CEO PSUs are included in the table under "—PSUs" above as of December 31, 2022.

The CEO Market-Based RSUs will vest, if at all, with the achievement of certain separate market-based vesting conditions based on the closing Class A common stock price over any 30 consecutive trading day-period that occurs prior to December 31, 2026. The CEO Market-Based RSUs are in addition to those described in the tables above under "—RSUs" and "—PSUs".

The grant-date fair value of the CEO Market-Based RSUs, using a Monte Carlo simulation model, was \$0.3 million. The derived service period for such CEO Market-Based RSUs began on June 8, 2022 and is a weighted-average period of 3.7 years. Based on the Class A common stock trading price, the market-based vesting conditions

for the CEO Market-Based RSUs were not met, and no shares vested as of December 31, 2022. The total unrecognized compensation cost related to such CEO Market-Based RSUs was \$0.2 million as of December 31, 2022 and is expected to be recognized over 3.3 years.

Wheels Up Stock Options

Wheels Up stock options granted under the 2021 LTIP vest quarterly over a three-year service period and expire on the tenth anniversary of the grant date. The following table summarizes the activity under the 2021 LTIP related to Wheels Up stock options as of December 31, 2022:

	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, 2022	921	\$ 10.00	\$ 4.75
Granted	—	—	—
Exercised	—	—	—
Forfeited	(153)	10.00	4.75
Expired	—	—	—
Outstanding Wheels Up stock options as of December 31, 2022	768	\$ 10.00	\$ 4.75
Exercisable Wheels Up stock options as of December 31, 2022	768	\$ —	\$ —

The aggregate intrinsic value as of December 31, 2022 for Wheels Up stock options that were outstanding and exercisable was \$0.

The weighted-average remaining contractual term as of December 31, 2022 for Wheels Up stock options that were outstanding and exercisable was approximately 4.9 years and 4.9 years, respectively.

The following table summarizes the status of non-vested Wheels Up stock options as of December 31, 2022:

	Number of Wheels Up Stock Options (In thousands)	Weighted-Average Grant Date Fair Value
Non-vested Wheels Up stock options as of January 1, 2022	767	\$ 4.75
Granted	—	—
Vested	(614)	4.75
Expired	—	—
Forfeited	(153)	4.75
Non-vested Wheels Up stock options as of December 31, 2022	—	\$ —

The total fair value of Wheels Up stock options vested approximated \$2.9 million for the year ended December 31, 2022.

Fair Value Estimates

We estimated fair value to measure compensation cost of the WUP profits interests, WUP restricted interests, WUP stock options, Wheels Up stock options, and the CEO Market-Based RSUs on the date of grant using techniques that are considered to be consistent with the objective of measuring fair value. In selecting the appropriate technique, management considered, among other factors, the nature of the instrument, the market risks that it embodies, and the expected means of settlement. We generally used the Black Scholes option-pricing model, that embodies all of the requisite assumptions, including expected trading volatility, expected term, risk-free interest rate and expected dividend yield, necessary to fair value an award.

Estimating fair values of the WUP profits interests, WUP restricted interests, WUP stock options, Wheels Up stock options, and awards with market-based vesting conditions requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external factors. In addition, option-pricing models are highly volatile and sensitive to changes.

The following table summarizes the significant assumptions used in the Black Scholes option-pricing model to estimate the fair value on the date of grant:

	2022	2021	2020
Expected term (in years)	3.7	7	7
Expected volatility	43 %	46%	44%- 47%
Weighted-average volatility	43 %	46 %	46 %
Risk-free rate	3.0 %	1.2%	0.4% - 0.7%
Expected dividend rate	0 %	0 %	0 %

Equity-Based Compensation Expense

Compensation expense for profits interests recognized in the consolidated statements of operations was \$1.3 million, \$1.7 million and \$1.1 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Compensation expense for restricted interests recognized in the consolidated statements of operations was \$4.3 million, \$14.2 million and nil for the years ended December 31, 2022, 2021 and 2020, respectively.

Compensation expense for WUP stock options and Wheels Up stock options recognized in the consolidated statements of operations was \$7.7 million, \$8.5 million and \$2.2 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Compensation expense for RSUs, PSUs, and RSUs that contain market-based vesting conditions recognized in the consolidated statements of operations was \$41.1 million, \$7.3 million and nil for the years ended December 31, 2022, 2021 and 2020, respectively.

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

	Year Ended December 31,		
	2022	2021	2020
Cost of revenue	\$ 14,456	\$ 4,541	\$ 293
Technology and development	3,180	1,340	445
Sales and marketing	11,009	5,185	1,055
General and administrative	60,334	38,607	1,549
Total equity-based compensation expense	\$ 88,979	\$ 49,673	\$ 3,342

Earnout Shares

The 9.0 million Earnout Shares vest with the achievement of separate market conditions. One-third of the Earnout Shares will meet the market condition when the closing Class A common stock price is greater than or equal to \$12.50 for any 20 trading days within a period of 30 consecutive trading days within five years of the Closing Date. An additional one-third will vest when the Class A common stock is greater than or equal to \$15.00 over the same measurement period. The final one-third will vest when the Class A common stock is greater than or equal to \$17.50 over the same measurement period.

Earnout Shares that are attributable to profits interests and restricted interests require continued employment as of the date on which each of the Earnout Share market conditions are met. In the event such Earnout Shares are

forfeited, the number of shares that could be issued will be redistributed on a pro-rata basis to all other holders of Earnout Shares. Upon redistribution to any holder of profits interests or restricted interests, such awards will be recorded as new awards. There have been no forfeitures of Earnout Shares as of December 31, 2022.

The grant-date fair value of the Earnout Shares attributable to the holders of profits interests and restricted interests, using a Monte Carlo simulation model, was \$57.9 million and will be recognized as compensation expense on a graded vesting basis over the derived service period or shorter if the Earnout Shares vest. 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 December 31, 2022. Compensation expense for Earnout Shares recognized in the consolidated statements of operations was \$38.5 million, \$18.0 million and nil for the years ended December 31, 2022, 2021 and 2020, respectively. The total unrecognized compensation cost related to Earnout Shares was \$1.3 million as of December 31, 2022 and is expected to be recognized over a weighted-average remaining period of 0.4 years.

Treasury Stock

During the year ended December 31, 2022, 2,644,415 shares with an aggregate market value of \$7.7 million, or a weighted average price per share of \$2.91, were withheld to settle employee taxes due upon the vesting of either restricted stock or RSUs and were added to treasury stock on our consolidated balance sheets as of December 31, 2022.

14. 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 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 will reduce the amount recorded as non-controlling interests and increase additional paid-in-capital on the consolidated balance sheets.

The calculation of non-controlling interests is as follows:

	December 31, 2022		December 31, 2021	
Number of LLC common units held by Wheels Up ⁽¹⁾	249,338,569	100.0 %	245,834,569	99.2 %
Number of vested WUP profits interests attributable to non-controlling interests ⁽²⁾	—	— %	2,045,995	0.8 %
Total LLC common units and vested WUP profits interests outstanding	249,338,569	100.0 %	247,880,564	100.0 %

(1) LLC 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, no LLC common units would have been issuable upon conversion of vested or unvested WUP profits interests outstanding as of December 31, 2022.

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 0.1%, 3.5% and 7.9% for the years ended December 31, 2022, 2021 and 2020, respectively.

15. 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 nil, \$4.9 million and \$4.2 million for the years ended December 31, 2022, 2021 and 2020, respectively, from transactions related to the CCA with our stockholder Delta, of which \$2.4 million and \$5.3 million are included in accrued expenses on the consolidated balance sheets as of December 31, 2022 and December 31, 2021, respectively. The remaining transactions with related parties during the years ended December 31, 2022, 2021 and 2020 were immaterial individually and in the aggregate for financial reporting purposes.

16. NET LOSS PER SHARE

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

	Year Ended December 31,		
	2022	2021	2020
Numerator:			
Net loss attributable to Wheels Up Experience Inc. - basic and diluted	\$ (555,160)	\$ (190,020)	\$ (78,641)
Denominator:			
Weighted-average shares of Class A common stock outstanding - basic and diluted	245,672,099	204,780,896	162,505,231
Basic and diluted net loss per share of Class A common stock	\$ (2.26)	\$ (0.93)	\$ (0.48)

There were no dividends declared or paid for the years ended December 31, 2022, 2021 or 2020.

Basic and diluted net loss per share were computed using the two-class method. The two-class method is an allocation formula that determines earnings or loss per share for common stock and any participating securities according to dividends declared (whether paid or unpaid) and participation rights in undistributed earnings or losses. 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. WUP restricted interests were converted into shares of restricted stock as of the Closing Date (see Note 3). All issued and outstanding shares of restricted stock, whether vested or unvested, were included in the weighted-average shares of Class A common stock outstanding beginning on the Closing Date.

WUP profits interests held by other members of MIP LLC, which comprise the non-controlling interests (see Note 14), 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, or issuance of such shares is contingent upon the satisfaction of certain conditions which were not satisfied by the end of the period:

	Year Ended December 31,		
	2022	2021	2020
Warrants	12,521,494	12,521,494	—
Earnout Shares	9,000,000	9,000,000	—
RSUs	18,766,960	8,411,251	—
Stock options	13,751,464	16,633,852	16,283,779
Total anti-dilutive securities	54,039,918	46,566,597	16,283,779

17. 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 of 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.

As a result of the Air Partner acquisition, we now conduct business in various foreign jurisdictions and are subject to the tax laws of the jurisdictions in which we operate.

Income Tax Expense

The components of income (loss) before income taxes are follows (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Domestic	\$ (555,889)	\$ (197,172)	\$ (85,405)
Foreign	512	—	—
Loss before income taxes	\$ (555,377)	\$ (197,172)	\$ (85,405)

The components of income tax expense are as follows (in thousands):

	Year Ended December 31,		
	2022	2021	2020
Current income taxes			
Federal	\$ —	\$ —	\$ —
State and local	101	75	—
Foreign	202	—	—
Total current income taxes	303	75	—
Deferred income taxes			
Federal	—	—	—
State and local	(13)	(17)	—
Foreign	(120)	—	—
Total deferred income taxes	(133)	(17)	—
Income tax expense	\$ 170	\$ 58	\$ —

A reconciliation from the statutory federal income tax rate to the effective income tax rate is as follows:

	Year Ended December 31,		
	2022	2021	2020
Expected federal income taxes at statutory rate	21.0 %	21.0 %	— %
State and local income taxes	—	1.9	—
Permanent differences	(0.5)	—	—
Partnership earnings not subject to tax	—	(6.7)	—
Change in valuation allowance	(20.5)	(16.2)	—
Effective income tax rate	— %	— %	— %

The effective tax rate was 0.0% for the years ended December 31, 2022, 2021 and 2020. Our effective tax rate for the years ended December 31, 2022, 2021 and 2020 differs from the federal statutory rate of 21% primarily due to a full valuation allowance against our net deferred tax assets where it is more likely than not that the deferred tax assets will not be realized. For the periods prior to the Business Combination, there is no income tax expense recorded as WUP, as a partnership, for U.S. federal and state income tax purposes, is not subject to U.S. federal and most applicable state and local income taxes.

Deferred Tax Assets and Liabilities

The components of deferred tax assets and liabilities are as follows (in thousands):

	December 31, 2022		December 31, 2021	
Deferred tax assets				
Investment in partnership	\$	145,000	\$	116,053
Net operating loss carryforwards		87,745		20,655
Transaction costs		1,432		1,120
Tax credits		3,521		559
Deferred revenue		951		416
Equity-based compensation		685		293
Interest expense carryforwards		1,993		—
Other		600		181
Total deferred tax assets		241,927		139,277
Valuation allowance		(240,649)		(138,652)
Deferred tax assets, net	\$	1,278	\$	625
Deferred tax liabilities				
Intangibles	\$	(2,781)	\$	(195)
Other		(902)		(413)
Total deferred tax liabilities	\$	(3,683)	\$	(608)
Net deferred tax assets (liabilities)	\$	(2,405)	\$	17

As of December 31, 2022, our U.S. federal and state net operating loss carryforwards for income tax purposes were \$356.0 million and \$249.6 million, respectively. Of our total federal net operating losses, \$257.0 million can be carried forward indefinitely, and the remainder will begin to expire in 2032 and be fully expired in 2037 if not utilized. Our state net operating losses begin to expire in 2022.

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 our 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 December 31, 2022 and 2021, we concluded, based on the weight of all available positive and negative evidence, that it is more likely than not that the majority of deferred tax assets will not be realized. Accordingly, a valuation allowance of \$240.6 million has been established as of December 31, 2022. The \$102.0 million increase in valuation allowance was the result of a benefit to deferred tax expense of \$124.4 million from operations and \$22.4 million charge to additional paid in capital, primarily resulting from the non-controlling interests. If or when recognized, approximately \$1.1 million of tax benefits related to the reversal of the valuation allowance on deferred tax assets as of December 31, 2022 will be credited directly to equity.

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. The determination of the future tax consequences of the remittance of these earnings is not practicable.

Uncertain Tax Positions

The Company is subject to tax in the U.S. and various foreign jurisdictions in which we operate. There were no reserves for uncertain tax positions as of December 31, 2022 and 2021. Aspirational did not engage in any operations prior to the Business Combination with WUP, at which time, among other things, Aspirational completed the Domestication to become a Delaware corporation, changing its name to "Wheels Up Experience Inc." Wheels Up Experience Inc. filed its initial U.S. federal and state income tax returns for the 2021 tax year. Additionally, although WUP is treated as a partnership for U.S. federal and state income taxes purposes, it is still required to file annual federal, state and local income tax returns, which are subject to examination by the taxing authorities. The statute of limitations is generally open for years beginning after 2018 for U.S. federal and state jurisdictions for WUP. WUP is currently under examination by the IRS for the 2020 tax year. As the audit is in the initial stages, probability and potential magnitude of exposure cannot be estimated at this time.

18. WARRANTS

Prior to the Business Combination, Aspirational issued 7,991,544 Public Warrants and 4,529,950 Private Warrants. Upon 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 Warrants become exercisable on the later of (i) 30 days after the completion of the Business Combination and (ii) 12 months from the closing of the Aspirational initial public offering on September 25, 2020 and expire on July 13, 2026 or earlier upon redemption or liquidation.

Redemption of Warrants when the price of Class A common stock equals or exceeds \$18.00:

Once the Warrants become exercisable, Wheels Up may redeem the outstanding Warrants (except as described below with respect to the Private Warrants):

- in whole and not in part;
- at a price of \$0.01 per Warrant;
- upon a minimum of 30 days' prior written notice of redemption to each Warrant holder; and
- if, and only if, the last reported Class A common stock sales price for any 20 trading days within a 30 trading day period ending on the third trading day prior to the date on which Wheels Up sends the notice of redemption to the Warrant holders (the "Reference Value") equals or exceeds \$18.00 per share (as adjusted).

Redemption of Warrants when the price of Class A common stock equals or exceeds \$10.00:

Once the Warrants become exercisable, Wheels Up may redeem the outstanding Warrants:

- in whole and not in part;
- at a price of \$0.10 per Warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their Warrants on a cashless basis prior to redemption and receive that number of shares determined based on the redemption date and the fair market value of Class A common stock;
- if, and only if, the Reference Value equals or exceeds \$10.00 per share (as adjusted); and
- if the Reference Value is less than \$18.00 per share (as adjusted), the Private Warrants must also be concurrently called for redemption on the same terms as the outstanding Public Warrants.

The exercise price and number of shares issuable upon exercise of the Public Warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, except as described below, the Public Warrants will not be adjusted for issuances of shares at a price below its exercise price. Additionally, in no event will Wheels Up be required to net cash settle the Public Warrants.

The Private Warrants are identical to the Public Warrants underlying the units sold in the Aspirational Initial Public Offering, except that the Private Warrants and the Class A common stock issuable upon the exercise of the Private Warrants were not transferable, assignable or salable until 30 days after the completion of the Business Combination, subject to certain limited exceptions. Additionally, the Private Warrants will be exercisable on a cashless basis and be non-redeemable, except as described above, so long as they are held by the initial purchasers or their permitted transferees. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by Wheels Up and exercisable by such holders on the same basis as the Public Warrants.

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 December 31, 2022, there have not been any warrants exercised and 12,521,494 remain outstanding.

The warrant agreement governing the Warrants includes a provision that provides for potential changes to the settlement amounts dependent upon the characteristics of the holder of the Warrants. In addition, the warrant agreement includes a provision that in the event of a tender or exchange offer made to and accepted by holders of more than 50% of the outstanding shares of a single class of ordinary shares, all holders of the Warrants would be entitled to receive cash for their Warrants (the "Tender Offer Provision").

We evaluated the Warrants under ASC 815-40-15, which addresses equity versus liability treatment and classification of equity-linked financial instruments, including warrants, and states that a warrant may be classified as a component of equity only if, among other things, the warrant is indexed to the issuer's common stock. Under ASC 815-40-15, a warrant is not indexed to the issuer's common stock if the terms of the warrant require an adjustment to the exercise price upon a specified event and that event is not an input to the fair value of the warrant. We determined that the Private Warrants are not indexed to Class A common stock in the manner contemplated by ASC 815-40-15 because the holder of the instrument is not an input into the pricing of a fixed-for-fixed option on equity shares. In addition, we concluded the Tender Offer Provision included in the warrant agreement fails the classified as equity criteria as contemplated by ASC 815-40-25. As a result of the above, the Warrants are classified as derivative liabilities.

19. SUBSEQUENT EVENTS

On March 1, 2023, we announced a restructuring plan (the “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 will incur approximately \$14 million in total pre-tax charges in connection with the Plan, approximately \$7 million of which were incurred during the year ended December 31, 2022 and approximately \$7 million of which are expected to be substantially incurred by the end of the first quarter of 2023. These charges primarily relate to severance payments, employee benefits and share-based compensation. The Company expects that approximately \$8 million to \$9 million of total pre-tax charges under the Plan will be in the form of one-time cash expenditures, approximately \$2 million of which were incurred as of March 1, 2023 and in connection with discrete actions taken by the Company in the fourth quarter of 2022, and the remainder of which are expected to be incurred and paid by the end of the first quarter of 2023.

20. SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

As disclosed in the Current Report on Form 8-K/A and Quarterly Report on Form 10-Q/A filed by the Company on March 31, 2022, we identified an error related to untimely identification of a triggering event associated with the Company’s WUP Legacy reporting unit during the three months ended September 30, 2022. As a result of this error, “Impairment of goodwill” for the three months ended September 30, 2022 was understated and “Goodwill” as of September 30, 2022 was overstated.

The following table presents summarized unaudited consolidated quarterly financial information for the three months ended September 30, 2022, as restated, and the three months ended December 31, 2022 (in thousands, except per share amounts):

	Three Months Ended		September 30, 2022	
	December 31, 2022		As Restated	
Revenue	\$	408,257	\$	420,356
Costs and expenses:				
Cost of revenue		395,627		403,042
Technology and development		14,804		16,639
Sales and marketing		29,349		30,930
General and administrative		53,331		44,323
Depreciation and amortization		19,074		16,500
Gain on sale of aircraft held for sale		(425)		(1,316)
Impairment of goodwill		118,000		62,000
Total costs and expenses		<u>629,760</u>		<u>572,018</u>
Loss from operations		(221,503)		(151,662)
Other income (expense):				
Change in fair value of warrant liability		1,251		2,504
Loss on extinguishment of debt		—		—
Interest income		2,058		1,130
Interest expense		(7,515)		—
Other expense, net		464		(625)
Total other income (expense)		<u>(3,742)</u>		<u>3,009</u>
Loss before income taxes		(225,245)		(148,653)
Income tax expense		335		(185)
Net loss	\$	(224,910)	\$	(148,838)
Less: Net loss attributable to non-controlling interests		—		—
Net loss attributable to Wheels Up Experience Inc.	\$	<u>(224,910)</u>	\$	<u>(148,838)</u>
Net loss per share of Class A common stock - basic and diluted	\$	(0.91)	\$	(0.61)
Weighted-average shares of Class A common stock outstanding - basic and diluted		<u>247,834,303</u>		<u>244,350,959</u>

	Three Months Ended	
	December 31, 2022	September 30, 2022 As Restated
Net loss	\$ (224,910)	\$ (148,838)
Other comprehensive loss:		
Foreign currency translation adjustments	6,594	(8,329)
Comprehensive loss	—	—
Less: Comprehensive loss attributable to non-controlling interests	—	—
Comprehensive loss attributable to Wheels Up Experience Inc.	<u>\$ (218,316)</u>	<u>\$ (157,167)</u>

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. 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 Annual Report. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2022 due to material weaknesses in our internal control over financial reporting described below. In light of this fact, our management has performed additional analyses, reconciliations, and other post-closing procedures and has concluded that, notwithstanding the material weaknesses in our internal control over financial reporting, the consolidated financial statements for the periods covered by and included in this Annual Report fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”). In addition, Grant Thornton LLP, our independent registered public accounting firm, has audited and issued an opinion on the financial statements as of December 31, 2022, which appears on page 77 of this Annual Report on Form 10-K.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect transactions and the dispositions of assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that receipts and expenditures are being made only in accordance with appropriate authorizations of management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on its financial statements.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2022 based on the criteria described in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management, including the Company’s Chief Executive Officer and Chief Financial Officer, concluded that our internal control over financial reporting was not effective as of December 31, 2022 due to control deficiencies that, when aggregated, resulted in the material weaknesses described below, which are defined as a deficiency, or a combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis.

We did not maintain effective controls over information technology (“IT”) for IT systems and applications that are relevant to the preparation of the consolidated financial statements. Specifically, we identified deficiencies in (i) user access controls to ensure appropriate segregation of duties, (ii) controls that restrict user access to financial applications, programs and data affecting underlying accounting records, and (iii) program change management controls affecting IT applications and underlying accounting records, that ensure IT program and data changes are identified, tested, authorized and implemented properly. None of the IT deficiencies resulted in a material misstatement to our annual or interim consolidated financial statements for the year ended December 31, 2022.

