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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **May 17, 2021 (May 7, 2021)**

BLADE AIR MOBILITY, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-39046**	**84-1890381**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

499 East 34th Street
New York, NY 10016
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(212) 967-1009**

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

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

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

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

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

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

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Class A common stock, par value $0.0001 per share	BLDE	The Nasdaq Stock Market
Warrants, each exercisable for one share of Class A common stock at an exercise price of $11.50 per share	BLDEW	The Nasdaq Stock Market

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

Emerging growth company ☒

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

INTRODUCTORY NOTE

This Amendment No. 1 on Form 8-K/A ("Amendment No. 1") amends the Current Report on Form 8-K of Blade Air Mobility, Inc., a Delaware corporation (the "Company"), filed on May 13, 2021 (the "Original Report"), in which the Company reported, among other events, the completion of the Merger (as defined in the Original Report).

This Amendment No. 1 is being filed to (i) include (A) the unaudited condensed consolidated financial statements of Blade Urban Air Mobility, Inc., a Delaware corporation ("BUAM"), as of March 31, 2021 and for the three months and six months ended March 31, 2021 and 2020 and (B) Management's Discussion and Analysis of Financial Condition and Results of Operations of BUAM for the three months ended March 31, 2021 and 2020 and for the six months ended March 31, 2021 and 2020; (ii) amend Item 2.01 Completion of Acquisition or Disposition of Assets to revise certain amounts reported under Security Ownership of Certain Beneficial Owners and Management; and (iii) correct a formatting error in our unaudited pro forma condensed combined financial information for the year ended September 30, 2020 and for the three months ended December 31, 2020, which were filed with the Original Report. This Amendment No. 1 does not amend any other item of the Original Report or purport to provide an update or a discussion of any developments at the Company or its subsidiaries, subsequent to the filing date of the Original Report.

Capitalized terms used but not defined herein have the meanings given in the Original Report.

Item 2.01. Completion of Acquisition or Disposition of Assets.

The disclosure set forth in the "Introductory Note" in the Original Report is incorporated into this Item 2.01 by reference.

The Merger was approved by EIC's stockholders at a special meeting of the EIC's stockholders held on May 5, 2021 (the "Special Meeting"). At the Special Meeting, 19,442,673 shares of the EIC's Common Stock were voted in favor of the proposal to approve the Merger, 1,087,824 shares of EIC's Common Stock were voted against the proposal to approve the Merger and holders of 35,420 shares of EIC's Common Stock abstained from voting on the proposal to approve the Merger. In connection with the Closing, 3,596,979 shares of EIC Class A Common Stock were redeemed at a per price share of approximately $10.07. The Merger was completed on May 7, 2021.

In addition, in connection with the Closing, all of the 6,875,000 outstanding shares of EIC Class B Common Stock held by the Sponsor (the "Founder Shares") were converted into shares of New Blade Class A Common Stock on a one-for-one basis.

FORM 10 INFORMATION

Prior to the Closing, EIC was a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) with no operations, formed as a vehicle to effect a business combination with one or more operating businesses. After the Closing, EIC became a holding company whose only assets consist of equity interests in Blade.

Cautionary Note Regarding Forward-Looking Statements

This Current Report on Form 8-K and the documents incorporated herein include forward-looking statements regarding, among other things, the plans, strategies and prospects, both business and financial, of the Company. These statements are based on management's current beliefs and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Although we believe our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. When used in this Current Report on Form 8-K, the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates" or "intends" or similar expressions are intended to identify forward-looking statements, although not all forward looking statements contain such identifying words.
Forward-looking statements contained in this Current Report on Form 8-K and the documents incorporated by reference herein include, but are not limited to, statements about our ability to:

- realize the benefits expected from the Merger;
- execute our geographic expansion strategy;
- achieve the expected revenue growth and effectively manage growth;
- achieve and maintain profitability in the future;
- innovate and expand our technological leadership;

- increase our service offerings and price optimization;
- effectively promote our brand and increase brand awareness;
- enhance future operating and financial results;
- acquire and protect intellectual property;
- attract, train and retain key personnel, including sales and customer service personnel;
- acquire and integrate other companies and technologies;
- remediate material weakness in internal control over financial reporting;
- comply with laws and regulations applicable to our business;
- successfully defend litigations; and
- successfully deploy the proceeds from the Merger and PIPE Investment.

Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these statements, which speak only as of the date of this Current Report on Form 8-K. You should understand that the following important factors, in addition to those discussed under the heading "Risk Factors" in the Proxy Statement/Prospectus/Consent Solicitation Statement and elsewhere, could affect our future results and could cause those results or other outcomes to differ material from those expressed or implied in the forward-looking statements included or incorporated by reference in this Current Report on Form 8-K:

- risks related to disruption of management's time from ongoing business operations due to the Merger;
- risks of the air mobility and transportation industries;
- litigation, complaints or adverse publicity;
- the impact of changes in consumer spending patterns, consumer preferences, local, regional and national economic conditions, crime, weather, demographic trends and employee availability;
- the availability, or lack thereof, of new technologies in the aerospace community, such as Electric Vertical Aircraft ("EVA", or as it's otherwise known, Electrical Vertical Take-Off and Landing aircraft ("eVTOL"));
- the duration and severity of the COVID-19 pandemic;
- the availability and performance of third-party operators;
- technological disruptions, privacy or data breaches, the loss of data or cyberattacks; and
- the ability to compete successfully with new market participants.

These and other factors that could cause actual result to differ from those implied by the forward looking statements included or incorporated by reference in this Current Report on Form 8-K are more fully described under the heading "Risk Factors" and elsewhere in the Proxy Statement/Prospectus/Consent Solicitation Statement and the documents incorporated by reference in this Current Report on Form 8-K. The risks described under the heading "Risk Factors" in the Proxy Statement/Prospectus/Consent Solicitation Statement are not exhaustive. Other sections of this Current Report on Form 8-K and the documents incorporated by reference in this Current Report on Form 8-K describe additional factors that could adversely affect our business, financial condition and results of operations.

New risks emerge from time to time and it is not possible to predict all such risks, nor can we assess the impact of those risks on our business or the extent to which any risk or combination of risks may cause actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements attributable to the Company or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Accordingly, forward-looking statements should not be relied upon as representing the Company's views as of any subsequent date, and the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Market, ranking and industry data used throughout the Proxy Statement/Prospectus/Consent Solicitation Statement and the documents incorporated by reference in this Current Report on Form 8-K are based on the good faith estimates of our management, which in turn are based upon our management's review of internal surveys, independent industry surveys and publications, including reports by third party research analyses and publicly available information. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we are not aware of any misstatements regarding the industry data presented herein or therein, our estimates involved risks and uncertainties and are subject to change based on various factors, including those discussed under the headings "Risk Factors" and "Blade's Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Proxy Statement/Prospectus/Consent Solicitation Statement.

Business and Properties

The business and properties of EIC and Blade prior to the Merger are described in the Proxy Statement/Prospectus/Consent Solicitation Statement in the sections titled "Information About EIC" beginning on page 167 and "Information About Blade" beginning on page 205, which are incorporated herein by reference.

Risk Factors

The risks associated with the Company's business are described in the Proxy Statement/Prospectus/Consent Solicitation Statement in the section titled "Risk Factors" beginning on page 44, which is incorporated herein by reference.

Selected Historical Financial Information

The selected historical financial information of Blade for the years ended September 30, 2020 and 2019 and the three months ended December 31, 2020 and 2019 are included in the Proxy Statement/Prospectus/Consent Solicitation Statement in the section titled "Blade's Selected Historical Consolidated Financial Information" beginning on page 149 and are incorporated herein by reference.

Unaudited Pro Forma Condensed Consolidated Combined Financial Information

The unaudited pro forma condensed combined financial information of the Company for the year ended September 30, 2020 and for the three months ended December 31, 2020 is set forth in Exhibit 99.3 hereto and is incorporated herein by reference.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of the financial condition and results of operations of Blade prior to the Merger is included in the Proxy Statement/Prospectus/Consent Solicitation Statement in the section titled "Blade's Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 194, and attached as Exhibit 99.2, both of which are incorporated herein by reference.

Executive Compensation

Information with respect to the executive compensation of the Company's directors and executive officers immediately following the Closing is set forth in the Proxy Statement/Prospectus/Consent Solicitation Statement in the section titled "Executive Compensation of EIC Following the Business Compensation" beginning on page 188, which is incorporated herein by reference.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information known to New Blade regarding the beneficial ownership of New Blade's Class A Common Stock as of May 7, 2021, after