We did not maintain effective controls over the financial statement close and key business processes. Specifically, we did not consistently execute on our established accounting policies and procedures, and did not design, document and maintain controls to achieve complete, accurate and timely financial accounting, reporting and disclosures in accordance with GAAP. These include controls over account reconciliations, segregation of duties, review of journal entries and review of complex accounting matters. This deficiency resulted in a restatement of our unaudited condensed consolidated financial statements for the quarter and year-to-date period ended September 30, 2022.

If not remediated timely, the deficiencies described above could result in an additional misstatement of one or more account balances or disclosures that could result in a material misstatement to the future annual or interim consolidated financial statements that could not be prevented or detected.

Management excluded Air Partner, which was acquired by the Company on April 1, 2022, from its evaluation of internal control over financial reporting as of December 31, 2022. As of December 31, 2022, total assets of Air Partner, excluding acquisition method fair value adjustments, represented 8.8% of our consolidated total assets. Further, Air Partner represented 5.5% of our consolidated revenues for the year ended December 31, 2022.

Grant Thornton LLP, our independent registered public accounting firm, has audited and issued a report on the effectiveness of our internal control over financial reporting as of December 31, 2022, which appears on page 75 of this Annual Report on Form 10-K.

Remediation Plans

To date, we have implemented certain measures to address the above described deficiencies. These measures include (i) adding 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 described above and further evolve our internal controls and processes.

We have executed on the majority of our planned remediation actions as of the date of this Annual Report, including:

- filling key open positions including Senior Director of SEC Reporting and Technical Accounting, Assistant Corporate Controller, Divisional Controller and Senior Director of Finance Transformation;
- strengthening IT governance by creating and filling a Data Privacy Officer role and filling our open Chief Information Security Officer position;
- developing action plans to address control deficiencies identified within certain key financial processes;
- reviewing elevated access entitlements in the systems supporting our financial processes and have further restricted access;
- implementing periodic user access reviews to ensure more timely review of elevated access, removal of terminated users and appropriateness of user provisioning on a whole; and
- re-enforcing procedures on proper access administration and the need to retain documentation supporting requests and approvals.

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

- further segregate duties to reduce risks that could present a reasonable possibility of material misstatements;
- ensure that the IT general controls specific to all key systems supporting financial reporting, including user access reviews, are being consistently operated and evidenced; and
- formalize our accounting policies and ensure training of relevant personnel over 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 fiscal year ending December 31, 2023. We believe that these actions, when fully implemented, will remediate the deficiencies described above. 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. As we continue to evaluate and improve the applicable controls, management may take additional remedial measures or modify the remediation plan described above.

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 December 31, 2022 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.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this Item 10. "Directors, Executive Officers and Corporate Governance," is set forth under the headings "Proposal No. 1 – Election of Directors," "Corporate Governance," and "Information Regarding Executive Officers" in our definitive proxy statement to be filed with the SEC related to our 2023 Annual Meeting of Stockholders (the "Proxy Statement"), and is incorporated by reference.

Code of Ethics

Wheels Up has adopted a code of ethics entitled "Wheels Up Code of Business Conduct and Ethics" that applies to directors, officers, employees and contractors, including the Company's principal executive officer and principal financial officer. It may be accessed through the "Governance" section of the Company's investor relations website at wheelsup.com/investors. Wheels Up also elects to disclose the information required by Item 5.05 of Form 8-K, "Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics," through the Company's investor relations website, and such information will remain available on such website for at least a 12-month period. A copy of the "Wheels Up Code of Business Conduct and Ethics" is available in print to any stockholder upon request.

Information on our website or available by hyperlink from our website is not incorporated into this Annual Report or our other securities filings and is not a part of those filings.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item 11. "Executive Compensation," is set forth under the headings "Executive Compensation" and "Director Compensation" in our Proxy Statement, and is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNER AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information on our equity compensation plans as of December 31, 2022.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders ⁽¹⁾	18,166,758 ⁽²⁾	\$ 10.00 ⁽³⁾	3,720,019
Equity compensation plans not approved by stockholders ⁽⁴⁾	14,351,666 ⁽⁵⁾	6.79 ⁽⁶⁾	—
Total	32,518,424	\$ 8.58	3,720,019

(1) Consists of the 2021 LTIP.
(2) Consists of (i) 17,245,973 PSUs and RSUs that may be settled into a maximum of 17,245,973 shares of Class A common stock under the 2021 LTIP and (ii) 920,785 stock options to purchase up to 920,785 shares of Class A common stock under the 2021 LTIP.
(3) Reflects the weighted-average exercise price of outstanding stock options under the 2021 LTIP as of December 31, 2022. The calculation of the weighted-average exercise price does not include outstanding equity awards that are received or exercised for no consideration.
(4) Consists of (i) the Wheels Up Partners Holdings LLC Option Plan (“WUP option plan”) and (ii) the 2022 Inducement Plan. All awards made under the WUP option plan were made prior to the closing of the Business Combination and were assumed by the Company in connection with the Business Combination. No further awards may be made under the WUP option plan and 2022 Inducement Plan.
(5) Consists of (i) 12,984,144 stock options to purchase up to 12,984,144 shares of Class A common stock under the WUP option plan and (ii) 1,367,522 RSUs that may be settled into a maximum of 1,367,522 shares of Class A common stock under the 2022 Inducement Plan.
(6) Reflects the weighted-average exercise price of outstanding stock options under the WUP option plan as of December 31, 2022. The calculation of the weighted-average exercise price does not include outstanding equity awards that are received or exercised for no consideration.

Other information required by this Item 12. “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters,” is set forth under the heading “Security Ownership of Certain Beneficial Owners and Management” in our Proxy Statement, and is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item 13. “Certain Relationships and Related Transactions, and Director Independence,” is set forth under the headings “Corporate Governance” and “Certain Relationships and Related Person Transactions” in our Proxy Statement, and is incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this Item 14. “Principal Accountant Fees and Services,” is set forth under the heading “Proposal No. 3 – Ratification of Appointment of Independent Registered Public Accounting Firm – Principal Accountant Fees and Services,” in our Proxy Statement, and is incorporated by reference.

PART IV.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

The financial statements are provided under Part II, Item 8. “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K.

(a)(2) Financial Statement Schedules

No financial statement schedules are provided because the information called for is not applicable or not required or is included in the consolidated financial statements or the notes thereto provided under Part II, Item 8. “Financial Statements and Supplementary Data” of this Annual Report on Form 10-K.

(a)(3) Exhibits

The information required by this Item is set forth below.

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

No.	Description of Exhibit
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2.1	Agreement and Plan of Merger, dated as of February 1, 2021 by and among the Registrant, Wheels Up Partners Holdings LLC, KittyHawk Merger Sub LLC, Wheels Up Blocker Sub LLC, the Blocker Merger Subs (as defined in therein) and the Blockers (as defined therein) (Incorporated by reference to Exhibit 2.1 to Aspirational Consumer Lifestyle Corp's Current Report on Form 8-K/A filed with the SEC on February 2, 2021).
2.2	Amendment No. 1 to Agreement and Plan of Merger, dated as of May 6, 2021 (incorporated by reference to Exhibit 2.1 to Aspirational Consumer Lifestyle Corp.'s Current Report on Form 8-K, filed with the SEC on May 6, 2021).
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.
4.1	Specimen Class A Common Stock Certificate of Wheels Up Experience Inc. (incorporated by reference to Exhibit 4.5 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4/A (Registration No. 333-254304), filed with the SEC on May 6, 2021).
4.2	Warrant Agreement, dated as of September 25, 2020, between Aspirational Consumer Lifestyle Corp. and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 to Aspirational Consumer Lifestyle Corp.'s Current Report on Form 8-K, filed with the SEC on September 25, 2020).
4.3*	Description of Our Securities.
4.4^	Note Purchase Agreement, dated as of October 14, 2022, among Wheels Up Partners LLC, Wheels Up Class A-1 Loan Trust 2022-1 and Wilmington Trust, National Association, as subordination agent and trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).
4.5	Intercreditor Agreement, dated as of October 14, 2022, among Wheels Up Class A-1 Loan Trust 2022-1 and Wilmington Trust, National Association, not in its individual capacity, except as described therein, but solely as subordination agent and trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).
4.6***	Form of Participation Agreement [REDACTED], among Wheels Up Partners LLC, Wilmington Trust, National Association, not in its individual capacity, except as expressly stated therein, but solely as mortgagee, Wheels Up Class A-1 Loan Trust 2022-1, and Wilmington Trust, National Association, not in its individual capacity, except as expressly stated therein, but solely as subordination agent (Exhibit B to Note Purchase Agreement) (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).
4.7***	Form of Trust Indenture and Mortgage [REDACTED], between Wheels Up Partners LLC and Wilmington Trust, National Association, not in its individual capacity, except as expressly stated therein, but solely as mortgagee (Exhibit C to Note Purchase Agreement) (incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).
4.8	Form of Equipment Notes (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).
4.9	Guarantee, dated as of October 14, 2022, from each person listed in Schedule I thereto and each other person that becomes an additional guarantor pursuant thereto, to the beneficiaries listed in Schedule II thereto (incorporated by reference to Exhibit 4.6 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).
4.10	Loan Agreement, dated as of October 14, 2022, by and among Wheels Up Class A-1 Loan Trust 2022-1, each lender from time to time party thereto, and their permitted successors and assigns, and Wilmington Trust, National Association, as facility agent and security trustee for the lenders (incorporated by reference to Exhibit 4.7 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).
4.11	Security Agreement, dated as of October 14, 2022, among Wheels Up Class A-1 Loan Trust 2022-1 and Wilmington Trust, National Association, not in its individual capacity but solely as security trustee and the facility agent (incorporated by reference to Exhibit 4.8 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).

4.12*	Security Agreement (Intellectual Property) , dated as of October 14, 2022, among Wheels Up Partners LLC, certain affiliates of Wheels Up Partners LLC listed on the signature pages thereto, and Wilmington Trust, National Association, as loan trustee (incorporated by reference to Exhibit 4.9 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).
10.1	Form of PIPE Subscription Agreement , by and between Aspirational Consumer Lifestyle Corp. and the undersigned subscriber party thereto (incorporated by reference to Exhibit 10.1 to Aspirational Consumer Lifestyle Corp.'s Current Report on Form 8-K/A, filed with the SEC on February 2, 2021).
10.2	Amended and Restated Registration Rights Agreement , dated as of July 13, 2021, by and among Wheels Up Experience Inc., Aspirational Consumer Lifestyle Sponsor LLC, the owners of the Blockers and certain equity holders of Wheels Up and certain of their respective affiliates, as applicable, and the other parties thereto (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 19, 2021).
10.3	Letter Agreement , dated as of February 1, 2021, by and among the Registrant, Wheels Up Partners LLC and Delta Air Lines, Inc. (incorporated by reference to Exhibit 10.17 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.4	Seventh Amended and Restated Limited Liability Company Agreement of Wheels Up Partners Holdings LLC (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 19, 2021).
10.5	Amendment No. 1 to the Seventh Amended and Restated Limited Liability Company Agreement of Wheels Up Partners Holdings LLC , dated as of April 1, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 13, 2022).
10.6†	Wheels Up Partners Holdings LLC Option Plan , and the form of Option Agreement thereunder (incorporated by reference to Exhibit 10.18 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.7†	Wheels Up Partners Holdings LLC Equity Incentive Plan I (incorporated by reference to Exhibit 10.19 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.8†	Wheels Up Partners Holdings LLC Equity Incentive Plan II (incorporated by reference to Exhibit 10.20 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.9†	Wheels Up Partners Holdings LLC Equity Incentive Plan III (incorporated by reference to Exhibit 10.21 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.10†	Wheels Up Partners Holdings LLC Equity Incentive Plan IV (incorporated by reference to Exhibit 10.22 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.11†	Wheels Up Partners Holdings LLC Equity Incentive Plan V (incorporated by reference to Exhibit 10.23 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.12†	Wheels Up Partners Holdings LLC Equity Incentive Plan VI (incorporated by reference to Exhibit 10.24 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.13†	Wheels Up Partners Holdings LLC Equity Incentive Plan VII (incorporated by reference to Exhibit 10.25 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.14†	Wheels Up Partners Holdings LLC Equity Incentive Plan VIII (incorporated by reference to Exhibit 10.26 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).

10.15†	Form of Profits Interest Award Agreement under Equity Incentive Plans I-VIII (incorporated by reference to Exhibit 10.27 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.16†	Form of Restricted Interest Award Agreement under Equity Incentive Plans I-VIII (incorporated by reference to Exhibit 10.28 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4 (Registration No. 333-254304), filed with the SEC on March 15, 2021).
10.17†	Wheels Up Experience Inc. 2021 Long-Term Equity Incentive Plan (incorporated by reference to Exhibit 10.16 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 19, 2021).
10.18†	Wheels Up Experience Inc. 2022 Inducement Grant Plan and forms of award agreements thereunder (incorporated by reference to Exhibit 99.1 to the Registrant's Registration Statement on Form S-8 (File No. 333-265991) filed with the SEC on July 1, 2022).
10.19†^	Employment Agreement, dated as of April 17, 2020, by and among Kenneth Dichter, Wheels Up Partners LLC and Wheels Up Partners Holdings LLC (incorporated by reference to Exhibit 10.39 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4/A (Registration No. 333-254304), filed with the SEC on May 6, 2021).
10.20†	Offer Letter, dated June 18, 2022, by and between Todd Smith and Wheels Up Partners LLC (and attachments) (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 23, 2022).
10.21†^	Employment Agreement, dated as of October 28, 2020, by and between Lee Applbaum and Wheels Up Partners LLC (incorporated by reference to Exhibit 10.42 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4/A (Registration No. 333-254304), filed with the SEC on May 6, 2021).
10.22†	Employment Offer Letter, dated as of November 8, 2021, by and between Stevens J. Sainte-Rose and Wheels Up Partners LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q, filed with the SEC on May 12, 2022).
10.23†^	Employment Agreement, dated as of December 28, 2020, by and between Laura Hellebran and Wheels Up Partners LLC (incorporated by reference to Exhibit 10.30 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 19, 2021).
10.24†^	Amendment No.1 to Employment Agreement, dated as of December 31, 2021, by and between Laura Hellebran and Wheels Up Partners LLC originally dated December 28, 2020 (incorporated by reference to Exhibit 10.24 to the Registrant's Annual report on Form 10-K, filed with the SEC on March 10, 2022).
10.25†^	Employment Agreement, dated as of April 5, 2018, by and among Eric Jacobs, Wheels Up Partners LLC and Wheels Up Partners Holdings LLC (incorporated by reference to Exhibit 10.40 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4/A (Registration No. 333-254304), filed with the SEC on May 6, 2021).
10.26†	Separation and Release Agreement, dated May 11, 2022, by and between Eric Jacobs and Wheels Up Partners LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on May 12, 2022).
10.27†^	Employment Agreement, dated as of August 10, 2020, by and between Thomas Bergeson and Wheels Up Partners LLC (incorporated by reference to Exhibit 10.29 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 19, 2021).
10.28†	Separation and Release Agreement, dated July 14, 2022, by and between Thomas Bergeson and Wheels Up Partners LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 15, 2022).
10.29†^	Employment Agreement, dated as of April 1, 2018, by and between Jason Horowitz and Wheels Up Partners LLC (incorporated by reference to Exhibit 10.41 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4/A (Registration No. 333-254304), filed with the SEC on May 6, 2021).
10.30†*	Separation and Release Agreement, dated October 28, 2022, by and between Jason Horowitz and Wheels Up Partners LLC.
10.31†*	Consulting Agreement, dated as of November 2, 2022, by and between Jason Horowitz and Wheels Up Partners LLC.

10.32†^	Employment Agreement, dated as of April 27, 2021, by and between Vinayak Hegde and Wheels Up Partners LLC (incorporated by reference to Exhibit 10.28 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 19, 2021).
10.33†	Amendment No. 1 to Employment Agreement, dated as of February 28, 2022, by and between Vinayak Hegde and Wheels Up Partners LLC originally dated April 27, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on March 2, 2022).
10.34†	Separation and Release Agreement, dated November 7, 2022, by and between Vinayak Hegde and Wheels Up Partners LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on November 9, 2022).
10.35†	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.32 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 19, 2021).
10.36+^	Commercial Cooperation Agreement, dated as of January 17, 2020, by and among Delta Air Lines, Inc., Wheels Up Partners LLC and Wheels Up Partners Holdings LLC (incorporated by reference to Exhibit 10.43 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4/A (Registration No. 333-254304), filed with the SEC on May 6, 2021).
10.37+	Amendment No. 1 to Commercial Cooperation Agreement, dated as of March 15, 2021, by and among Delta Air Lines, Inc., Wheels Up Partners LLC and Wheels Up Partners Holding LLC (incorporated by reference to Exhibit 10.44 to Aspirational Consumer Lifestyle Corp.'s Registration Statement on Form S-4/A (Registration No. 333-254304), filed with the SEC on May 6, 2021).
16.1	Letter from Marcum LLP to the U.S. Securities and Exchange Commission dated July 19, 2021 (incorporated by reference to Exhibit 16.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on July 19, 2021).
21.1*	List of Subsidiaries.
23.1*	Consent of Grant Thornton LLP
24.1*	Power of Attorney (included on signature pages)
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
99.1***	Schedule I (incorporated by reference to Exhibit 99.2 to the Registrant's Current Report on Form 8-K, filed with the SEC on October 17, 2022).
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.

*** Pursuant to Instruction 2 to Item 601 of Regulation S-K, Exhibit 99.1 incorporated by reference herein contains a list of documents applicable to the aircraft collateral as of October 14, 2022 that are described in Exhibits 4.6 and 4.7 incorporated by reference herein, which documents are substantially identical to those in Exhibits 4.6 and 4.7 incorporated by reference herein, except for the information identifying the aircraft collateral in question and various information relating to the principal amounts of the Equipment Notes (as defined in Exhibit 4.6 incorporated by reference herein) relating to such aircraft collateral. Exhibit 99.1 incorporated by reference herein sets forth the details by which such documents differ from the corresponding representative sample of documents incorporated by reference herein as Exhibits 4.6 and 4.7 with respect to the aircraft collateral as of October 14, 2022.

† Identifies each management contract or compensatory plan or arrangement.

+ Certain portions of this exhibit (indicated by "[***]") have been omitted pursuant to Item (601)(b)(10) of Regulation S-K.

[^] Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of any omitted schedule or exhibit to the SEC upon request.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

WHEELS UP EXPERIENCE INC.

March 31, 2023	/s/ Kenneth Dichter
Name:	Kenneth Dichter
Title:	Chief Executive Officer (Principal Executive Officer)
March 31, 2023	/s/ Todd Smith
Name:	Todd Smith
Title:	Chief Financial Officer (Principal Financial and Accounting Officer)

Each person whose individual signature appears below hereby authorizes and appoints Kenneth Dichter and Todd Smith, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this annual report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his or her substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Kenneth Dichter Kenneth Dichter	Chief Executive Officer, Chairman of the Board (Principal Executive Officer)	March 31, 2023
/s/ Todd Smith Todd Smith	Chief Financial Officer (Principal Financial and Accounting Officer)	March 31, 2023
/s/ David Adelman David Adelman	Director	March 31, 2023
/s/ Timothy Armstrong Timothy Armstrong	Director	March 31, 2023
/s/ Chih Cheung Chih Cheung	Director	March 31, 2023
/s/ Marc Farrell Marc Farrell	Director	March 31, 2023
/s/ Dwight James Dwight James	Director	March 31, 2023
/s/ Michael Mullen Michael Mullen	Director	March 31, 2023
/s/ Brian Radecki Brian Radecki	Director	March 31, 2023
/s/ Susan Schuman Susan Schuman	Director	March 31, 2023
/s/ Erik Snell Erik Snell	Director	March 31, 2023
/s/ Ravi Thakran Ravi Thakran	Director	March 31, 2023

AMENDED AND RESTATED BY-LAWS
OF
WHEELS UP EXPERIENCE INC.
EFFECTIVE AS OF DECEMBER 12, 2022

ARTICLE I
OFFICES

Section 1.1 Registered Office.

The registered office of Wheels Up Experience Inc. (the “**Corporation**”) within the State of Delaware shall be located at either (a) the principal place of business of the Corporation in the State of Delaware or (b) the office of the Corporation or individual acting as the Corporation’s registered agent in Delaware.

Section 1.2 Additional Offices.

The Corporation may, in addition to its registered office in the State of Delaware, have such other offices and places of business, both within and outside the State of Delaware, as the Board of Directors of the Corporation (the “**Board**”) may from time to time determine or as the business and affairs of the Corporation may require.

ARTICLE II
STOCKHOLDERS MEETINGS

Section 2.1 Annual Meetings.

The annual meeting of stockholders shall be held at such place, either within or without the State of Delaware, and time and on such date as shall be determined by the Board and stated in the notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 10.5(a) hereof and in accordance with the General Corporation Law of the State of Delaware, as amended from time to time (the “**DGCL**”). At each annual meeting, the stockholders entitled to vote on such matters shall elect those directors of the Corporation to fill any term of a directorship that expires on the date of such annual meeting and may transact any other business as may properly be brought before the meeting.

Section 2.2 Special Meetings.

Subject to the rights of the holders of any outstanding series of the preferred stock of the Corporation (“**Preferred Stock**”), and to the requirements of applicable law, special meetings of stockholders, for any purpose or purposes, may be called only by the Chairperson of the Board, the Chief Executive Officer of the Corporation, or the Board pursuant to a resolution adopted by a majority of the Board, and may not be called by any other person. The ability of the stockholders of the Corporation to call a special meeting is hereby specifically denied. Special meetings of stockholders shall be held at such place, either within or without the State of Delaware, and at such time and on such date as shall be determined by the Board and stated in the Corporation’s notice of the meeting, provided that the Board may in its sole discretion determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication pursuant to Section 10.5(a) hereof.

Section 2.3 Notices.

Written notice of each stockholders meeting stating the place, if any, date, and time of the meeting, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting and the record date for determining the

stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting, shall be given in the manner permitted by Section 10.3 hereof to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting, by the Corporation not less than 10 nor more than 60 days before the date of the meeting unless otherwise required by the DGCL. If said notice is for a stockholders meeting other than an annual meeting, it shall in addition state the purpose or purposes for which the meeting is called, and the business transacted at such meeting shall be limited to the matters so stated in the Corporation's notice of meeting (or any supplement thereto). Any meeting of stockholders as to which notice has been given may be postponed, and any meeting of stockholders as to which notice has been given may be cancelled, by the Board upon public announcement (as defined in Section 2.7(c) hereof) given before the date previously scheduled for such meeting.

Section 2.4 Quorum

Except as otherwise provided by applicable law, the Certificate of Incorporation of the Corporation, as the same may be amended or restated from time to time (the "***Certificate of Incorporation***"), or these By-Laws, the presence, in person or by proxy, at a stockholders meeting of the holders of shares of outstanding capital stock of the Corporation representing a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote at such meeting shall constitute a quorum for the transaction of business at such meeting, except that when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. If a quorum shall not be present or represented by proxy at any meeting of the stockholders of the Corporation, the chairperson of the meeting may adjourn the meeting from time to time in the manner provided in Section 2.6 hereof until a quorum shall attend. The stockholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of its own stock belonging to the Corporation or to another corporation, if a majority of the voting power of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any such other corporation to vote shares held by it in a fiduciary capacity.

Section 2.5 Voting of Shares

(a) *Voting Lists.* The Secretary of the Corporation (the "***Secretary***") shall prepare, or shall cause the officer or agent who has charge of the stock ledger of the Corporation to prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders of record entitled to vote at such meeting; provided, however, that if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order and showing the address and the number of shares registered in the name of each stockholder. Nothing contained in this Section 2.5(a) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least 10 days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list required by this Section 2.5(a) or to vote in person or by proxy at any meeting of stockholders.

(b) *Manner of Voting.* At any stockholders meeting, every stockholder entitled to vote may vote in person or by proxy. If authorized by the Board, the voting by stockholders or proxy holders at any meeting conducted by remote communication may be effected by a ballot submitted by electronic transmission (as defined in Section 10.3), provided that any such electronic transmission must either set forth or be submitted with information from which the Corporation can determine that the

electronic transmission was authorized by the stockholder or proxy holder. The Board, in its discretion, or the chairperson of the meeting of stockholders, in such person's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

(c) *Proxies.* Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. Proxies need not be filed with the Secretary until the meeting is called to order, but shall be filed with the Secretary before being voted. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, either of the following shall constitute a valid means by which a stockholder may grant such authority:

(i) A stockholder or such stockholder's authorized officer, director, employee or agent may execute a document authorizing another person or persons to act for such stockholder as proxy.

(ii) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of an electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such transmission must either set forth or be submitted with information from which it can be determined that the transmission was authorized by the stockholder.

Any copy, facsimile telecommunication or other reliable reproduction of the document (including an electronic transmission) created pursuant to this Section 2.5 may be substituted or used in lieu of the original document for any and all purposes for which the original document could be used; provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original document.

(d) *Required Vote.* Subject to the rights of the holders of one or more series of Preferred Stock, voting separately by class or series, to elect directors pursuant to the terms of one or more series of Preferred Stock, at all meetings of stockholders at which a quorum is present, the election of directors shall be determined by a plurality of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon. All other matters presented to the stockholders at a meeting at which a quorum is present shall be determined by the vote of a majority of the votes cast by the stockholders present in person or represented by proxy at the meeting and entitled to vote thereon, unless the matter is one upon which, by applicable law, the Certificate of Incorporation, these By-Laws or applicable stock exchange rules, a different vote is required, in which case such provision shall govern and control the decision of such matter.

(e) *Inspectors of Election.* The Board may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more persons as inspectors of election, who may be employees of the Corporation or otherwise serve the Corporation in other capacities, to act at such meeting of stockholders or any adjournment thereof and to make a written report thereof. The Board may appoint one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspectors of election or alternates are appointed by the Board, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall ascertain and report the number of outstanding shares and the voting power of each; determine the number of shares present in person or represented by proxy at the meeting and the validity of proxies and ballots; count all votes and ballots and report the results; determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and certify their determination of the number of shares represented at the meeting and their count of all votes and ballots. No person who is a candidate for an office at an election may serve as an inspector at such election. Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at

such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors.

- (f) *No Cumulative Voting.* No stockholder shall have cumulative voting rights.

Section 2.6 Adjournments and Recesses.

Any meeting of stockholders, annual or special, may be adjourned or recessed by the chairperson of the meeting, from time to time, whether or not there is a quorum, to reconvene at the same or some other place. Notice need not be given of any such adjourned meeting if the date, time, and place, if any, thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting the stockholders, or the holders of any class or series of stock entitled to vote separately as a class, as the case may be, may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If, after the adjournment, a new record date for stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix a new record date for notice of such adjourned meeting in accordance with Section 10.2, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 2.7 Advance Notice for Business.

(a) *Annual Meetings of Stockholders.* No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the annual meeting by or at the direction of the Board or (iii) otherwise properly brought before the annual meeting by any stockholder of the Corporation (x) who is a stockholder of record entitled to vote at such annual meeting on the date of the giving of the notice provided for in this Section 2.7(a) and through the time of the annual meeting and who is entitled to vote at such annual meeting and (y) who complies with the notice procedures set forth in this Section 2.7(a). Notwithstanding anything in this Section 2.7(a) to the contrary, only persons nominated for election as a director to fill any term of a directorship that expires on the date of the annual meeting pursuant to Section 3.4 will be considered for election at such meeting.

(i) In addition to any other applicable requirements, for business (other than nominations) to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary and such business must otherwise be a proper matter for stockholder action. Subject to Section 2.7(a)(iii), a stockholder's notice to the Secretary with respect to such business, to be timely, must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting is first made by the Corporation. The public announcement of an adjournment or postponement of an annual meeting shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this Section 2.7(a).

(ii) To be in proper written form, a stockholder's notice to the Secretary with respect to any business (other than nominations) must set forth as to each such matter such stockholder proposes to bring before the annual meeting (A) a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event such business includes a proposal to amend these By-Laws, the language of the proposed amendment) and the reasons for

conducting such business at the annual meeting, (B) the name and record address of such stockholder and the name and address of the beneficial owner, if any, on whose behalf the proposal is made, (C) the class or series and number of shares of capital stock of the Corporation that are owned beneficially and of record by such stockholder and by the beneficial owner, if any, on whose behalf the proposal is made, (D) stockholder description of all agreements, arrangements or understandings (including any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell swap or other instrument), (E) any material interest of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made in such business and (F) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting.

(iii) The foregoing notice requirements of this Section 2.7(a) shall be deemed satisfied by a stockholder as to any proposal (other than nominations) if the stockholder has notified the Corporation of such stockholder's intention to present such proposal at an annual meeting in compliance with Rule 14a-8 (or any successor thereof) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and such stockholder has complied with the requirements of such Rule for inclusion of such proposal in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting. No business shall be conducted at the annual meeting of stockholders except business brought before the annual meeting in accordance with the procedures set forth in this Section 2.7(a); provided, however, that once business has been properly brought before the annual meeting in accordance with such procedures, nothing in this Section 2.7(a) shall be deemed to preclude discussion by any stockholder of any such business. If the Board or the chairperson of the annual meeting determines that any stockholder proposal was not made in accordance with the provisions of this Section 2.7(a) or that the information provided in a stockholder's notice does not satisfy the information requirements of this Section 2.7(a), such proposal shall not be presented for action at the annual meeting. Notwithstanding the foregoing provisions of this Section 2.7(a), if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present the proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such matter may have been received by the Corporation.

(iv) In addition to the provisions of this Section 2.7(a), a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 2.7(a) shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(v) The stockholder providing notice shall further update and supplement its notice of any business proposed to be brought before a meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.7(a) shall be true and correct (A) as of the record date for the meeting and (B) as of the date that is ten business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof, it being understood that providing any such notification shall not be deemed to cure any defect or limit the Corporation's right to determine that such stockholder proposal was not made in accordance with this Section 2.7(a) or that the information provided in the initial stockholder's notice does not satisfy the information requirements of this Section 2.7(a). Such update and supplement shall be delivered to the Secretary not later than three business days after the later of the record date or the date notice of the record date is first publicly announced (in the case of the update and supplement required to be made as of the record date for the meeting) and not later than seven business days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date prior to the meeting), or any adjournment, recess, rescheduling or postponement thereof (in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof).

(b) *Special Meetings of Stockholders.* Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the

Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting only pursuant to Section 3.4.

(c) *Public Announcement.* For purposes of these By-Laws, "**public announcement**" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act (or any successor thereto).

Section 2.8 Conduct of Meetings.

The chairperson of each annual and special meeting of stockholders shall be the Chairperson of the Board or, in the absence (or inability or refusal to act) of the Chairperson of the Board, the Lead Independent Director or, in the absence (or inability or refusal to act) of the Lead Independent Director, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the President or if the President is not a director, such other person as shall be appointed by the Board. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the chairperson of the meeting. The Board may adopt such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with these By-Laws or such rules and regulations as adopted by the Board, the chairperson of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. The secretary of each annual and special meeting of stockholders shall be the Secretary or, in the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary so appointed to act by the chairperson of the meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 2.9 No Consents in Lieu of Meeting.

Except as may be otherwise provided for in the Certificate of Incorporation, any action required or permitted to be taken by the stockholders of the Corporation must be effected by a duly called annual or special meeting of such stockholders and may not be effected by consent of the stockholders of the Corporation. To the extent an action by one or more classes or series of stockholders of the Corporation is permitted to be taken by consent pursuant to the terms and limitations set forth in the Certificate of Incorporation, the provisions of this Section 2.9 shall apply. All consents properly delivered in accordance with the Certificate of Incorporation and the DGCL shall be deemed to be recorded when so delivered. No consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest dated consent delivered to the Corporation as required by the DGCL, consents signed by the holders of a sufficient number of shares to take such corporate action are so delivered to the Corporation in accordance with the applicable provisions of the DGCL. Prompt notice of the taking of the corporate action without a meeting by less than unanimous consent shall be given to those stockholders who have not consented and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that consents signed by a sufficient number of holders to take the action were delivered to the Corporation as provided in the

applicable provisions of the DGCL. Any action taken pursuant to such consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof. In order that the Corporation may determine the stockholders entitled to consent to corporate action without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board. If no record date has been fixed by the Board, the record date for determining stockholders entitled to consent to corporate action without a meeting, when no prior action by the Board is required by the DGCL, shall be the first date on which a signed consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board and prior action by the Board is required by the DGCL, the record date for determining stockholders entitled to consent to corporate action without a meeting shall be at the close of business on the day on which the Board adopts the resolution taking such prior action.

ARTICLE III DIRECTORS

Section 3.1 Powers; Number; Citizenship.

The business and affairs of the Corporation shall be managed by or under the direction of the Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these By-Laws required to be exercised or done by the stockholders. Directors need not be stockholders or residents of the State of Delaware. At least two-thirds (2/3) of the members of Board shall be comprised of individuals who meet the definition of "a citizen of the United States," as defined in Title 49, United States Code, Section 40102 and administrative interpretations thereof issued by the Department of Transportation or its predecessor or successors, or as the same may be from time to time amended (each a "*U.S. Citizen*"); provided, however, that if the Board has one member or two members, such members shall be U.S. Citizens. Subject to the Certificate of Incorporation, the number of directors shall be fixed exclusively by resolution of the Board.

Section 3.2 Election, Qualification and Term of Office.

Except as provided otherwise in these By-Laws or the Certificate of Incorporation, each director, including a director elected to fill a vacancy or newly created directorship, shall hold office until the expiration of the term of the class, if any, for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation, disqualification or removal in accordance with the Certificate of Incorporation. Directors need not be stockholders. The Certificate of Incorporation or these By-Laws may prescribe qualifications for directors.

Section 3.3 Resignation and Vacancies.

(a) Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. The resignation shall take effect at the time specified therein or upon the happening of an event specified therein, and if no time or event is specified, at the time of its receipt. When one or more directors so resigns and the resignation is effective at a future date or upon the happening of an event to occur on a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in Section 3.2.

(b) Unless otherwise provided in the Certificate of Incorporation or these By-Laws, newly created directorships resulting from an increase in the number of directors and any vacancies on the Board resulting from death, resignation, retirement, disqualification, removal or any other cause may be filled solely and exclusively by a majority vote of the remaining directors then in office, even if less than a quorum, or by a sole remaining director (and not by stockholders), and any director so chosen shall hold

office for the remainder of the full term of the class of directors to which the new directorship was added or in which the vacancy occurred and until his or her successor has been elected and qualified, subject, however, to such director's earlier death, resignation, retirement, disqualification or removal.

Section 3.4 Advance Notice for Nomination of Directors.

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided by the terms of one or more series of Preferred Stock with respect to the rights of holders of one or more series of Preferred Stock to elect directors. Nominations of persons for election to the Board at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors as set forth in the Corporation's notice of such special meeting, may be made (i) by or at the direction of the Board or (ii) by any stockholder of the Corporation (x) who is a stockholder of record entitled to vote in the election of directors on the date of the giving of the notice provided for in this Section 3.4 and on the record date for the determination of stockholders entitled to vote at such meeting and (y) who complies with the notice procedures set forth in this Section 3.4.

(b) In addition to any other applicable requirements, for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a stockholder's notice to the Secretary must be received by the Secretary at the principal executive offices of the Corporation (i) in the case of an annual meeting, not later than the close of business on the 90th day nor earlier than the close of business on the 120th day before the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day before the meeting and not later than the later of (x) the close of business on the 90th day before the meeting or (y) the close of business on the 10th day following the day on which public announcement of the date of the annual meeting was first made by the Corporation; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the 10th day following the day on which public announcement of the date of the special meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting or special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described in this Section 3.4.

(c) Notwithstanding anything in paragraph (b) to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is greater than the number of directors whose terms expire on the date of the annual meeting and there is no public announcement by the Corporation naming all of the nominees for the additional directors to be elected or specifying the size of the increased Board before the close of business on the 90th day prior to the anniversary date of the immediately preceding annual meeting of stockholders, a stockholder's notice required by this Section 3.4 shall also be considered timely, but only with respect to nominees for the additional directorships created by such increase that are to be filled by election at such annual meeting, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the date on which such public announcement was first made by the Corporation.

(d) To be in proper written form, a stockholder's notice to the Secretary must set forth:

(i) as to each person whom the stockholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person (present and for at least the past five years), (C) the class or series and number of shares of capital stock of the Corporation, if any, that are, directly or indirectly, owned beneficially or of record by the person, (D) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, without regard to the application of the Exchange Act to either the nomination or the Corporation, and (E)

all written and signed representations and agreements and all completed and signed questionnaires required pursuant to Section 3.5 below; and

(ii) as to the stockholder giving the notice (A) the name and record address of such stockholder as they appear on the Corporation's books and the name and address of the beneficial owner, if any, on whose behalf the nomination is made, (B) the class or series and number of shares of capital stock of the Corporation that are, directly or indirectly, owned beneficially and of record by such stockholder and the beneficial owner, if any, on whose behalf the nomination is made, (C) a description in reasonably detail of all agreements, arrangements or understandings (including any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument), written or oral and formal or informal, (x) relating to the nomination to be made by such stockholder among any of such stockholder, the beneficial owner, if any, on whose behalf the nomination is made, each proposed nominee and any other person or persons (including their names), (y) with the intent or effect of which may be to transfer to or from any such person, in whole or in part, any of the economic consequences of ownership of any security of the Corporation or to increase or decrease the voting power of any such person with respect to any security of the Corporation, or (z) any agreement that would be required to be disclosed by any (1) stockholder providing a notice required by this [Section 3.4](#) (other than a stockholder of record that is a broker, bank, custodian, or similar entity that is acting solely as a nominee on behalf of a beneficial owner), (ii) the beneficial owner or beneficial owners, if different, on whose behalf such notice is given, and (iii) any affiliates or associates (each within the meaning of Rule 12b-2 under the Exchange Act, for purposes of these Amended and Restated By-laws (these "**By-laws**") of such stockholder or beneficial owner acting in concert with any of the persons described in clauses (i) or (ii) (each a "**Proposing Person**") or (2) any other person or entity pursuant to Item 5 or Item 6 of a Schedule 13D that would be filed pursuant to the Exchange Act (including the rules and regulations promulgated thereunder) (regardless of whether the requirement to file a Scheduled 13D is applicable to the Proposing Person or other person or entity), (D) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the persons named in its notice, (E) any direct or indirect legal, economic or financial interest of such stockholder in the outcome of any vote to be taken at any annual or special meeting of stockholders of the Corporation or any other entity with respect to any matter that is substantially related, directly or indirectly, to any nomination or business proposed by the stockholder giving notice, (F) a certification that each person that the stockholder giving notice is nominating has complied with all applicable federal, state and other legal requirements in connection with its acquisition of shares or other securities of the Corporation and such person's acts or omissions as a stockholder of the Corporation, (G) a representation as to the accuracy of the information set forth in the notice (H) a representation that the stockholder giving notice is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to remain a stockholder of the Corporation through the meeting, (I) a representation whether the stockholder intends or is part of a group that intends (i) to deliver a proxy statement and/or form of proxy to holders of issued and outstanding shares representing at least fifty percent (50%) of the voting power of the issued and outstanding shares of the Corporation that are entitled to vote generally in the election of directors, (ii) otherwise to solicit proxies or votes from stockholders in support of such director nominee, and/or (iii) otherwise to solicit proxies in support of any proposed director nominees other than the Corporation's director nominees in accordance with Rule 14a-19 promulgated under the Exchange Act, and (J) any other information relating to such stockholder and the beneficial owner, if any, on whose behalf the nomination is made that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

(e) If the Board or the chairperson of the meeting of stockholders determines that any nomination was not made in accordance with the provisions of this [Section 3.4](#), or that the information provided in a stockholder's notice does not satisfy the information requirements of this [Section 3.4](#), then such nomination shall not be considered at the meeting in question. If a nomination is

not properly brought before the annual or special meeting in accordance with these By-laws or otherwise, the chairperson of the meeting shall declare to the meeting and any such nomination not properly brought before the meeting need not be transacted. For the avoidance of doubt, unless required by applicable law, a nomination for director by a stockholder giving notice under Section 3.4 is not properly brought before the annual or special meeting in accordance with these By-laws if the Board or the chairperson of an annual or special meeting determines that (i) such stockholder or any such Proposing Person breaches any of its agreements, representations or warranties set forth in the notice given by such stockholder or otherwise submitted pursuant to this Section 3.4, (ii) any of the information in such stockholder notice or otherwise submitted by such stockholder or Proposing Person was not, when provided, true, correct and complete, or (iii) any such stockholder or Proposing Person otherwise fails to comply with its obligations pursuant to these By-laws. Notwithstanding the foregoing provisions of this Section 3.4, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting of stockholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(f) Notwithstanding anything to the contrary in these By-laws, unless otherwise required by applicable law, if any stockholder or Proposing Person (i) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) promulgated under the Exchange Act (or fails to timely provide documentation reasonably satisfactory to the Corporation that such stockholder has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence), then such nomination shall be disregarded and no vote on such nominee proposed by such stockholder or Proposing Person shall occur, notwithstanding that the nomination is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of the election of such proposed nominee may have been received by the Corporation (which proxies and votes shall be disregarded). Upon request by the Corporation, any stockholder or any Proposing Person that has provided notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting, documentation reasonably satisfactory to the Corporation demonstrating that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

(g) In addition to the provisions of this Section 3.4, a stockholder shall also comply with all of the applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth herein. Nothing in this Section 3.4 shall be deemed to affect any rights of the holders of Preferred Stock to elect directors pursuant to the Certificate of Incorporation.

(h) The stockholder providing notice shall further update and supplement its notice of any nomination or other business proposed to be brought before a meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 3.4 shall be true and correct (A) as of the record date for the meeting and (B) as of the date that is ten business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof, it being understood that providing any such notification shall not be deemed to cure a defect or limit the Corporation's right to omit a director nominee from its form of proxy as provided in this Section 3.4. Such update and supplement shall be delivered to the Secretary not later than three business days after the later of the record date or the date notice of the record date is first publicly announced (in the case of the update and supplement required to be made as of the record date for the meeting) and not later than seven business days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date prior to the meeting), or any adjournment, recess, rescheduling or postponement thereof (in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof).

Section 3.5 Submission of Information by Director Nominees

(a) To be eligible to be a nominee for election or re-election as a director of the Corporation, a person to be nominated must deliver to the Secretary at the principal executive offices of the Corporation the following information: (i) a written representation and agreement, which shall be signed by such person and pursuant to which such person shall represent and agree that such person: (A) consents to serving as a director if elected and to being named in the Corporation's form of proxy and

proxy statement as a director nominee, and currently intends to serve as a director for the full term for which such person is standing for election; (B) is not and shall not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity; (1) as to how the person, if elected as a director, shall act or vote on any issue or question that has not been disclosed to the Corporation, or (2) that could limit or interfere with the person's ability to comply, if elected as a director, with such person's fiduciary duties under applicable law; (C) is not and shall not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director or nominee that has not been disclosed to the Corporation; and (D) if elected as a director, shall comply with all of the Corporation's corporate governance, conflict of interest, confidentiality, and stock ownership and trading policies and guidelines, and any other Corporation policies and guidelines applicable to directors (which shall be provided to such person promptly following a request therefor); and (ii) all completed and signed questionnaires required of the Corporation's nominees (which shall be provided to such person promptly following a request therefor).

(b) A nominee for election or re-election as a director of the Corporation shall also provide to the Corporation such additional information as the Corporation may reasonably request. The Corporation may request such additional information as necessary to permit the Board to determine the eligibility of such person to serve as a director of the Corporation, including information relevant to a determination whether such person can be considered an independent director.

(c) All written and signed representations and agreements and all completed and signed questionnaires required pursuant to [Section 3.5\(a\)](#), and the additional information described in [Section 3.5\(b\)](#), shall be considered timely for a nominee for election or re-election as a director of the Corporation under [Section 3.4](#) above if provided to the Corporation by the deadlines specified in [Section 3.4](#). All information provided pursuant to [this Section 3.5](#) by a nominee for election or re-election as a director of the Corporation under [Section 3.4](#) above shall be deemed part of the stockholder's notice submitted pursuant to [Section 3.4](#).

Section 3.6 [Compensation](#).

Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, the Board shall have the authority to fix the compensation of directors, including for service on a committee of the Board, and may be paid either a fixed sum for attendance at each meeting of the Board or other compensation as director. The directors may be reimbursed their expenses, if any, of attendance at each meeting of the Board. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees of the Board may be allowed like compensation and reimbursement of expenses for service on the committee.

Section 3.7 [Chairperson of the Board](#).

The Board shall annually elect one of its members to be its chairperson (the "***Chairperson of the Board***") and shall fill any vacancy in the position of Chairperson of the Board at such time and in such manner as the Board shall determine. Except as otherwise provided in these By-Laws, the Chairperson of the Board shall preside at all meetings of the Board and of stockholders. The Chairperson of the Board shall perform such other duties and services as shall be assigned to or required of the Chairperson of the Board by the Board.

Section 3.8 [Lead Independent Director](#).

The Board may, in its discretion, elect a lead independent director from among its members that are Independent Directors (as defined below) (such director, the "***Lead Independent Director***"). The Lead Independent Director shall preside at all meetings at which the Chairperson of the Board is not present and shall exercise such other powers and duties as may from time to time be assigned to such person by the Board or as prescribed by these By-Laws. For purposes of these By-Laws, "Independent Director" has the meaning ascribed to such term under the rules of the exchange upon which the Corporation's Class A Common Stock is primarily traded.

Section 3.9 Board Observer.

The Board may appoint one or more Board observers (each a “**Board Observer**”) as it determines from time to time in its sole discretion who may attend (without voting rights) each meeting of the Board or any committee thereof, in each case to the extent permissible under applicable law and stock exchange rules, and provided, that the Corporation may withhold any information and exclude any such Board Observer from any meeting or portion thereof if the Corporation determines that such action is necessary or advisable to preserve attorney-client, work product or similar privilege between the Company and its counsel. The Board may determine to provide expense reimbursement to any Board Observer on the same basis as if such Board Observer were a director of the Corporation.

**ARTICLE IV
BOARD MEETINGS**

Section 4.1 Annual Meetings.

The Board shall meet as soon as practicable after the adjournment of each annual stockholders meeting at the place of the annual stockholders meeting unless the Board shall fix another time and place and give notice thereof in the manner required herein for special meetings of the Board. No notice to the directors shall be necessary to legally convene this meeting, except as provided in this Section 4.1.

Section 4.2 Regular Meetings.

Regularly scheduled, periodic meetings of the Board may be held without notice at such times, dates and places (within or without the State of Delaware) as shall from time to time be determined by the Board.

Section 4.3 Special Meetings.

Special meetings of the Board (a) may be called by the Chairperson of the Board, the Lead Independent Director or President and (b) shall be called by the Chairperson of the Board, the Lead Independent Director, President or Secretary on the written request of at least a majority of directors then in office, or the sole director, as the case may be, and shall be held at such time, date and place (within or without the State of Delaware) as may be determined by the person calling the meeting or, if called upon the request of directors or the sole director, as specified in such written request. Notice of each special meeting of the Board shall be given, as provided in Section 10.3, to each director (i) at least 24 hours before the meeting if such notice is oral notice given personally or by telephone or written notice given by hand delivery or by means of a form of electronic transmission and delivery; (ii) at least two days before the meeting if such notice is sent by a nationally recognized overnight delivery service; and (iii) at least five days before the meeting if such notice is sent through the United States mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer who called the meeting or the directors who requested the meeting. Any and all business that may be transacted at a regular meeting of the Board may be transacted at a special meeting. Except as may be otherwise expressly provided by applicable law, the Certificate of Incorporation, or these By-Laws, neither the business to be transacted at, nor the purpose of, any special meeting need be specified in the notice or waiver of notice of such meeting. A special meeting may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in accordance with Section 10.4.

Section 4.4 Quorum; Adjournment.

(a) A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by applicable law, the Certificate of Incorporation or these By-Laws, provided that, directors who are U.S. Citizens must comprise at least two-thirds (2/3) of the directors deemed present for purposes of determining quorum and quorum shall not exist of directors who are not U.S. Citizens constitute more than one-third (1/3) of the directors present and entitled to vote on the particular action. If a quorum shall not be present at any meeting, a majority of the directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

(b) A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting of the Board to another time and place. Notice of the time and place of holding of an adjourned meeting of the Board need not be given if announced, unless the meeting is adjourned for more than twenty-four hours. If the meeting of the Board is adjourned for more than twenty-four hours, then notice of the time and place of the adjourned meeting shall be given before the adjourned meeting takes place to the directors who were not present at the time of adjournment in the manner specified in Section 4.3 of these By-laws.

Section 4.5 Consent In Lieu of Meeting.

Unless otherwise restricted by the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board or any committee thereof may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions (or paper reproductions thereof) are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 4.6 Organization.

The Chairperson of each meeting of the Board shall be the Chairperson of the Board or, in the absence (or inability or refusal to act) of the Chairperson of the Board, the Lead Independent Director or, in the absence (or inability or refusal to act) of the Lead Independent Director, the Chief Executive Officer (if he or she shall be a director) or, in the absence (or inability or refusal to act) of the Chief Executive Officer or if the Chief Executive Officer is not a director, the President (if he or she shall be a

director) or in the absence (or inability or refusal to act) of the President or if the President is not a director, a chairperson elected from the directors present. The Secretary shall act as secretary of all meetings of the Board. In the absence (or inability or refusal to act) of the Secretary, an Assistant Secretary shall perform the duties of the Secretary at such meeting. In the absence (or inability or refusal to act) of the Secretary and all Assistant Secretaries, the chairperson of the meeting may appoint any person to act as secretary of the meeting.

ARTICLE V COMMITTEES OF DIRECTORS

Section 5.1 Establishment.

The Board may by resolution of the Board designate one or more committees, each committee to consist of one or more of the directors of the Corporation. At least two-thirds of the members of each committee shall be comprised of individuals who meet the definition of "a citizen of the United States," as defined in Title 49, United States Code, Section 40102 and administrative interpretations thereof issued by the Department of Transportation or its predecessor or successors, or as the same may be from time to time amended; provided, however, that if a committee has one member or two members, such members shall be "citizens of the United States," as defined immediately above. Each committee shall keep regular minutes of its meetings and report the same to the Board when required by the resolution designating such committee. The Board shall have the power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee.

Section 5.2 Available Powers.

Any committee established pursuant to Section 5.1 hereof, to the extent permitted by applicable law and by resolution of the Board, shall have and may exercise all of the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it.

Section 5.3 Alternate Members.

The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member.

Section 5.4 Procedures.

Unless the Board otherwise provides, the time, date, place, if any, and notice of meetings of a committee shall be determined by such committee. At meetings of a committee, a majority of the number of members of the committee (but not including any alternate member, unless such alternate member has replaced any absent or disqualified member at the time of, or in connection with, such meeting) shall constitute a quorum for the transaction of business. The act of a majority of the members present at any meeting at which a quorum is present shall be the act of the committee, except as otherwise specifically provided by applicable law, the Certificate of Incorporation, these By-Laws or the Board. If a quorum is not present at a meeting of a committee, the members present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. Unless the Board otherwise provides and except as provided in these By-Laws, each committee designated by the Board may make, alter, amend and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board is authorized to conduct its business pursuant to Article III and Article IV of these By-Laws.

ARTICLE VI OFFICERS

Section 6.1 Officers

The officers of the Corporation elected by the Board shall be a Chief Executive Officer, a Chief Financial Officer, a Secretary and such other officers (including without limitation, a Chairperson of the Board, Presidents, Vice Presidents, Assistant Secretaries, a Treasurer, a Chief Marketing Officer, a Chief Operating Officer, a Chief Business Officer, a Chief Growth Officer, a Chief Information Officer, a Chief Flight Operations Officer, a Chairperson of Marketplace, a Chief Experience Officer, a Chief Legal Officer, a Chief People Officer, a Chief Sales Officer and a Chief Platform Officer) as the Board from time to time may determine. Officers elected by the Board shall each have such powers and duties as generally pertain to their respective offices, subject to the specific provisions of this Article VI. Such officers shall also have such powers and duties as from time to time may be conferred by the Board. The Chief Executive Officer or President may also appoint such other officers (including without limitation one or more Vice Presidents and Controllers) as may be necessary or desirable for the conduct of the business of the Corporation. Such other officers shall have such powers and duties and shall hold their offices for such terms as may be provided in these By-Laws or as may be prescribed by the Board or, if such officer has been appointed by the Chief Executive Officer or President, as may be prescribed by the appointing officer.

(a) *Chief Executive Officer.* The Chief Executive Officer shall be the chief executive officer of the Corporation, shall have general supervision of the affairs of the Corporation and general control of all of its business subject to the ultimate authority of the Board, and shall be responsible for the execution of the policies of the Board with respect to such matters, except to the extent any such powers and duties have been prescribed to the Chairperson of the Board pursuant to Section 3.7 above. In the absence (or inability or refusal to act) of the Chairperson of the Board and the Lead Independent Director, the Chief Executive Officer (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The position of Chief Executive Officer and President may be held by the same person and may be held by more than one person.

(b) *President.* The President shall make recommendations to the Chief Executive Officer on all operational matters that would normally be reserved for the final executive responsibility of the Chief Executive Officer. In the absence (or inability or refusal to act) of the Chairperson of the Board, the Lead Independent Director, and the Chief Executive Officer, the President (if he or she shall be a director) shall preside when present at all meetings of the stockholders and the Board. The President shall also perform such duties and have such powers as shall be designated by the Board. The position of President and Chief Executive Officer may be held by the same person.

(c) *Chief Financial Officer.* The Chief Financial Officer shall perform all duties commonly incident to that office (including, without limitation, the care and custody of the funds and securities of the Corporation, which from time to time may come into the Chief Financial Officer's hands and the deposit of the funds of the Corporation in such banks or trust companies as the Board, the Chief Executive Officer or the President may authorize).

(d) *Vice Presidents.* In the absence (or inability or refusal to act) of the President, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated by the Board) shall perform the duties and have the powers of the President. Any one or more of the Vice Presidents may be given an additional designation of rank or function.

(e) *Secretary.*

(i) The Secretary shall attend all meetings of the stockholders, the Board and (as required) committees of the Board and shall record the proceedings of such meetings in books to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board and shall perform such other duties as may be prescribed by the Board, the Chairperson of the Board, the Chief Executive Officer or President. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or any Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his or her signature or by the

signature of such Assistant Secretary. The Board may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing thereof by his or her signature.

(ii) The Secretary shall keep, or cause to be kept, at the principal executive office of the Corporation or at the office of the Corporation's transfer agent or registrar, if one has been appointed, a stock ledger, or duplicate stock ledger, showing the names of the stockholders and their addresses, the number and classes of shares held by each and, with respect to certificated shares, the number and date of certificates issued for the same and the number and date of certificates cancelled.

(f) *Assistant Secretaries.* The Assistant Secretary or, if there be more than one, the Assistant Secretaries in the order determined by the Board shall, in the absence (or inability or refusal to act) of the Secretary, perform the duties and have the powers of the Secretary.

(g) *Treasurer.* The Treasurer shall, in the absence (or inability or refusal to act) of the Chief Financial Officer, perform the duties and exercise the powers of the Chief Financial Officer.

Section 6.2 Term of Office; Removal; Vacancies.

The elected officers of the Corporation shall be appointed by the Board and shall hold office until their successors are duly elected and qualified by the Board or until their earlier death, resignation, retirement, disqualification, or removal from office. Any officer may be removed, with or without cause, at any time by the Board. Any officer appointed by the Chief Executive Officer or President may also be removed, with or without cause, by the Chief Executive Officer or President, as the case may be, unless the Board otherwise provides. Any vacancy occurring in any elected office of the Corporation may be filled by the Board. Any vacancy occurring in any office appointed by the Chief Executive Officer or President may be filled by the Chief Executive Officer, or President, as the case may be, unless the Board then determines that such office shall thereupon be elected by the Board, in which case the Board shall elect such officer.

Section 6.3 Other Officers.

The Board may delegate the power to appoint such other officers and agents, and may also remove such officers and agents or delegate the power to remove same, as it shall from time to time deem necessary or desirable. In case any officer is absent, or for any other reason that the Board may deem sufficient, the Chief Executive Officer or the President or the Board may delegate for the time being the powers or duties of such officer to any other officer or to any director.

Section 6.4 Multiple Officeholders; Stockholder and Director Officers.

Any number of offices may be held by the same person unless the Certificate of Incorporation or these By-Laws otherwise provide. Officers need not be stockholders or residents of the State of Delaware.

Section 6.5 Limitations on Non-Citizens as Officers.

Notwithstanding anything to the contrary in these By-Laws, the Chief Executive Officer and the President (if applicable) and at least two-thirds (2/3) of the officers of the Corporation shall each be "a citizen of the United States," as defined in Title 49, United States Code, Section 40102 and administrative interpretations thereof issued by the Department of Transportation or its predecessor or successors, or as the same may be from time to time amended.

**ARTICLE VII
SHARES**

Section 7.1 Certificated and Uncertificated Shares

The shares of the Corporation may be certificated or uncertificated, subject to the sole discretion of the Board and the requirements of the DGCL.

Section 7.2 Multiple Classes of Stock

If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the Corporation shall (a) cause the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights to be set forth in full or summarized on the face or back of any certificate that the Corporation issues to represent shares of such class or series of stock or (b) in the case of uncertificated shares, within a reasonable time after the issuance or transfer of such shares, send to the registered owner thereof a written notice containing the information required to be set forth on certificates as specified in clause (a) above; provided, however, that, except as otherwise provided by applicable law, in lieu of the foregoing requirements, there may be set forth on the face or back of such certificate or, in the case of uncertificated shares, on such written notice a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences or rights.

Section 7.3 Signatures

Each certificate representing capital stock of the Corporation shall be signed by or in the name of the Corporation by two authorized officers of the Corporation, which authorized officers shall include, without limitation, the Chairperson of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, the Secretary or any Assistant Secretary of the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar on the date of issue.

Section 7.4 Consideration and Payment for Shares

(a) Subject to applicable law and the Certificate of Incorporation, shares of stock may be issued for such consideration, having in the case of shares with par value a value not less than the par value thereof, and to such persons, as determined from time to time by the Board. The consideration may consist of any tangible or intangible property or any benefit to the Corporation including cash, promissory notes, services performed, contracts for services to be performed or other securities, or any combination thereof.

(b) Subject to applicable law and the Certificate of Incorporation, shares may not be issued until the full amount of the consideration has been paid, unless upon the face or back of each certificate issued to represent any partly paid shares of capital stock or upon the books and records of the Corporation in the case of partly paid uncertificated shares, there shall have been set forth the total amount of the consideration to be paid therefor and the amount paid thereon up to and including the time said certificate representing certificated shares or said uncertificated shares are issued.

Section 7.5 Lost, Destroyed or Wrongfully Taken Certificates

(a) If an owner of a certificate representing shares claims that such certificate has been lost, destroyed or wrongfully taken, the Corporation shall issue a new certificate representing such shares or such shares in uncertificated form if the owner: (i) requests such a new certificate before the Corporation has notice that the certificate representing such shares has been acquired by a protected purchaser; (ii) if requested by the Corporation, delivers to the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged

loss, wrongful taking or destruction of such certificate or the issuance of such new certificate or uncertificated shares; and (iii) satisfies other reasonable requirements imposed by the Corporation.

(b) If a certificate representing shares has been lost, apparently destroyed or wrongfully taken, and the owner fails to notify the Corporation of that fact within a reasonable time after the owner has notice of such loss, apparent destruction or wrongful taking and the Corporation registers a transfer of such shares before receiving notification, the owner shall be precluded from asserting against the Corporation any claim for registering such transfer or a claim to a new certificate representing such shares or such shares in uncertificated form.

Section 7.6 Transfer of Stock.

(a) If a certificate representing shares of the Corporation is presented to the Corporation with an endorsement requesting the registration of transfer of such shares or an instruction is presented to the Corporation requesting the registration of transfer of uncertificated shares, the Corporation shall register the transfer as requested if:

- (i) in the case of certificated shares, the certificate representing such shares has been surrendered;
- (ii) (A) with respect to certificated shares, the endorsement is made by the person specified by the certificate as entitled to such shares; (B) with respect to uncertificated shares, an instruction is made by the registered owner of such uncertificated shares; or (C) with respect to certificated shares or uncertificated shares, the endorsement or instruction is made by any other appropriate person or by an agent who has actual authority to act on behalf of the appropriate person;
- (ii) the Corporation has received a guarantee of signature of the person signing such endorsement or instruction or such other reasonable assurance that the endorsement or instruction is genuine and authorized as the Corporation may request;
- (iii) the transfer does not violate any restriction on transfer imposed by the Corporation that is enforceable in accordance with Section 7.8(a); and
- (iv) such other conditions for such transfer as shall be provided for under applicable law have been satisfied.

(b) Whenever any transfer of shares shall be made for collateral security and not absolutely, the Corporation shall so record such fact in the entry of transfer if, when the certificate for such shares is presented to the Corporation for transfer or, if such shares are uncertificated, when the instruction for registration of transfer thereof is presented to the Corporation, both the transferor and transferee request the Corporation to do so.

Section 7.7 Registered Stockholders.

Before due presentment for registration of transfer of a certificate representing shares of the Corporation or of an instruction requesting registration of transfer of uncertificated shares, the Corporation may treat the registered owner as the person exclusively entitled to inspect for any proper purpose the stock ledger and the other books and records of the Corporation, vote such shares, receive dividends or notifications with respect to such shares and otherwise exercise all the rights and powers of the owner of such shares, except that a person who is the beneficial owner of such shares (if held in a voting trust or by a nominee on behalf of such person) may, upon providing documentary evidence of beneficial ownership of such shares and satisfying such other conditions as are provided under applicable law, may also so inspect the books and records of the Corporation.

Section 7.8 Effect of the Corporation's Restriction on Transfer.

(a) A written restriction on the transfer or registration of transfer of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, if permitted by the DGCL and noted conspicuously on the certificate representing such shares or, in the case of uncertificated shares, contained in a notice, offering circular or prospectus sent by the Corporation to the registered owner of such shares within a reasonable time prior to or after the issuance or transfer of such shares, may be enforced against the holder of such shares or any successor or transferee of the holder including an executor, administrator, trustee, guardian or other fiduciary entrusted with like responsibility for the person or estate of the holder.

(b) A restriction imposed by the Corporation on the transfer or the registration of shares of the Corporation or on the amount of shares of the Corporation that may be owned by any person or group of persons, even if otherwise lawful, is ineffective against a person without actual knowledge of such restriction unless: (i) the shares are certificated and such restriction is noted conspicuously on the certificate; or (ii) the shares are uncertificated and such restriction was contained in a notice, offering circular or prospectus sent by the Corporation to the registered owner of such shares within a reasonable time prior to or after the issuance or transfer of such shares.

Section 7.9 Regulations.

The Board shall have power and authority to make such additional rules and regulations, subject to any applicable requirement of law, as the Board may deem necessary and appropriate with respect to the issue, transfer or registration of transfer of shares of stock or certificates representing shares. The Board may appoint one or more transfer agents or registrars and may require for the validity thereof that certificates representing shares bear the signature of any transfer agent or registrar so appointed.

**ARTICLE VIII
LIMITATIONS OF OWNERSHIP BY NON-CITIZENS**

Section 8.1 Definitions.

For purposes of this Article VIII, the following definitions shall apply:

- (a) “*Act*” shall mean Subtitle VII of Title 49 of the United States Code, as amended, or as the same may be from time to time amended.
- (b) “*Beneficial Ownership*”, “*Beneficially Owned*” or “*Owned Beneficially*” refers to beneficial ownership as defined in Rule 13d-3 (without regard to the 60-day provision in paragraph (d)(1)(i) thereof) under the Exchange Act.
- (c) “*Foreign Stock Record*” shall have the meaning set forth in Section 8.3 below.
- (d) “*Non-Citizen*” shall mean any person or entity who is not a “citizen of the United States” (as defined in Section 41102 of the Act and administrative interpretations thereof issued by the Department of Transportation or its predecessor or successors, or as the same may be from time to time amended), including any agent, trustee or representative of a Non-Citizen.
- (e) “*Own or Control*” or “*Owned or Controlled*” shall mean (i) ownership of record, (ii) beneficial ownership or (iii) the power to direct, by agreement, agency or in any other manner, the voting of Stock. Any determination by the Board of Directors as to whether Stock is Owned or Controlled by a Non-Citizen shall be final.
- (f) “*Permitted Percentage*” shall mean 25% of the voting power of the Stock.
- (g) “*Stock*” shall mean the outstanding capital stock of the Corporation entitled to vote; provided, however, that for the purpose of determining the voting power of Stock that shall at any

time constitute the Permitted Percentage, the voting power of Stock outstanding shall not be adjusted downward solely because shares of Stock may not be entitled to vote by reason of any provision of this [Article VIII](#).

Section 8.2 [Limitations on Ownership](#).

It is the policy of the Corporation that, consistent with the requirements of the Act, Non-Citizens shall not Own and/or Control more than the Permitted Percentage and, if Non-Citizens nonetheless at any time Own and/or Control more than the Permitted Percentage, the voting rights of the Stock in excess of the Permitted Percentage shall be automatically suspended in accordance with [Sections 8.3](#) and [8.4](#) below.

Section 8.3 [Foreign Stock Record](#).

The Corporation or any transfer agent designated by it shall maintain a separate stock record (the “**Foreign Stock Record**”) in which shall be registered Stock known to the Corporation to be Owned and/or Controlled by Non-Citizens. It shall be the duty of each stockholder to register his, her or its Stock if such stockholder is a Non-Citizen. A Non-Citizen may, at its option, register any Stock to be purchased pursuant to an agreement entered into with the Corporation, as if Owned or Controlled by it, upon execution of a definitive agreement. Such Non-Citizen shall register his, her or its Stock by sending a written request to the Corporation, noting both the execution of a definitive agreement for the purchase of Stock and the anticipated closing date of such transaction. Within 10 days of such closing date, the Non-Citizen shall send to the Corporation a written notice confirming that such closing occurred. Failure to send such confirmatory notice shall result in the removal of such Stock from the Foreign Stock Record. For the avoidance of doubt, any Stock registered as a result of execution of a definitive agreement shall not have any voting or other ownership rights until the closing of that transaction. In the event that the sale pursuant to such definitive agreement is not consummated in accordance with such agreement (as may be amended), such Stock shall be removed from the Foreign Stock Record without further action by the Corporation. The Foreign Stock Record shall include (i) the name and nationality of each such Non-Citizen and (ii) the date of registration of such shares in the Foreign Stock Record. In no event shall shares in excess of the Permitted Percentage be entered on the Foreign Stock Record. In the event that the Corporation shall determine that Stock registered on the Foreign Stock Record exceeds the Permitted Percentage, the voting rights of the owners of the Stock registered on the Foreign Stock Record shall be suspended on a pro rata basis among all such owners (and not in reverse chronological order) so that the aggregate voting rights afforded to all of the Stock registered on the Foreign Stock Registry, taken together (without duplication), are equal to the Permitted Percentage, until such time as, absent such pro rata suspension, the voting rights of all of the Stock registered on the Foreign Stock Registry, taken together (without duplication), would not exceed the Permitted Percentage.

Section 8.4 [Suspension of Voting Rights](#).

If at any time the number of shares of Stock known to the Corporation to be Owned and/or Controlled by Non-Citizens exceeds the Permitted Percentage, the voting rights of Stock Owned and/or Controlled by Non-Citizens and not registered on the Foreign Stock Record at the time of any vote or action of the stockholders of the Corporation shall, without further action by the Corporation, be suspended. Such suspension of voting rights shall automatically terminate upon the earlier of the (i) transfer of such shares to a person or entity who is not a Non-Citizen, or (ii) registration of such shares on the Foreign Stock Record, subject to the last two sentences of [Section 8.3](#) above.

Section 8.5 [Certificate of Citizenship](#).

(a) The Corporation may by notice in writing (which may be included in the form of proxy or ballot distributed to stockholders in connection with the annual meeting or any special meeting of the stockholders of the Corporation, or otherwise) require a person that is a holder of record of Stock or that the Corporation knows to have, or has reasonable cause to believe has, Beneficial Ownership of Stock to certify in such manner as the Corporation shall deem appropriate (including by way of execution of any form of proxy or ballot of such person) that, to the knowledge of such person:

(i) all Stock as to which such person has record ownership or Beneficial Ownership is Owned and Controlled only by citizens of the United States; or

(ii) the number and class or series of Stock owned of record or Beneficially Owned by such person that is Owned and/or Controlled by Non-Citizens is as set forth in such certificate.

(b) With respect to any Stock identified in response to Section 8.5(a)(ii) above, the Corporation may require such person to provide such further information as the Corporation may reasonably require in order to implement the provisions of this Article VIII.

(c) For purposes of applying the provisions of this Article VIII with respect to any Stock, in the event of the failure of any person to provide the certificate or other information to which the Corporation is entitled pursuant to this Section 8.5, the Corporation shall presume that the Stock in question is Owned and/or Controlled by Non-Citizens.

ARTICLE IX INDEMNIFICATION

Section 9.1 Right to Indemnification

Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative or any other type whatsoever (hereinafter a "**proceeding**"), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "**indemnitee**"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; except as provided in Section 9.3 below with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board.

Section 9.2 Right to Advancement of Expenses

In addition to the right to indemnification conferred in Section 9.1 above, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in appearing at, participating in or defending any such proceeding in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article IX (which shall be governed by Section 9.3 below of this Article IV) (hereinafter an "**advancement of expenses**"); provided, however, that, if (x) the DGCL requires or (y) in the case of an advance made in a proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made solely upon delivery to the Corporation of an undertaking (hereinafter an "**undertaking**"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined after final judicial decision from which there is no further right to appeal (hereinafter a "**final adjudication**") that such indemnitee is not entitled to indemnification under this Article IX or otherwise.

Section 9.3 Right of Indemnitee to Bring Suit.

If a claim under Section 9.1 or 9.2 above is not paid in full by the Corporation within (i) 60 days after a written claim for indemnification has been received by the Corporation or (ii) 20 days after a claim for an advancement of expenses has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by law, if the indemnitee is successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense of the Corporation that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including by its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article IX or otherwise shall be on the Corporation.

Section 9.4 Non-Exclusivity of Rights.

(a) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article IX, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article IX, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such indemnitee's capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(b) Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the indemnitee as a director and/or officer of the Corporation or as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise at the request of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of expenses in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article IX, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Under no circumstance shall the Corporation be entitled to any right of subrogation against or contribution by the indemnitee-related entities and no right of advancement, indemnification or recovery the indemnitee may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation under this Article IX. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation, and the indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-

related entities shall be third-party beneficiaries with respect to this Section 9.4(b), entitled to enforce this [Section 9.4\(b\)](#).

Section 9.5 [Certain Definitions](#).

For purposes of [Section 9.4\(b\)](#) above, the following terms shall have the following meanings:

(a) The term “*indemnatee-related entities*” means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the indemnatee has agreed, on behalf of the Corporation or at the Corporation’s request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom an indemnatee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation.

(b) The term “*jointly indemnifiable claims*” shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the indemnatee shall be entitled to indemnification or advancement of expenses from both the indemnatee-related entities and the Corporation pursuant to applicable law, any agreement, certificate of incorporation, by-laws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the indemnatee-related entities, as applicable.

Section 9.6 [Contract Rights](#).

The rights conferred upon indemnitees in this [Article IX](#) shall be contract rights and such rights shall continue as to an indemnatee who has ceased to be a director or officer and shall inure to the benefit of the indemnatee’s heirs, executors and administrators. Any amendment, alteration or repeal of this [Article IV](#) that adversely affects any right of an indemnatee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

Section 9.7 [Insurance](#).

The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 9.8 [Indemnification of Other Persons](#).

The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this [Article IX](#) with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 9.9 Amendments.

Any repeal or amendment of this Article IX by the Board or the stockholders of the Corporation or by changes in applicable law, or the adoption of any other provision of these By-Laws inconsistent with this Article IX, will, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide broader indemnification rights to Indemnitees on a retroactive basis than permitted prior thereto), and will not in any way diminish or adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such repeal or amendment or adoption of such inconsistent provision; provided, however, that amendments or repeals of this Article IX shall require the affirmative vote of the stockholders holding at least two-thirds of the voting power of all outstanding shares of capital stock of the Corporation.

Section 9.10 Severability.

If any provision or provisions of this Article IX shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article IX shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article IX (including, without limitation, each such portion of this Article IX containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

**ARTICLE X
MISCELLANEOUS**

Section 10.1 Place of Meetings.

If the place of any meeting of stockholders, the Board or committee of the Board for which notice is required under these By-Laws is not designated in the notice of such meeting, such meeting shall be held at the principal business office of the Corporation; provided, however, if the Board has, in its sole discretion, determined that a meeting shall not be held at any place, but instead shall be held by means of remote communication pursuant to Section 10.5 hereof, then such meeting shall not be held at any place.

Section 10.2 Fixing Record Dates.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the business day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 10.2(a) at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any

such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

Section 10.3 Means of Giving Notice.

(a) *Notice to Directors.* Whenever under applicable law, the Certificate of Incorporation or these By-Laws notice is required to be given to any director, such notice shall be given either (i) in writing and sent by mail, or by a nationally recognized delivery service, (ii) by means of electronic mail, facsimile telecommunication or other form of electronic transmission, or (iii) by oral notice given personally or by telephone. A notice to a director will be deemed given as follows: (i) if given by hand delivery, orally, or by telephone, when actually received by the director, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the director at the director's address appearing on the records of the Corporation, (iv) if sent by facsimile telecommunication, when sent to the facsimile transmission number for such director appearing on the records of the Corporation, (v) if sent by electronic mail, when sent to the electronic mail address for such director appearing on the records of the Corporation, or (vi) if sent by any other form of electronic transmission, when sent to the address, location or number (as applicable) for such director appearing on the records of the Corporation.

(b) *Notice to Stockholders.* Whenever under applicable law, the Certificate of Incorporation or these By-Laws notice is required to be given to any stockholder, such notice may be given (i) in writing and sent either by hand delivery, through the United States mail, or by a nationally recognized overnight delivery service for next day delivery, or (ii) by means of a form of electronic transmission consented to by the stockholder, to the extent permitted by, and subject to the conditions set forth in Section 232 of the DGCL. A notice to a stockholder shall be deemed given as follows: (i) if given by hand delivery, when actually received by the stockholder, (ii) if sent through the United States mail, when deposited in the United States mail, with postage and fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, (iii) if sent for next day delivery by a nationally recognized overnight delivery service, when deposited with such service, with fees thereon prepaid, addressed to the stockholder at the stockholder's address appearing on the stock ledger of the Corporation, and (iv) if given by a form of electronic transmission consented to by the stockholder to whom the notice is given and otherwise meeting the requirements set forth above, (A) if by facsimile transmission, when directed to a number at which the stockholder has consented to receive notice, (B) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice, (C) if by a posting on an electronic network together with separate notice to the stockholder of such specified posting, upon the later of (1) such posting and (2) the giving of such separate notice, and (D) if by any other form of electronic transmission, when directed to the stockholder. A stockholder may revoke such stockholder's consent to receiving notice by means of electronic communication by giving written notice of such revocation to the Corporation. Any such consent shall be deemed revoked if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Secretary or an Assistant Secretary or to the Corporation's transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(c) *Electronic Transmission.* "**Electronic transmission**" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to transmission by telex, facsimile telecommunication, electronic mail, telegram and cablegram.

(d) *Notice to Stockholders Sharing Same Address.* Without limiting the manner by which notice otherwise may be given effectively by the Corporation to stockholders, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these By-Laws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. A stockholder

may revoke such stockholder's consent by delivering written notice of such revocation to the Corporation. Any stockholder who fails to object in writing to the Corporation within 60 days of having been given written notice by the Corporation of its intention to send such a single written notice shall be deemed to have consented to receiving such single written notice.

(c) *Exceptions to Notice Requirements.* Whenever notice is required to be given, under the DGCL, the Certificate of Incorporation or these By-Laws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

Whenever notice is required to be given by the Corporation, under any provision of the DGCL, the Certificate of Incorporation or these By-Laws, to any stockholder to whom (1) notice of two consecutive annual meetings of stockholders and all notices of stockholder meetings or of the taking of action by written consent of stockholders without a meeting to such stockholder during the period between such two consecutive annual meetings, or (2) all, and at least two payments (if sent by first-class mail) of dividends or interest on securities during a 12-month period, have been mailed addressed to such stockholder at such stockholder's address as shown on the records of the Corporation and have been returned undeliverable, the giving of such notice to such stockholder shall not be required. Any action or meeting that shall be taken or held without notice to such stockholder shall have the same force and effect as if such notice had been duly given. If any such stockholder shall deliver to the Corporation a written notice setting forth such stockholder's then current address, the requirement that notice be given to such stockholder shall be reinstated. In the event that the action taken by the Corporation is such as to require the filing of a certificate with the Secretary of State of Delaware, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to Section 230(b) of the DGCL. The exception in subsection (1) of the first sentence of this paragraph to the requirement that notice be given shall not be applicable to any notice returned as undeliverable if the notice was given by electronic transmission.

Section 10.4 Waiver of Notice.

Whenever any notice is required to be given under applicable law, the Certificate of Incorporation, or these By-Laws, a written waiver of such notice, signed by the person or persons entitled to said notice, or a waiver by electronic transmission by the person entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to such required notice. All such waivers shall be kept with the books of the Corporation. Attendance at a meeting shall constitute a waiver of notice of such meeting, except where a person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 10.5 Meeting Attendance via Remote Communication Equipment.

(a) *Stockholder Meetings.* If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders entitled to vote at such meeting and proxy holders not physically present at a meeting of stockholders may, by means of remote communication:

(i) participate in a meeting of stockholders; and

(ii) be deemed present in person and vote at a meeting of stockholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (A) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxy holder, (B) the Corporation shall implement reasonable measures to provide such stockholders and proxy holders a reasonable opportunity to participate in the meeting and, if entitled to vote, to vote on matters submitted to the applicable stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (C) if any stockholder or proxy holder votes or takes other action at the meeting by means of remote communication, a record of such votes or other action shall be maintained by the Corporation.

(b) *Board Meetings.* Unless otherwise restricted by applicable law, the Certificate of Incorporation or these By-Laws, members of the Board or any committee thereof may participate in a meeting of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 10.6 Dividends.

The Board may from time to time declare, and the Corporation may pay, dividends (payable in cash, property or shares of the Corporation's capital stock) on the Corporation's outstanding shares of capital stock, subject to applicable law and the Certificate of Incorporation.

Section 10.7 Reserves.

The Board may set apart out of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve.

Section 10.8 Contracts and Negotiable Instruments.

The Board, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the Corporation any corporate instrument or document, or to sign on behalf of the Corporation the corporate name without limitation, or to enter into contracts on behalf of the Corporation, except where otherwise provided by law or these By-Laws, and such execution or signature shall be binding upon the Corporation. All checks and drafts drawn on banks or other

depositories on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board shall authorize so to do. Unless authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 10.9 Fiscal Year.

The fiscal year of the Corporation shall be fixed by the Board.

Section 10.10 Seal.

The Board may adopt a corporate seal, which shall be in such form as the Board determines. The seal may be used by causing it or a facsimile thereof to be impressed, affixed or otherwise reproduced.

Section 10.11 Books and Records.

The books and records of the Corporation may be kept within or outside the State of Delaware at such place or places as may from time to time be designated by the Board.

Section 10.12 Resignation.

Any director, committee member or officer may resign by giving notice thereof in writing or by electronic transmission to the Chairperson of the Board, the Chief Executive Officer, the President or the Secretary. The resignation shall take effect at the time it is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 10.13 Securities of Other Corporations.

Powers of attorney, proxies, waivers of notice of meeting, consents in writing and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chairperson of the Board, the Chief Executive Officer, President, Chief Financial Officer, Chief Legal Officer or any officers authorized by the Board. Any such officer, may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities, or to consent in writing, in the name of the Corporation as such holder, to any action by such corporation, and at any such meeting or with respect to any such consent shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed. The Board may from time to time confer like powers upon any other person or persons.

Section 10.14 Amendments.

The Board shall have the power to adopt, amend, alter or repeal the By-Laws. The affirmative vote of a majority of the Board shall be required to adopt, amend, alter or repeal the By-Laws. The By-Laws also may be adopted, amended, altered or repealed by the stockholders; provided, however, that in addition to any vote of the holders of any class or series of capital stock of the Corporation required by applicable law or the Certificate of Incorporation, the affirmative vote of the holders of at least two-thirds of the voting power (except as otherwise provided in Section 9.9 hereof) of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to adopt, amend, alter or repeal the By-Laws.

**WHEELS UP EXPERIENCE INC.
DESCRIPTION OF OUR SECURITIES**

The following summary of the material terms of certain provisions of the securities of Wheels Up Experience Inc. ("Wheels Up," "WUP," "we," "our" or the "Company") is not intended to be a complete summary of the rights and preferences of such securities, and is qualified by reference to our Certificate of Incorporation, our Amended and Restated By-Laws, the Amended and Restated Registration Rights Agreement and the warrant-related documents described herein, which are exhibits to the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022 (the "Annual Report"). Stockholders are urged to read the Certificate of Incorporation and Amended and Restated By-Laws of the Company (the "Certificate of Incorporation" and the "By-Laws", respectively, and collectively, the "Organizational Documents"), each as in effect as of the date the Annual Report is filed with the U.S. Securities & Exchange Commission ("SEC") in their entirety for a complete description of the rights and preferences of our securities.

Capital Stock

General

The total amount of our authorized capital stock consists of 2,500,000,000 shares of Class A common stock, par value \$0.0001 per share ("Class A common stock"), and 25,000,000 shares of preferred stock, par value \$0.0001 per share. The following summary describes the material provisions of our capital stock. We urge you to read the Organizational Documents, Amended and Restated Registration Rights Agreement, dated as of July 13, 2021, by and among Wheels Up, Aspirational Consumer Lifestyle Sponsor LLC, a Cayman Islands limited liability company (the "Sponsor"), certain former equityholders of Wheels Up Partners Holdings LLC ("WUP Partners") and the other parties thereto (the "Registration Rights Agreement") and the warrant-related documents described herein.

Preferred Stock

The Board of Directors of Wheels Up (the "Board") has authority to issue shares of preferred stock in one or more series, and to fix for each such series such voting rights, designations, powers, preferences and relative participating, optional, special and other rights, qualifications, limitations or restrictions thereof, including dividend rights, conversion rights, redemption privileges and liquidation preferences for the issue of such series all to the fullest extent permitted by the General Corporation Law of the State of Delaware (the "DGCL").

The Board may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of Class A common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in control of the Company and may adversely affect the market price of our Class A common stock and the voting and other rights of the holders thereof.

Class A Common Stock

Holders of Class A common stock are not entitled to preemptive or other similar subscription rights to purchase any of our securities. Our Class A common stock is neither convertible nor redeemable. All shares of our capital stock have been issued in uncertificated form.

Voting Rights

Each holder of our Class A common stock is entitled to one vote per share on each matter submitted to a vote of stockholders, as provided in the Certificate of Incorporation. The By-Laws provide that the holders of a majority of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, will constitute a quorum at all meetings of the stockholders for the transaction of business. However, when specified business is to be voted on by a class or series of stock voting as a class, the holders of shares representing a majority of the voting power of the outstanding shares of such class or series shall constitute a quorum of such class or series for the transaction of such business. When a quorum is present, the affirmative vote of a majority of the votes cast will be required to take action, unless otherwise specified by law the By-Laws or the Certificate of Incorporation, and except for the election of directors, which is determined by a plurality vote.

Dividend Rights

Each holder of our capital stock is entitled to the payment of dividends and other distributions as may be declared by the Board from time to time out of our assets or funds legally available for dividends or other distributions. These rights will be subject to the preferential rights of the holders of our preferred stock, if any, and any contractual limitations on our ability to declare and pay dividends.

Liquidation Rights

If we are involved in a voluntary or involuntary liquidation, dissolution or winding up of our affairs, or a similar event, each holder of our Class A common stock will participate pro rata in all assets remaining after payment of liabilities, subject to prior distribution rights of our preferred stock, if any, then outstanding.

Redeemable Warrants***Public Warrants***

Each whole warrant entitles the registered holder to purchase one share of Class A common stock at a price of \$11.50 per share, subject to adjustment as discussed below, at any time commencing August 12, 2021, except as described below. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of our Class A common stock. The warrants will expire on July 13, 2026, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation. You should review a copy of the warrant agreement, which is filed as an exhibit to the Annual Report, for a complete description of the terms and conditions applicable to the warrants.

We will not be obligated to deliver any shares of our Class A common stock pursuant to the exercise of a warrant and have no obligation to settle such warrant exercise unless a registration statement under the Securities Act of 1933, as amended (the “Securities Act”), covering the issuance of the our Class A common stock shares issuable upon exercise of the warrants is then effective and a current prospectus relating thereto is available, subject to us satisfying our obligations described below with respect to registration, or a valid exemption from registration is available, including in connection with a cashless exercise permitted as a result of a notice of redemption described below under “- *Redemption of warrants when the price per share of our Class A common stock equals or exceeds \$10.00*”. No warrant will be exercisable for cash or on a cashless basis, and we will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption is available. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a warrant, the holder of such warrant will not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In the event that a registration statement is not effective for the exercised warrants, the purchaser of a unit containing such warrant will have paid the full purchase price for the unit solely for the share of our Class A common stock underlying such unit.

We agreed to use commercially reasonable efforts to file with the SEC a registration statement covering the issuance, under the Securities Act, of the shares of Class A common stock issuable upon exercise of the warrants. Pursuant to such obligation, 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"). We will use commercially reasonable efforts to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the warrants in accordance with the provisions of the warrant agreement. Notwithstanding the above, if the shares of Class A common stock are, at the time of any exercise of a warrant, not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but will use commercially reasonable efforts to register or qualify the shares under applicable state blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the warrants for that number of shares of Class A common stock equal to the lesser of (i) the quotient obtained by dividing (x) the product of the number of shares of Class A common stock underlying the warrants, multiplied by the excess of the "fair market value" (as defined below) less the exercise price of the warrants by (y) the fair market value and (ii) 0.361 shares of Class A common stock per warrant. The "fair market value" as used in the preceding sentence shall mean the volume weighted average price of the shares of Class A common stock for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent. The date the warrant agent receives notice of a "cashless exercise" will be determined by the warrant agent.

Redemption of warrants when the price per share of Class A common stock equals or exceeds \$18.00. Once the warrants become exercisable, Wheels Up may redeem the outstanding warrants (except as described herein with respect to the private placement warrants):

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the last reported sale price of the shares of Class A common stock for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which we send the notice of redemption to the warrant holders (which is referred to as the "Reference Value") equals or exceeds \$18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant described under the heading "- *Anti-dilution Adjustments*").

We will not redeem the warrants as described above unless a registration statement under the Securities Act covering the issuance of the shares of Class A common stock issuable upon exercise of the warrants is then effective and a current prospectus relating to those shares of Class A common stock is available throughout the 30-day redemption period.

If and when the warrants become redeemable by Wheels Up, Wheels Up may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

Wheels Up has established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the warrant exercise price. If the foregoing conditions are satisfied and Wheels Up issues a notice of redemption of the warrants, each warrant holder will be entitled to exercise his, her or its warrant prior to the scheduled redemption date. However, the price of the shares of Class A common stock may fall below the \$18.00 redemption trigger price (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as described under the heading "- *Anti-dilution Adjustments*"), as well as the \$11.50 (for whole shares) warrant exercise price, after the redemption notice is issued.

Redemption of warrants when the price per share of Class A common stock equals or exceeds \$10.00. Once the warrants become exercisable, we may redeem the outstanding warrants:

- in whole and not in part;
- at \$0.10 per warrant upon a minimum of 30 days' prior written notice of redemption provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to the table below, based on the redemption date and the "fair market value" of shares of Class A common stock (as defined below) except as otherwise described below;
- if, and only if, the Reference Value equals or exceeds \$10.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as described under the heading "- Anti-dilution Adjustments"); and
- if the Reference Value is less than \$18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant as described under the heading "- Anti-dilution Adjustments"), the private placement warrants must also be concurrently called for redemption on the same terms as the outstanding public warrants, as described above.

During the period beginning on the date the notice of redemption is given, holders may elect to exercise their warrants on a cashless basis. The numbers in the table below represent the number of shares of Class A common stock that a warrant holder will receive upon such cashless exercise in connection with a redemption by Wheels Up pursuant to this redemption feature, based on the "fair market value" of the shares of Class A common stock on the corresponding redemption date (assuming holders elect to exercise their warrants and such warrants are not redeemed for \$0.10 per warrant), determined for these purposes based on volume weighted average price of the shares of Class A common stock during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants, and the number of months that the corresponding redemption date precedes the expiration date of the warrants, each as set forth in the table below. Wheels Up will provide warrant holders with the final fair market value no later than one business day after the 10-trading day period described above ends.

The share prices set forth in the column headings of the table below will be adjusted as of any date on which the number of shares issuable upon exercise of a warrant or the exercise of a warrant or the exercise price of a warrant is adjusted as set forth under the heading "- Anti-dilution Adjustments" below. If the number of shares issuable upon exercise of a warrant is adjusted, the adjusted share prices in the column headings will equal the share prices immediately prior to such adjustment, multiplied by a fraction, the numerator of which is the number of shares deliverable upon exercise of a warrant immediately prior to such adjustment and the denominator of which is the number of shares deliverable upon exercise of a warrant as so adjusted. The number of shares in the table below shall be adjusted in the same manner and at the same time as the number of shares issuable upon exercise of a warrant. If the exercise price of a warrant is adjusted, (i) in the case of an adjustment pursuant to the fifth paragraph under the heading "- Anti-dilution Adjustments" below, the adjusted share prices in the column headings will equal the unadjusted share price multiplied by a fraction, the numerator of which is the higher of the Market Value and the Newly Issued Price (each as defined in the warrant agreement) as set forth under the heading "- Anti-dilution Adjustments" and the denominator of which is \$10.00 and (ii) in the case of an adjustment pursuant to the second paragraph under the heading "- Anti-dilution Adjustments" below, the adjusted share prices in the column headings will equal the unadjusted share price less the decrease in the exercise price of a warrant pursuant to such exercise price adjustment.

Redemption Date	Fair Market Value of Shares of Class A Common Stock								
(Period to expiration of warrants)	≤10.00	11.00	12.00	13.00	14.00	15.00	16.00	17.00	≥18.00
60 months	0.261	0.281	0.297	0.311	0.324	0.337	0.348	0.358	0.361
57 months	0.257	0.277	0.294	0.310	0.324	0.337	0.348	0.358	0.361
54 months	0.252	0.272	0.291	0.307	0.322	0.335	0.347	0.357	0.361
51 months	0.246	0.268	0.287	0.304	0.320	0.333	0.346	0.357	0.361
48 months	0.241	0.263	0.283	0.301	0.317	0.332	0.344	0.356	0.361
45 months	0.235	0.258	0.279	0.298	0.315	0.330	0.343	0.356	0.361
42 months	0.228	0.252	0.274	0.294	0.312	0.328	0.342	0.355	0.361
39 months	0.221	0.246	0.269	0.290	0.309	0.325	0.340	0.354	0.361
36 months	0.213	0.239	0.263	0.285	0.305	0.323	0.339	0.353	0.361
33 months	0.205	0.232	0.257	0.280	0.301	0.320	0.337	0.352	0.361
30 months	0.196	0.224	0.250	0.274	0.297	0.316	0.335	0.351	0.361
27 months	0.185	0.214	0.242	0.268	0.291	0.313	0.332	0.350	0.361
24 months	0.173	0.204	0.233	0.260	0.285	0.308	0.329	0.348	0.361
21 months	0.161	0.193	0.223	0.252	0.279	0.304	0.326	0.347	0.361
18 months	0.146	0.179	0.211	0.242	0.271	0.298	0.322	0.345	0.361
15 months	0.130	0.164	0.197	0.230	0.262	0.291	0.317	0.342	0.361
12 months	0.111	0.146	0.181	0.216	0.250	0.282	0.312	0.339	0.361
9 months	0.090	0.125	0.162	0.199	0.237	0.272	0.305	0.336	0.361
6 months	0.065	0.099	0.137	0.178	0.219	0.259	0.296	0.331	0.361
3 months	0.034	0.065	0.104	0.150	0.197	0.243	0.286	0.326	0.361
0 months	-	-	0.042	0.115	0.179	0.233	0.281	0.323	0.361

The exact fair market value and redemption date may not be set forth in the table above, in which case, if the fair market value is between two values in the table or the redemption date is between two redemption dates in the table, the number of shares of Class A common stock to be issued for each warrant exercised will be determined by a straight-line interpolation between the number of shares set forth for the higher and lower fair market values and the earlier and later redemption dates, as applicable, based on a 365- or 366-day year, as applicable. For example, if the volume weighted average price of the shares of Class A common stock during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$11.00 per share, and at such time there are 57 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.277 shares of Class A common stock for each whole warrant. For an example where the exact fair market value and redemption date are not as set forth in the table above, if the volume weighted average price of the shares of Class A common stock during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of the warrants is \$13.50 per share, and at such time there are 38 months until the expiration of the warrants, holders may choose to, in connection with this redemption feature, exercise their warrants for 0.298 shares of Class A common stock for each whole warrant. In no event will the warrants be exercisable in connection with this redemption feature for more than 0.361 shares of Class A common stock per warrant (subject to adjustment). Finally, as reflected in the table above, if the warrants are out of the money and about to expire, they cannot be exercised on a cashless basis in connection with a redemption by Wheels Up pursuant to this redemption feature, since they will not be exercisable for any shares of Class A common stock.

This redemption feature differs from the typical warrant redemption features used in warrants initially issued in connection with many other blank check offerings, which typically only provide for a redemption of warrants for cash (other than the private placement warrants) when the trading price for the shares of Class A common stock exceeds \$18.00 per share for a specified period of time. This redemption feature is structured to allow for all of the outstanding warrants to be redeemed when the shares of Class A common stock are trading at or above \$10.00 per share, which may be at a time when the trading price of the shares of Class A common stock is below the exercise price of the warrants. Wheels Up has established this redemption feature to provide it with the flexibility to redeem the warrants without the warrants having to reach the \$18.00 per share threshold set forth above under “*Redemption of warrants when the price per share of Class A common stock equals or exceeds \$18.00.*” Holders choosing to exercise their warrants in connection with a redemption pursuant to this feature will, in effect, receive a

number of shares for their warrants based on an option pricing model with a fixed volatility input as of the date of the initial public offering (the “IPO”) of the securities of Aspirational Consumer Lifestyle Corp., the Company’s predecessor (“Aspirational”). This redemption right provides us with an additional mechanism by which to redeem all of the outstanding warrants, and therefore have certainty as to our capital structure as the warrants would no longer be outstanding and would have been exercised or redeemed. Wheels Up will be required to pay the applicable redemption price to warrant holders if it chooses to exercise this redemption right and it will allow Wheels Up to quickly proceed with a redemption of the warrants if it determines it is in Wheels Up’s and its other stockholders’ best interest to do so. As such, Wheels Up would redeem the warrants in this manner when it believes it is in Wheels Up’s and its other stockholders’ best interest to update its capital structure to remove the warrants and pay the redemption price to the warrant holders.

As stated above, Wheels Up can redeem the warrants when the shares of Class A common stock are trading at a price starting at \$10.00, which is below the exercise price of \$11.50, because it will provide certainty with respect to Wheels Up’s capital structure and cash position while providing warrant holders with the opportunity to exercise their warrants on a cashless basis for the applicable number of shares. If Wheels Up chooses to redeem the warrants when the shares of Class A common stock are trading at a price below the exercise price of the warrants, this could result in the warrant holders receiving fewer shares of Class A common stock than they would have received if they had chosen to wait to exercise their warrants for shares of Class A common stock if and when such shares of Class A common stock were trading at a price higher than the exercise price of \$11.50.

No fractional shares of Class A common stock will be issued upon exercise. If, upon exercise, a holder would be entitled to receive a fractional interest in a share, Wheels Up will round down to the nearest whole number of the number of shares of Class A common stock to be issued to the holder. If, at the time of redemption, the warrants are exercisable for a security other than the shares of Class A common stock pursuant to the warrant agreement, the warrants may be exercised for such security. At such time as the warrants become exercisable for a security other than the shares of Class A common stock, Wheels Up will use its commercially reasonable efforts to register under the Securities Act the security issuable upon the exercise of the warrants.

Redemption procedures. A holder of a warrant may notify Wheels Up in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such warrant, to the extent that after giving effect to such exercise, such person (together with such person’s affiliates), to the warrant agent’s actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the shares of Class A common stock issued and outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments. If the number of issued and outstanding shares of Class A common stock is increased by a capitalization or share dividend payable in shares of Class A common stock, or by a split-up of shares of Class A common stock or other similar event, then, on the effective date of such capitalization or share dividend, split-up or similar event, the number of shares of Class A common stock issuable on exercise of each warrant will be increased in proportion to such increase in the issued and outstanding shares of Class A common stock. A rights offering made to all or substantially all of the holders of shares of Class A common stock entitling holders to purchase shares of Class A common stock at a price less than the “historical fair market value” (as defined below) will be deemed a share dividend of a number of shares of Class A common stock equal to the product of (i) the number of shares of Class A common stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for shares of Class A common stock) and (ii) one minus the quotient of (x) the price per share of Class A common stock paid in such rights offering and (y) the historical fair market value. For these purposes, (i) if the rights offering is for securities convertible into or exercisable for shares of Class A common stock, in determining the price payable for shares of Class A common stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) “historical fair market value” means the volume weighted average price of shares of Class A common stock during the 10 trading day period ending on the trading day prior to the first date on which the shares of Class A common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if Wheels Up, at any time while the warrants are outstanding and unexpired, pays to all or substantially all of the holders of shares of Class A common stock a dividend or makes a distribution in cash, securities or other assets to the holders of shares of Class A common stock on account of such shares of Class A common stock (or other securities into which the warrants are convertible), other than (i) as described above or (ii) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the shares of Class A common stock during the 365-day period ending on the date of declaration of such dividend or distribution does not exceed \$0.50 (as adjusted for share sub-divisions, share dividends, rights issuances, consolidations, reorganizations, recapitalizations and other similar transactions) but only with respect to the amount of the aggregate cash dividends or cash distributions equal to or less than \$0.50 per share, then the warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each share of Class A common stock in respect of such event.

If the number of issued and outstanding shares of Class A common stock is decreased by a consolidation, combination, reverse share sub-division or reclassification of shares of Class A common stock or other similar event, then, on the effective date of such consolidation, combination, reverse share sub-division, reclassification or similar event, the number of shares of Class A common stock issuable on exercise of each warrant will be decreased in proportion to such decrease in issued and outstanding shares of Class A common stock.

Whenever the number of shares of Class A common stock purchasable upon the exercise of the warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (i) the numerator of which will be the number of shares of Class A common stock purchasable upon the exercise of the warrants immediately prior to such adjustment and (ii) the denominator of which will be the number of shares of Class A common stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the issued and outstanding shares of Class A common stock (other than those described above or that solely affects the par value of such shares of Class A common stock), or in the case of any merger or consolidation of Wheels Up with or into another corporation (other than a merger or consolidation in which Wheels Up is the continuing corporation and that does not result in any reclassification or reorganization of the issued and outstanding shares of Class A common stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of Wheels Up as an entirety or substantially as an entirety in connection with which Wheels Up is dissolved, the holders of the warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the warrants and in lieu of shares of Class A common stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares, stock or other equity securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the warrants would have received if such holder had exercised their warrants immediately prior to such event. However, if such holders were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such merger or consolidation, then the kind and amount of securities, cash or other assets for which each warrant will become exercisable will be deemed to be the weighted average of the kind and amount received per share by such holders in such merger or consolidation that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such holders under circumstances in which, upon completion of such tender or exchange offer, the maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934 (“Exchange Act”)) of which such maker is a part, and together with any

affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding shares of Class A common stock, the holder of a warrant will be entitled to receive the highest amount of cash, securities or other property to which such holder would actually have been entitled as a stockholder if such warrant holder had exercised the warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the shares of Class A common stock held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the warrant agreement. Additionally, if less than 70% of the consideration receivable by the holders of shares of Class A common stock in such a transaction is payable in the form of ordinary shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the warrant properly exercises the warrant within 30 days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the warrant agreement based on the per share consideration minus Black-Scholes Warrant Value (as defined in the warrant agreement) of the warrant.

The warrants have been issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and the Company. The warrant agreement provides that (i) the terms of the warrants may be amended without the consent of any holder for the purpose of (A) curing any ambiguity or correct any mistake, including to conform the provisions of the warrant agreement to the description of the terms of the warrants and the warrant agreement set forth in the prospectus delivered to investors in connection with the IPO, or defective provision or (B) adding or changing any provisions with respect to matters or questions arising under the warrant agreement as the parties to the warrant agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the warrants and (ii) all other modifications or amendments require the vote or written consent of at least 65% of the then outstanding public warrants; provided, that any amendment that solely affects the terms of the private placement warrants or any provision of the warrant agreement solely with respect to the private placement warrants will also require at least 65% of the then outstanding private placement warrants.

The warrant holders do not have the rights or privileges of holders of shares of Class A common stock and any voting rights until they exercise their warrants and receive shares of Class A common stock. After the issuance of shares of Class A common stock upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

Subject to applicable law, any action, proceeding or claim against Wheels Up arising out of or relating in any way to the warrant agreement will be brought and enforced in the courts of the State of New York or the U.S. District Court for the Southern District of New York, and Wheels Up has irrevocably submitted to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. This provision applies to claims under the Securities Act but does not apply to claims under the Exchange Act or any claim for which the federal district courts of the United States are the sole and exclusive forum.

Private Placement Warrants

The private placement warrants (including the shares of Class A common stock issuable upon exercise of the private placement warrants) will not be redeemable by Wheels Up (except as described above under “- *Public Warrants - Redemption of warrants when the price per share of Class A common stock equals or exceeds \$10.00*”) so long as they are held by the Sponsor or its permitted transferees. The Sponsor, or its permitted transferees, have the option to exercise the private placement warrants on a cashless basis and have certain registration rights described herein. Otherwise, the private placement warrants have terms and provisions that are identical to those of the public warrants. If the private placement warrants are held by holders other than the Sponsor or its permitted transferees, the private placement warrants will be redeemable by Wheels Up in all redemption scenarios and exercisable by the holders on the same basis as the public warrants.

Except as described above under “- *Public Warrants - Redemption of warrants when the price per share of Class A common stock equals or exceeds \$10.00*,” if holders of the private placement warrants elect to exercise them on a cashless basis, they would pay the exercise price by surrendering his, her or its warrants for that number of shares of Class A common stock equal to the quotient obtained by dividing (i) the product of the number of shares of Class A common stock underlying the warrants, multiplied by the excess of the “sponsor fair market value” (as defined below) less the exercise price of the warrants by (ii) the sponsor fair market value. For these purposes, the “sponsor fair market value” shall mean the average last reported sale price of the shares of Class A common stock for the 10 trading days ending on the third trading day prior to the date on which the notice of warrant exercise is sent to the warrant agent. The reason that Wheels Up has agreed that these warrants will be exercisable on a cashless basis so long as they are held by the Sponsor and its permitted transferees is because it was not known at the time of the issuance of the Private Placement Warrants whether they will be affiliated with Wheels Up following the closing of the business combination between WUP Partners and Aspirational (the “Closing”). If some or all of them remained affiliated with Wheels Up, the ability of such affiliates to sell Wheels Up’s securities in the open market would be significantly limited. Wheels Up has a policy in place that restrict insiders from selling its securities except during specific periods of time. Even during such periods of time when insiders will be permitted to sell Wheels Up securities, an insider cannot trade in Wheels Up’s securities if he or she is in possession of material non-public information. Accordingly, unlike public stockholders who could exercise their warrants and sell the shares of Class A common stock received upon such exercise freely in the open market in order to recoup the cost of such exercise, the insiders could be significantly restricted from selling such securities. As a result, Wheels Up believes that allowing the holders to exercise such warrants on a cashless basis is appropriate.

Anti-Takeover Effects of the Certificate of Incorporation, the By-Laws and Certain Provisions of Delaware Law

The Certificate of Incorporation, the By-Laws and the DGCL contain provisions, as summarized in the following paragraphs, which are intended to enhance the likelihood of continuity and stability in the composition of the Board and to discourage certain types of transactions that may involve an actual or threatened acquisition of Wheels Up. These provisions are intended to avoid costly takeover battles, reduce Wheels Up’s vulnerability to a hostile change of control or other unsolicited acquisition proposal, and enhance the ability of the Board to maximize stockholder value in connection with any unsolicited offer to acquire Wheels Up. However, these provisions may have the effect of delaying, deterring or preventing a merger or acquisition of Wheels Up by means of a tender offer, a proxy contest or other takeover attempt that a stockholder might consider in its best interest, including attempts that might result in a premium over the prevailing market price for the shares of Class A common stock.

Special Meetings of Stockholders

The Certificate of Incorporation provides that a special meeting of stockholders may be called by the (i) Chairperson of the Board, (ii) Wheels Up’s Chief Executive Officer or (iii) the Board, provided that such special meeting may be postponed or cancelled by the Board.

Requirements for Advance Notification of Stockholder Meetings, Nominations and Proposals

The By-Laws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the Board or a committee of the Board. For any matter to be “properly brought” before a meeting, a stockholder has to comply with advance notice requirements and provide Wheels Up with certain information. Generally, to be timely, a stockholder’s notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the immediately preceding annual meeting of stockholders. The By-Laws also specify requirements as to the form and content of a stockholder’s notice. Any nomination of candidates for election as a director by a stockholder must comply with the requirements of Rule 14a-19 under the Exchange Act. The By-Laws allow the presiding officer at a meeting of the stockholders to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These provisions may also defer, delay or discourage a potential acquirer from conducting a solicitation of proxies to elect the acquirer’s own slate of directors or otherwise attempting to influence or obtain control of Wheels Up.

Action by Written Consent

The Certificate of Incorporation provides that any action required or permitted to be taken by the stockholders must be effected at an annual or special meeting of the stockholders, and may not be taken by written consent in lieu of a meeting, except that holders of one or more series of preferred stock, if such series are expressly permitted to do so by the certificate of designation relating to such series, may take any action by written consent if such action permitted to be taken by such holders and the written consent is signed by the holders of outstanding shares of the relevant class or series having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the New York Stock Exchange (the “NYSE”), which would apply if and so long as the Class A common stock remains listed on the NYSE, require stockholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of Class A common stock. Additional shares that may be issued in the future may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock may be to enable the Board to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of Wheels Up by means of a merger, tender offer, proxy contest or otherwise and thereby protect the continuity of management and possibly deprive stockholders of opportunities to sell their shares of Class A common stock at prices higher than prevailing market prices.

No Cumulative Voting

Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation expressly authorizes cumulative voting. The Certificate of Incorporation does not authorize cumulative voting.

Limited Voting by Foreign Owners

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, the Certificate of Incorporation and By-Laws restrict voting of shares of our capital stock by non-U.S. Citizens. The restrictions imposed by federal law currently require that no more than 25% of our voting stock be voted, directly or indirectly, by persons who are not U.S. Citizens, and that our chief executive officer, president, at least two-thirds of our officers and at least two-thirds of the Board be U.S. Citizens. The Certificate of Incorporation provides that no shares of our capital stock may be voted by or at the direction of non-U.S. Citizens unless such shares are registered on the Foreign Stock Record (as defined in the By-Laws). If the number of shares on the Foreign Stock Record exceeds 25%, each stockholder with capital stock registered on the Foreign Stock Record will have their voting rights suspended on a pro rata basis such that the voting rights afforded to the capital stock registered on the Foreign Stock Record is equal to 25% of the total voting power of our capital stock. The voting rights will be reinstated once the voting rights of the capital stock registered on the Foreign Stock Record does not exceed 25% of the total voting power of our capital stock, not taking into consideration the pro rata reduction.

Election of Directors and Vacancies

The Certificate of Incorporation provides that the Board will determine the number of directors who will serve on the Board. Under the Certificate of Incorporation, the Board will be divided into three classes designated as Class I, Class II and Class III. Class I directors initially served for a term that expired at the first annual meeting of stockholders following the Closing. Class II and Class III directors initially serve for a term expiring at the second and third annual meeting of stockholders following the Closing, respectively. At each succeeding annual meeting of stockholders, directors will be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting of the stockholders. There is no limit on the number of terms a director may serve on the Board.

In addition, the Certificate of Incorporation provides that any vacancy on the Board, including a vacancy that results from an increase in the number of directors or a vacancy that results from the removal of a director with cause, may be filled only by a majority of the directors then in office.

Notwithstanding the foregoing provisions of this section, each director will serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation, retirement, disqualification or removal. No decrease in the number of directors constituting the Board will shorten the term of any incumbent director.

Removal of Directors

Subject to the issuance of any of Wheels Up preferred stock, the Board or any individual director may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least two-thirds of the voting power of all of the then outstanding shares of Wheels Up's voting stock entitled to vote at an election of directors.

Delaware Anti-Takeover Statute

Section 203 of the DGCL provides that if a person acquires 15% or more of the voting stock of a Delaware corporation, such person becomes an "interested stockholder" and may not engage in certain "business combinations" with such corporation for a period of three years from the time such person acquired 15% or more of such corporation's voting stock, unless: (i) the board of directors of such corporation approves the acquisition of stock or the merger transaction before the time that the person becomes an interested stockholder, (ii) the interested stockholder owns at least 85% of the outstanding voting stock of such corporation at the time the merger transaction commences (excluding voting stock owned by directors who are also officers and certain employee stock plans), or (iii) the merger transaction is approved by the board of directors and at a meeting of stockholders, not by written consent, by the affirmative vote of two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

While Section 203 is the default provision under the DGCL, the DGCL allows companies to opt out of Section 203 of the DGCL by including a provision in their certificate of incorporation expressly electing not to be governed by Section 203 of the DGCL. Wheels Up has not opted out of Section 203. Under certain circumstances, this provision will make it more difficult for a person who would be an “interested stockholder” to effect various business combinations with us for a three-year period. This provision may encourage companies interested in acquiring Wheels Up to negotiate in advance with the Board because the stockholder approval requirement would be avoided if the Board approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in the Board and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Quorum

The By-Laws provide that at any meeting of the Board, a majority of the total number of directors then in office constitutes a quorum for all purposes.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors’ and officers’ fiduciary duties, subject to certain exceptions. The Certificate of Incorporation includes a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The Certificate of Incorporation does not currently eliminate such personal liability for officers. The effect of these provisions is to eliminate the rights of Wheels Up and its stockholders, through stockholders’ derivative suits on our behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including (under current law) breaches resulting from grossly negligent behavior. Under current law, exculpation would not apply to any director or officer if the director or officer has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director or officer.

The By-Laws provide that Wheels Up must indemnify and advance expenses to its directors and officers to the fullest extent authorized by the DGCL. Wheels Up is also expressly authorized to carry directors’ and officers’ liability insurance providing indemnification for its directors, officers and certain employees for some liabilities. Wheels Up believes that these indemnification and advancement provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability, advancement and indemnification provisions in the Organizational Documents may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty.

These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit Wheels Up and its stockholders. In addition, your investment may be adversely affected to the extent Wheels Up pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

There is currently no pending material litigation or proceeding involving Wheels Up’s directors, officers or employees for which indemnification is sought.

Exclusive Jurisdiction of Certain Actions

The Certificate of Incorporation requires, to the fullest extent permitted by law, that derivative actions brought in Wheels Up's name, actions against directors, officers and employees for breach of fiduciary duty or any provision of the DGCL, the Certificate of Incorporation, the By-Laws and other similar actions may be brought only in the Court of Chancery in the State of Delaware and, if brought outside of the State of Delaware, the stockholder bringing the suit will be deemed to have consented to (i) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the exclusive jurisdiction provisions of the Certificate of Incorporation and (ii) the service of process on such stockholder's counsel. Notwithstanding the foregoing, the Certificate of Incorporation provides that the exclusive forum provision will not apply to suits brought to enforce a duty or liability created by the Securities Act or the Exchange Act. Instead, the Certificate of Incorporation provides that federal district courts will be the sole and exclusive forum for claims under the Securities Act. In addition, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Although Wheels Up believes this provision benefits Wheels Up by providing increased consistency in the application of Delaware law in the types of lawsuits to which it applies, the provision may have the effect of discouraging lawsuits against Wheels Up's directors and officers.

Registration Rights

The Registration Rights Agreement provides that Wheels Up is required to register for resale, pursuant to Rule 415 under the Securities Act, certain shares of Class A common stock and other equity securities of Wheels Up that are held by the parties thereto from time to time, subject to the restrictions on transfer therein.

The subscription agreements to which certain investments were made in a private placement prior to or substantially concurrent with the Closing provide that, solely with respect to subscriptions by third-party investors whom are not party to the Registration Rights Agreement, Wheels Up is required to file with the SEC, a shelf registration statement covering the resale of the shares of Class A common stock issued to any such third-party investor and to use its commercially reasonable efforts to have such registration statement on Form S-1 or Form S-3 (if eligible) declared effective as soon as practicable after the filing thereof.

As described above, we also agreed pursuant to the warrant agreement to file and maintain the effectiveness of a registration statement covering the shares of Class A common stock issuable upon exercise of the warrants. The Selling Stockholder Registration Statement covers the resale of shares of Class A common stock issued pursuant to the subscription agreements and issuable upon exercise of the warrants.

Transfer Agent and Warrant Agent

The transfer agent and warrant agent for Class A common stock and warrants, respectively, is Continental Stock Transfer & Trust Company. The transfer agent's and warrant agent's address is One State Street, 30th Floor, New York, NY 10004.

SEPARATION AND RELEASE AGREEMENT

This Separation and Release Agreement (this “Agreement”) is entered into by and between Jason Horowitz (“Employee”) and Wheels Up Partners LLC (the “Company”). In consideration of the material promises contained herein, the parties agree as follows:

1. TERMINATION OF EMPLOYMENT

(a) Employee’s last day of employment with the Company is November 1, 2022 (the “Separation Date”). Employee’s final paycheck, which will include payment for any earned but unpaid wages for time worked through the Separation Date, is being paid to Employee regardless of whether Employee signs this Agreement. Employee’s earned wages will include payment for accrued but unused PTO/vacation through the Separation Date (to the extent not already paid) if applicable under state law and Company policy.

(b) If Employee has existing coverage under the Company’s medical, dental and/or visions plans, such coverage shall continue through the last day of the month in which the Separation Date occurs. Thereafter, regardless of whether Employee enters into this Agreement, Employee shall have the right to elect to continue coverage under such plan at Employee’s own expense, pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”). Employee shall be advised as to Employee’s rights to continue such coverage under COBRA under separate cover.

(c) In the event Employee elects continuation coverage pursuant to COBRA, for Employee and Employee’s eligible dependents within the time period prescribed pursuant to COBRA, the Company will pay the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to Employee’s separation from service) for a period of twelve (12 months commencing December 1, 2022).

(d) Regardless of whether Employee signs this Agreement, on the last day of Employee’s employment and contemporaneously with being separated from employment, Employee will have the opportunity to voluntarily enter into a consulting agreement (the “Consulting Agreement”) with the Company such that the Employee will become a Consultant (as the term is defined in the Wheels Up Experience Inc. 2021 Long-Term Incentive Plan) and provide services to the Company without interruption from the date of his separation from employment. The intent of the parties is that the Consulting Agreement will provide that Employee will continue in service with the Company under the terms of the Consulting Agreement. However, this Agreement is not contingent on Employee entering into the Consulting Agreement.

2. SEPARATION PAYMENT

(a) If Employee executes this Agreement and does not revoke it as provided in Section 6 below, the Company will provide to Employee a separation payment in the amount of \$475,000, less applicable withholdings (the “Payment”). This Payment, which represents 52 weeks (12 months) of Employee’s base pay, will be paid in a lump sum on the Company’s next regularly scheduled payroll date that is at least ten (10) business days from the Effective Date of this Agreement, as provided in Section 6 below.

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

(c) Employee shall receive a 2022 annual bonus plan payment representing a 100% target of salary and a full year of credited service. In addition, the 2022 bonus payment is guaranteed to be a minimum of 75% company and individual performance equal to \$356,250.00. However, the award will be increased commensurately if the annual bonus plan performance metric exceeds 75% company and individual performance payout. The final 2022 bonus plan performance metrics are subject to review and approval by the Company's board of directors (the "Board"). The bonus payment is to be paid in a lump sum to the Employee at the same time and in the same manner as regular annual bonuses are distributed to other similarly situated senior executives of the Company.

(d) All outstanding options to purchase Company common stock and any restricted stock, restricted stock units or other equity interest in the Company (each separate award, an "Equity Interest") held by Employee as of the Separation Date that would have otherwise vested in accordance with its terms, absent termination of employment, during the twelve month period immediately following the Separation Date shall become vested and exercisable as of the Separation Date and each award agreement governing such Equity Interest shall be, and hereby is, amended to provide that any options or restricted stock units, as applicable, that would have otherwise vested in accordance with their terms, absent termination of employment, during the twelve (12) period immediately following the Separation Date shall become vested and exercisable, as applicable, as of the Separation Date. After giving effect to the accelerated vesting and exercisability, as applicable, set forth in the preceding sentence, any options and/or restricted stock units that remain unvested as of the Separation Date shall be forfeited in their entirety at such time, and Employee shall have no further right, title or interest in or to such unvested equity interests as of the Separation Date.

(e) Employee is to receive seven (7) hours of flight time on a King Air 350i and four (4) Excel hours on or before December 31, 2022; provided, however, that Employee must be a member of the Wheels Up Club in good standing (by signing any necessary agreements such as a Membership Agreement and Flight Services Agreement if Employee has not done so already) and Employee is not eligible to use such flight time on any Peak Day.

3. **RELEASE AND COVENANT NOT TO SUE**

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

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

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

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

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

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

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

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

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

(d) Employee and the Company acknowledge that the above release and waiver of claims shall not apply to: (i) claims that either party might make to enforce the terms of this Agreement; (ii) claims for Employee's vested benefits pursuant to applicable plans, if any; (iii) Employee's right, if applicable, to continue healthcare insurance under COBRA; (iv) Employee's right to receive benefits for unemployment or workers' compensation benefits; (vi) Employee's right to pursue any rights or claims that may arise after Employee signs this Agreement; (vii) Employee's right to challenge the validity of

knowing and voluntary nature of this Agreement under the ADEA or OWBPA; and (viii) any other claims that, under controlling law, may not be released by private settlement.

4. CONFIDENTIALITY AND NON-DISPARAGEMENT

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

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

(c) Non-Disparagement. Employee agrees that Employee will not make, directly or indirectly, to any person or entity, including any member of the public and/or the press, any negative or disparaging oral or written statements by any means, including on social media, about the Company, its products or services or any of the Releasees or their products or services or employees. In return, Company agrees that it shall exercise commercially reasonable efforts to cause its officers and members of its Board not to intentionally make, directly or indirectly, to any person or entity, including any member of the public and/or the press, any negative or disparaging oral or written statements by any means, including on social media, about Employee. However, nothing in this paragraph shall

preclude Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful, or testifying honestly if required by law to testify in a proceeding or complying with any other law.

5. RETURN OF COMPANY PROPERTY

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

2. CONSIDERATION AND REVOCATION PERIODS, OTHER INFORMATION

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

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

3. REMEDIES FOR BREACH

The Company's obligations under this Agreement are contingent upon Employee's compliance with all terms and conditions provided for herein. Employee acknowledges that the damages in the event of a breach of any term, condition or covenant in this Agreement would be extremely difficult to calculate. As such, in the event Employee breaches any term, condition or covenant in this Agreement, Employee agrees that the Company will be entitled to recover all payments already made under this Agreement as liquidated damages (and not as a penalty) and cease payment of any as of yet unpaid

severance – except that the Company will not seek to recover the first \$500 worth of severance pay provided to employee, which Employee may retain and agrees will constitute full and adequate consideration for the release and waiver of claims in this Agreement – in addition to injunctive relief by temporary restraining order, temporary injunction and/or permanent injunction, recovery of attorney’s fees and costs incurred by the Company in obtaining such relief where allowed by law, and any other legal or equitable relief to which the Company may be entitled. Injunctive relief will not exclude other remedies that might apply. Should either party institute an action to enforce the terms of this Agreement, the prevailing party shall be entitled to its reasonable attorneys’ fees and costs. Because of certain language in the OWBPA and associated regulations, this paragraph does not apply to claims Employee might have to challenge the knowing and voluntary nature of this Agreement under the ADEA and OWBPA.

4. MISCELLANEOUS

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

(b) Applicable Law. This Agreement shall be interpreted, enforced, construed, and governed under the laws of the state where Employee last regularly worked for the Company (as reflected in the Company’s HRIS system of record) without reference to any conflict of laws principles thereof.

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

(d) Entire Agreement. This Agreement, the Consulting Agreement and the Restrictive Covenant Agreement entered into between the Company and the Employee on or about the date hereof, contain the entire agreement and understanding concerning the subject matter hereof between the parties hereto, superseding and replacing all prior negotiations, understandings, representations and agreements, written or oral. No modification, amendment, waiver, termination or discharge of this Agreement, or any of the terms or provisions hereof, shall be binding upon either of the parties unless confirmed by a written instrument signed by Employee and an officer of the Company. No waiver by any party of any term or provision of this Agreement or of any default hereunder shall affect such party’s rights thereafter to enforce such term or provision or to exercise any right or remedy in the event of any other default, whether or not similar.

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

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

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

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

5. INFORMATION ABOUT GROUP TERMINATION PROGRAM

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

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

Employee hereby represents and warrants that:

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

(b) Employee has been ADVISED IN WRITING BY THE COMPANY and had an OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF EMPLOYEE'S CHOICE AS TO THE TERMS OF THIS AGREEMENT to the full extent that Employee desired before signing this Agreement¹;

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

(d) Employee has had the opportunity to REVIEW AND CONSIDER THIS AGREEMENT FOR TWENTY-ONE (21) DAYS FROM EMPLOYEE'S RECEIPT OF THE AGREEMENT AND ANY ATTACHED INFORMATION, AND HAS SEVEN (7) DAYS AFTER SIGNING THE AGREEMENT TO REVOKE IT;

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

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

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

[Signature Page Follows]

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

Wheels Up Partners LLC

By: /s/ Kenneth Dichter
Kenneth Dichter
Chief Executive Officer

/s/ Jason Horowitz
Jason Horowitz

Address:

Date: October 28, 2022

[Separation and Release Agreement]

CONSULTING AGREEMENT

THIS AGREEMENT made as of November 2, 2022, by and between Jason Horowitz (“Consultant”) and Wheels Up Partners LLC (the “Company” and, sometimes collectively referred to with Consultant as the “Parties”).

WHEREAS, Company wishes to retain Consultant, given his institutional knowledge and industry network, to provide services with respect to acting as a Company liaison for certain members, including but not limited to matters from time to time as described in Section 1 below (the “Services”), to Company and its subsidiaries and affiliates;

WHEREAS, Consultant desires to provide the Services to the Company;

WHEREAS, the Parties are simultaneously entering into that certain Confidentiality and Restrictive Covenant Agreement dated as of an even date herewith (the “Restrictive Covenant Agreement”) between the Parties and attached hereto as **Exhibit A**;

WHEREAS, the Parties have also entered into a Separation and Release Agreement dated as of November 1, 2022 (the “Separation and Release Agreement”) and

NOW THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Scope of Consultancy:** Company hereby retains Consultant for, and Consultant hereby agrees to act as Consultant in providing Services to the Company. In doing so, Consultant shall perform his duties, responsibilities and functions to the Company to the best of his abilities in a diligent, trustworthy and professional manner and shall comply with the Company’s lawful policies and procedures in all material respects. Consultant represents and warrants to the Company that he or she is not party to any employment, consulting, non-competition, confidentiality or similar agreement that would inhibit his ability to perform Consultant’s obligations under this Agreement. Consultant agrees to indemnify and hold the Company harmless against all losses, costs and damages arising out of or resulting from the inaccuracy or breach of such representations and warranties. “Services” means (i) working directly with Wheels Up CFO, Todd Smith, to advise on past transactions involving mergers, acquisitions, and aviation industry partnerships (“M&A”) and to review future M&A strategy and initiatives; (ii) connect and introduce the CFO to key industry stakeholders; (iii) if requested, review and/or interview potential M&A team candidates; (iv) ensure a smooth knowledge transfer and transition of the 2022 debt deal; and (v) any other services as mutually agreed to in writing by the parties that are specifically to be included as part of the scope of this Agreement. Consultant shall report to Todd Smith, CFO or such other person designated by the Company in writing with regular updates regarding Services rendered.

2. **Responsibilities of Consultant:**

2.1 Consultant will at all times use his best efforts to perform the Services pursuant to this Agreement. Consultant will perform such Services remotely, at certain Company-sponsored events, and from the Company’s offices, as mutually agreed by the Company and Consultant.

2.2 Consultant has no authority to, and Consultant will not, conclude agreements of any kind on behalf of Company other than pursuant to specific instructions from and subject to confirmation and acceptance by Company.

- 2.3 Consultant has no authority to, and Consultant will not, make any promises, representations, warranties or guarantees on behalf of Company and, if requested by the Company, will clearly indicate in all correspondence and other dealings related directly or indirectly to the businesses of Company that Consultant is acting pursuant to an independent consulting agreement with Company and is not an employee of Company.
- 2.4 In the performance of the Services, Consultant will promptly notify Company of any information received by Consultant which is likely to be of use or benefit to Company.
- 2.5 Neither Consultant nor any person, corporation or entity directly or indirectly controlled by Consultant shall, without the prior written consent of Company, for itself or any third party, enter into any other business arrangement with Company.
- 2.6 Company requires that the Services be rendered by Consultant at a high standard and to the Company's satisfaction.
3. **Term:** Unless terminated earlier pursuant to Section 6, the term of Consultant's engagement hereunder shall commence on November 2, 2022 and end on December 31, 2024 (the "Term").
4. **Payment to Consultant:**
- 4.1 Subject to the terms and conditions hereof, Company shall pay Consultant at a rate of nineteen thousand two hundred thirty-one dollars (\$19,231.00) per month (pro-rated for any partial month). Consultant shall submit an invoice for such amount on the last day of each month during the Term (or for any partial month, on the last day of the Term), and the Company shall make payment on each invoice no later than thirty (30) days following the submission.
- 4.2 One-time payment equal to the value of 87,236 shares based on Wheels Up share price on the close of the market on November 1, 2022. This amount represents the 33,333 shares that were scheduled to vest on February 16, 2024 from the 2/16/2022 RSU Grant 1.1, and the 53,903 shares that were scheduled to vest on September 17, 2024 from the 9/17/2021 ELT RSU Grant. The Consultant shall submit an invoice for such amount, and the Company shall make payment no later than ten (10) days following the submission.
- 4.3 Company shall pay Consultant all pre-approved, actual out-of-pocket expenses incurred by Consultant as a result of work performed for Company at Company's request. Company shall pay the foregoing expenses provided such expenses are authorized in advance, in writing, by Company and are supported by appropriate documents acceptable to Company. Consultant shall submit reimbursement requests for pre-approved actual out-of-pocket expenses incurred by Consultant through the Concur expense system utilized by Company.
- 4.4 All taxes related to the Consulting Fee or Commission which are paid to Consultant pursuant to this Agreement shall be the sole and exclusive responsibility of Consultant. Company has given Consultant no tax advice as to the treatment of such Consulting Fees or Commissions. Consultant acknowledges that he or she has the sole and complete responsibility to seek tax advice with regard to the tax treatment of such Consulting Fees and Commissions. Should any federal, state or local taxes be determined to be owing on Consulting Fees or Commissions received by Consultant, Consultant shall be solely and completely responsible for such taxes and any penalties and interest thereon; Company shall not be responsible for any such taxes, interest or penalties thereon, nor shall the Company withhold or remit any taxes or any other type of withholding from or in connection with the Consulting Fees or Commissions paid under this Agreement, unless otherwise required to do so by law. Company shall issue

Consultant the appropriate IRS Form 1099 to reflect payment of the Consulting Fee and Commissions.

4.5 Consultant will receive quarterly flight hour grants in 2023, deposited at the end of each quarter as follows: 1) for Q1, Q2 and Q3, six (6) King Air 350i and two (2) Citation Excel hours deposited in Consultant's Wheels Up Core account at the end of each quarter; and 2) for Q4, seven (7) King Air 350i and four (4) Citation Excel hours to be deposited at the end of Q4. Quarterly grants will cease if either Party terminates this Agreement or Consultant does not maintain a Wheels Up Core Membership in good standing. Consultant is not eligible to use such flight hours on any Peak Day.

5. **Relationship Created:** Consultant is a self-employed independent contractor and is not an employee of Company for any purpose whatsoever. As a result of this Agreement, Company shall not be responsible for providing any unemployment insurance coverage, workers' compensation coverage or any other insurance coverage or benefit to or on account of Consultant. Consultant agrees, understands and acknowledges that, in his capacity as Consultant he is only entitled to Consulting Fees or Commissions, as the case may be, and he is not eligible for or entitled to any employee bonus payment or benefit, of whatever kind or nature, from Company and that he or she is not and will not be eligible for or enrolled in any employee benefit or pension plans whatsoever. Consultant acknowledges and agrees that service as a consultant under this Agreement shall not count as covered service or vesting service under any Company employee benefit, deferred compensation or equity plan or arrangement.

6. **Termination:** Consultant's engagement hereunder shall terminate upon the expiration of the Term, except that the engagement may be terminated earlier by (i) Consultant for any or no reason whatsoever, with or without cause, upon ten (10) days written notice to Company, (ii) pursuant to the terms set forth in Section 2 of the Restrictive Covenant Agreement, and (iii) Company (x) for "Cause" (as defined below) or (y) upon the effective revocation of the Separation and Release, in each case upon ten (10) days written notice to Consultant (in each case the tenth (10th) day after such notice that is provided in (i) or (ii) of this sentence being the "Termination Date"). The Company's obligations under this Agreement to pay further compensation shall cease upon the Termination Date, except that Company will pay Consultant, within thirty (30) calendar days from the Termination Date, in full and complete satisfaction of all of Company's obligations under this Agreement, the compensation owed to Consultant, as reflected by invoices submitted by Consultant prior to the Termination Date, which have been approved by Company. "Cause" is defined as: (a) Consultant's theft or embezzlement, or attempted theft or embezzlement, of money or property of the Company or of an affiliate (as the term is defined in Section 12b-2 of the Securities Exchange Act of 1934, as amended) of the Company (an "Affiliate", Consultant's perpetration or attempted perpetration of fraud, or Consultant's participation in a fraud or attempted fraud, on the Company or an Affiliate or Consultant's unauthorized appropriation of, or Consultant's attempt to misappropriate, any tangible or intangible assets or property of the Company or an Affiliate; (b) any act or acts by Consultant of disloyalty, dishonesty, misconduct, moral turpitude or any other act or acts by Consultant injurious to the interest, property, operations, business or reputation of the Company or an Affiliate; (c) Consultant's commission of a felony or any other crime the commission of which results in injury to the Company or an Affiliate; (d) any violation by Consultant of any restriction on the disclosure or use of confidential information of the Company or an Affiliate, client, customer, prospect or merger or acquisition target, or on competition with the Company or an Affiliate or any of its businesses as then conducted; and/or (e) any other action that the Company's Board of Directors or the Compensation Committee of the Board, in their reasonable discretion, may deem to be sufficiently injurious to the interests of the Company or an Affiliate to constitute substantial "Cause." The Parties agree that Sections 6(a) and (b) do not include unintentional acts that are promptly corrected upon following notice to Consultant (for example, typographical errors in expense reports).

7. **No Venture:** Neither this Agreement nor any provision hereof shall be deemed to constitute a partnership or joint venture as between the parties hereto for any purpose whatsoever, and neither party shall so represent or permit the same to be represented.
8. **Compliance with Restrictive Covenant Agreement and Separation and Release:** Consultant acknowledges and agrees that in entering into this Agreement, the Company is relying on Consultant's covenant and promise to at all times comply with the Restrictive Covenant Agreement and Separation and Release.
9. **Confidentiality:** Neither party shall disclose the financial terms and conditions of this Agreement to any third-party, *provided* that (i) the Company may disclose such information (x) to its auditors, attorneys, Board of Directors, Affiliates or such other individuals or entities where such disclosure is required as a matter of law or would be required in furtherance of the ordinary course of operation of the Company's businesses and (y) as may be required by applicable securities law or regulation or rule of any stock exchange and (ii) Consultant may disclose such information (x) to his attorneys, accountants, tax advisors and other representatives who need to know such information if provided on a confidential basis and (y) as may be required by applicable law. Nothing in this Section 9 will restrict either Party from disclosing such information or restricting them from using such information in enforcing their respective rights under this Agreement, the Restrictive Covenant Agreement and/or the Separation and Release.
10. **Binding Agreement:** Neither Party shall assign, delegate, or otherwise transfer this Agreement without the prior written consent of the other Party. Notwithstanding the foregoing, Company may assign, delegate, or otherwise transfer this Agreement without the prior written consent of Consultant in connection with the sale, merger, or consolidation of Company or the portion of its business to which this Agreement relates.
11. **Entire Agreement:** This Agreement, the Restrictive Covenant Agreement (attached hereto as Exhibit A), the Separation and Release Agreement and the equity awards listed on Exhibit B hereto, represent the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matters thereof. This Agreement may not be changed, modified, amended, waived or rescinded except by a written instrument signed by both parties hereto, or, in the case of a waiver, by the party waiving compliance. No waiver by either party of the breach of any term or covenant contained in this Agreement whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term or covenant contained in this Agreement.
12. **Severability:** If any provision of this Agreement is found to be illegal, invalid or unenforceable in whole or in part by a tribunal or other body of competent jurisdiction, the remainder of this Agreement shall not be affected by such judgment, and the Agreement shall be carried out as nearly as possible according to its original terms and intent.
13. **Counterparts:** Delivery of an executed counterpart's signature page of this Agreement, by facsimile, electronic mail in portable document format (.pdf) or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, has the same effect as delivery of an executed original of this Agreement. Each such counterpart shall be deemed an original, but all of which together shall constitute one and the same document.
14. **Governing Law and Enforcement:** This Agreement shall be deemed executed in the State of New York, and its validity, interpretation, performance and enforcement will be governed by the laws of such state, without regard to conflicts of laws principles. The Parties

hereby consent to the exclusive jurisdiction of the federal or state courts in the State of New York in any action or claim arising out of, under or in connection with this Agreement, or the relationship between the Parties hereto.

15. **Notices:** All notices or other communications hereunder (a “Notice”) shall be given or made in writing and shall be delivered in person or sent by facsimile or registered or certified air mail, postage prepaid, with return receipt requested, addressed to the other party at the address set forth below or at such other address as may be designated from such party. Any notice or other communication given or made in the manner prescribed in this paragraph shall be deemed to have been received three (3) business days after the giving thereof. A copy of the Notice (which shall not constitute Notice) shall be promptly sent by email.

If to Company: Wheels Up Partners LLC
601 West 26th Street, Suite 900
New York, NY 10001
Attention: Chief Legal Officer
Email address: Legal@wheelsup.com
With an informational copy to: lsylvester@wheelsup.com

If to Consultant: Jason Horowitz

Email address:

16. **WAIVER OF JURY TRIAL.** EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS, SCHEDULES, AND APPENDICES ATTACHED TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) IT HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) IT MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY, AND (D) IT HAS DECIDED TO ENTER INTO THIS AGREEMENT IN CONSIDERATION OF, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

17. **Survival of Rights:** The respective rights and obligations of the parties hereunder shall survive any termination of Consultant’s engagement and/or this Agreement to the extent necessary to the intended preservation of such rights and obligations.

18. **Acknowledgments:** The Parties acknowledge that before signing this Agreement, they were given the opportunity to read it, evaluate it and discuss it with their attorneys.

Agreed to by Consultant:

By: /s/ Jason Horowitz
Name: Jason Horowitz

October 28, 2022
Date

Agreed to by and on behalf of Company:

By: /s/ Kenneth Dichter
Name: Kenneth Dichter
Title: Chief Executive Officer

October 28, 2022
Date

Exhibit A

Restrictive Covenant Agreement

As a consultant for Wheels Up Partners LLC and/or its affiliates (collectively, "Company"), I recognize that Company operates in an intensely competitive environment, especially with respect to the innovation, services and pricing that Company provides, and the customers it develops and seeks to develop. I further recognize that Company's relationships with its members, customers, employees, Company Business Partners (as defined below) and others with whom it has business dealings (collectively, "Business Relationships") are considered to be valuable and critical assets of Company. I also understand that, during my engagement with Company, I will develop and have access to Company's Confidential Information, as defined below. I recognize that Company has expended and will expend substantial resources in support of my work and to develop and maintain its Business Relationships and Confidential Information. I understand that Company's Confidential Information is not known outside of Company, that Company guards the secrecy of its Confidential Information, and that such Confidential Information is of great competitive value to Company. To protect and prevent the unauthorized disclosure of Company's Confidential Information and to protect its Business Relationships, I hereby agree that all provisions of this Agreement are essential and material terms and conditions of my engagement as of this date:

1. Non-Solicitation/Non-Interference. I agree that for a period of twelve (12) months from the date hereof (the "Restricted Period"), I will not, in any capacity, *directly or indirectly*:

- a. Solicit or attempt to Solicit any Restricted Company Customer; *or*
- b. encourage, entice or induce any Restricted Company Customer or Company Business Partner to transfer its business or patronage from Company; *or*
- c. Solicit, encourage, entice or induce any Company employee to leave his or her employment with Company; *or*
- d. directly hire or cause any person to be hired who was employed by Company as of the date of this Agreement.

2. Non-Competition. During the Restricted Period, I shall not acquire a controlling interest in, manage, control, actively participate in, consult with, become employed by, or render services to a Company Competitor, as defined below, in the United States or Canada. Notwithstanding the foregoing, if, during the Restricted Period, I have an employment or consulting opportunity with a Company Competitor, I will inform Kenny Dichter, Chief Executive Officer of Company, of such opportunity and we will meet for the purpose of considering whether the Company would waive this Non-Competition obligation in respect of the identified opportunity. I understand that if the Company does not waive the Non-Competition obligation, and I accept the employment or consulting opportunity with a Company Competitor, the Consulting Agreement will immediately terminate. After the Restricted Period but prior to the natural expiration of the Consulting Agreement, if I accept

(1) an employment opportunity with a Wheels Up Competitor or (2) a consulting opportunity with (a) NetJets or any affiliates, (b) Directional Aviation or any affiliates (including Flexjet Inc.), (c) Vista Global/VistaJet or any affiliates, I must notify Wheels Up immediately, and the Consulting Agreement will immediately terminate. This provision shall not prohibit me from being a passive owner of not more than two percent (2%) of the outstanding stock of any class of securities of a corporation that is publicly traded, so long as I have no active participation in the business of such corporation.

3. Non-Disclosure. I will hold the Company's Confidential Information in the strictest of confidence and further agree that, during my engagement, and at all times after its termination for whatever reason, I will not, in any capacity, *directly or indirectly*, use, disclose, publish or make available to any person or entity any of such Confidential Information, except such as may be necessary, on a "need to know" basis, in the ordinary course of performing or in connection with my duties as a Company consultant. I further agree not to access or use any Confidential Information, and not to copy any documents, records, files, media or other resources containing any Confidential Information, or remove any such documents, records, files, media or other resources from the premises or control of the Company, except as required in the faithful performance of my authorized duties or with the prior consent of an authorized officer acting on behalf of the Company in each instance (and then, such disclosure shall be made only within the limits and to the extent of such duties or consent).

4. Intellectual Property. I agree that Company is the sole and exclusive owner of all right, title and interest in all discoveries, developments, designs, improvements, inventions, innovations, processes, techniques, algorithms, technologies, programs, software, works of authorship, know-how and data (whether or not registerable under copyright, trademark or patent statutes), patents, trade secrets, copyrights, trademarks and proprietary information which I may make, conceive, develop, produce, learn, process or acquire, either individually or jointly with others, that are in any way related to business activities undertaken or contemplated by Company while in furtherance of providing services for Company and all the goodwill associated therewith (collectively, the "Intellectual Property"). I shall promptly and fully disclose to Company all Intellectual Property. I acknowledge and agree that Intellectual Property that is a work of authorship is a "work for hire" (as that term is used under U.S. copyright law), and Company (or its affiliates, members, associated companies, successors, assigns or nominees) shall be the sole owner of all copyrights in or connected with such Intellectual Property, including without limitation all drawings, memoranda, notes, records, files, correspondence, manuals, models, specifications, computer programs, maps and all other writings or materials of any type embodying any such Intellectual Property. I hereby waive any moral rights that I may have with respect to the Intellectual Property. I hereby irrevocably assign and agree to assign to Company (or its affiliates, members, associated companies, successors, assigns or nominees) my entire right, title and interest in the Intellectual Property, present and future. I agree to take all reasonable actions and cooperate as is necessary to protect and preserve the intellectual and proprietary rights in the Intellectual Property and further agree to promptly execute and deliver any specific assignments or other papers and lawful documents that might be necessary to perfect the sole right, title and interest in Company (or its affiliates, members, associated companies, successors, assigns or nominees) in the Intellectual Property covered in this Agreement and promptly execute and deliver any and all papers and lawful documents required or necessary to obtain and maintain effective patent, copyright or other protection in the Intellectual Property by Company (or its affiliates, members, associated companies, successors, assigns or nominees) or that might otherwise be reasonably requested by Company, during and after my engagement. I irrevocably designate and appoint Company and its duly authorized officers and agents as my agent and attorney-in-fact to execute and file any and all applications and other necessary documents and to do all other lawfully permitted acts to further the prosecution, issuance or

enforcement of patents, copyrights, trade secrets and similar protections related to such Intellectual Property with the same legal force and effect as if I had executed them myself.

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

6. Subsequent Employment. I will provide a copy of this Agreement to any prospective employer or other person or entity that is considering me for employment or engagement of any business relationship where the terms and restrictions hereof would be relevant to the prospective employer's consideration of my employment or to my prospective duties and obligations for such employer, so that the obligations and restrictions of this Agreement are fully disclosed.

7. Injunctive Relief. I agree that money damages would be both incalculable and an insufficient remedy for any breach by me of this Agreement and that any such actual, threatened or continuing breach will cause Company irreparable harm. In the event of any such breach of this Agreement, Company shall be entitled, without the requirement of posting a bond, to seek equitable relief, including temporary, preliminary or permanent injunctive relief and specific performance against me, in any court of competent jurisdiction. Such equitable relief shall not be the exclusive remedy for any breach by me of this Agreement but shall be in addition to any other damages or remedies available at law or in equity to Company. Company's failure to pursue any of its rights under this Agreement or similar agreements with others shall not prejudice any of Company's rights under this Agreement.

8. Scope of Terms. I agree that the terms and restrictions of this Agreement are legitimate and reasonable in light of my access to Confidential Information, substantial contacts with Company's customers, and Company's need to develop and market its services and products. I acknowledge that Company markets and sells its services and/or products in North America and that it is reasonable to restrict my activities in the United States and Canada during the time periods provided for herein in accordance with this Agreement. I further acknowledge that after the termination of my engagement with Company for any reason, I will be able to earn a livelihood without violating the foregoing restrictions.

9. Non-Disparagement. Employee agrees that Employee will not make, directly or indirectly, to any person or entity, including any member of the public and/or the press, any negative or disparaging oral or written statements by any means, including on social media, about the Company, its products or services or any of the Releasees or their products or services or employees. In return, Company agrees that it shall exercise commercially

reasonable efforts to cause its officers and members of its Board not to intentionally make, directly or indirectly, to any person or entity, including any member of the public and/or the press, any negative or disparaging oral or written statements by any means, including on social media, about Employee. However, nothing in this paragraph shall preclude Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful, or testifying honestly if required by law to testify in a proceeding or complying with any other law.

10. Enforceability. In the unlikely event that any of the covenants or provisions contained in this Agreement, or any part thereof, is held to be unenforceable because of their duration, scope or the geographic area covered thereby, or for any other reason, the court making such determination shall have the power to reduce the duration, scope and/or geographic area thereof, or otherwise modify such covenant or provision, and enforce such covenant or provision in its reduced or modified form. If any of the covenants or provisions contained in this Agreement, or any part thereof, is held to be invalid or unenforceable in any respect, the same shall not affect the remainder of the covenants or provisions which shall be given full force and effect without regard to the invalid portions.

11. Definitions:

“Confidential Information” means information that has or could have commercial value or other utility in the business in which Company is engaged or contemplates engaging in, and all information which, if disclosed without authorization, could be detrimental to the interests of Company, including, without limitation, information regarding the identity of Company customers, prospective customers and business plans. Confidential Information includes, without limitation, discoveries, ideas, inventions (whether patentable or not), trade secrets, techniques, and other know-how, business methods, strategies, plans, products, marketing programs, pricing of goods and services, specifications, drawings, sketches, models, samples, data, computer programs, databases, applications, software, documentation, and other technical and business information, works of authorship (whether published or unpublished), customer lists, customer preference and other customer information, prospective customer information, and vendor information. Confidential Information also includes any information received from third parties that Company is obligated to treat as confidential or proprietary. Confidential Information shall not include information that: (i) was in my possession before receipt from Company; (ii) is or becomes a matter of public knowledge through no fault of mine; (iii) is rightfully received by me from a third party without a duty of confidentiality; or (iv) is disclosed under operation of law, provided that I will use reasonable efforts to provide Company with prompt written notice of any such requirement in order to enable Company to seek an appropriate protective order or other remedy, and that I will disclose only such information as is legally required and will use reasonable efforts to obtain confidential treatment for any Confidential Information that is so disclosed.

“Company Business Partner” means any corporation, partnership, sole proprietorship or other entity from which Company purchases or otherwise acquires supplies,

materials, services or financing, including but not limited to Company's suppliers, distributors, advertising agency, public relations agency, vendors and investors.

"Company Competitor" means any individual, corporation, partnership, sole proprietorship, or other entity whose principal business involves marketing, soliciting, or selling products or services directly competitive with products or services that are produced, marketed or sold by the Company as of the date of my termination. By way of example, Company Competitors as of the date hereof include NetJets, Flexjet, Sentient, Flight Options, XOJet, Vista Jet, JetLinx, FlyExclusive, PrivateFly and PlaneSense.

"Restricted Company Customer" means any Company customer that I worked with, serviced, or became aware of as a result of my Company engagement.

"Solicit" means to initiate any contact or communication of any kind, including, without limitation, an offer, announcement (including an announcement of a new affiliation) or invitation, in each case in furtherance of requesting or persuading the target to transact business with a Company Competitor.

12. Consideration. I agree that my engagement with Company constitutes good and valuable consideration for this Agreement. I have consulted or been given an opportunity to consult with my personal attorney before signing this Agreement.

13. Governing Law. This Agreement shall be governed and enforced under the laws of the State of New York, without regard to any conflicts of laws principles thereof that would call for the application of the laws of any other jurisdiction. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against either of the parties in the courts of the State of New York located in New York County, or if it has or can acquire jurisdiction, in the United States District Court for the Southern District of New York, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world, whether within or without the State of New York.

[Signature page follows.]

Agreed to by Consultant:

By: /s/ Jason Horowitz
Name: Jason Horowitz

October 28, 2022
Date

Agreed to by and on behalf of Company:

By: /s/ Kenneth Dichter
Name: Kenneth Dichter
Title: Chief Executive Officer

October 28, 2022
Date

SUBSIDIARIES OF WHEELS UP EXPERIENCE INC.

AS OF DECEMBER 31, 2022

Name of Subsidiary	Jurisdiction of Organization
Aircraft Charter Company Three, LLC	Indiana
Aircraft Charter Company Two, LLC	Indiana
Aircraft Holding Company One, LLC	Indiana
Air Partner Aviation Services Limited	United Kingdom
Air Partner CHS Limited	United Kingdom
Air Partner Consulting Limited	United Kingdom
Air Partner Group Limited	United Kingdom
Air Partner Havacilik ve Tasimacilik	Republic of Türkiye
Air Partner International GmbH	Germany
Air Partner International SAS	France
Air Partner Investments Limited	United Kingdom
Air Partner Limited	United Kingdom
Air Partner LLC	Delaware
Air Partner Middle East DMCC	United Arab Emirates
Air Partner S.r.l.	Italy
Air Partner Travel Management Company Limited	United Kingdom
Alante Air Charter, LLC	Nevada
Apex AP MidCo Inc.	Delaware
Apex Kenyon MidCo Inc.	Delaware
Avianis Systems, LLC	Delaware
Aviation Compliance Limited	United Kingdom
Baines Simmons Limited	United Kingdom
Business Jets Limited	United Kingdom
Clockwork Research Limited	United Kingdom
Gama Aviation LLC	Delaware
Kenyon International Emergency Services Limited	United Kingdom
Kenyon International Emergency Services LLC	Delaware
Mountain Aviation, LLC	Colorado
Redline Assured Security SARL	France

Redline Assured Security Ltd	United Kingdom
Redline Aviation Security Limited	United Kingdom
Redline Worldwide Limited	United Kingdom
Safeskys Limited	United Kingdom
Sterling Aviation, LLC	Wisconsin
TMC UP Holdings LLC	Delaware
Travel Management Company, LLC	Indiana
Travel Management Company Holdings, LLC	Delaware
Travel Management Company Intermediate Holdings, LLC	Delaware
Travel Management Company Intermediate Holdings II, LLC	Delaware
TWC Aviation Services, LLC	California
Wheels Up Blocker Sub LLC	Delaware
Wheels Up MIP LLC	Delaware
Wheels Up MIP RI LLC	Delaware
Wheels Up Partners Holdings LLC	Delaware
Wheels Up Partners LLC	Delaware
Wheels Up Private Jets LLC	Kentucky
Wheels Up TOA Holdings LLC	Delaware
Wheels Up UK Limited	United Kingdom
WU Leasing I LLC	Delaware
WU Leasing II LLC	Delaware
WUL I Trust	Utah
WUL II Trust	Utah

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated March 31, 2023, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Wheels Up Experience Inc. on Form 10-K for the year ended December 31, 2022. We consent to the incorporation by reference of said reports in the Registration Statements of Wheels Up Experience Inc. on Form S-3 (File No. 333-258418) and on Forms S-8 (File No. 333-265991 and File No. 333-259636).

/s/ GRANT THORNTON LLP

New York, New York

March 31, 2023

**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 annual report on Form 10-K of Wheels Up Experience Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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;
 - 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: March 31, 2023

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

**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, Todd Smith, certify that:

1. I have reviewed this annual report on Form 10-K of Wheels Up Experience Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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;
 - 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: March 31, 2023

By: /s/ Todd Smith

Name: Todd Smith

Title: Chief Financial Officer

(Principal Financial Officer)

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

In connection with the Annual Report of Wheels Up Experience Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2022, 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: March 31, 2023

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

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

In connection with the Annual Report of Wheels Up Experience Inc. (the “Company”) on Form 10-K for the annual period ended December 31, 2022, 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: March 31, 2023

By: /s/ Todd Smith
Name: Todd Smith
Title: Chief Financial Officer
(Principal Financial Officer)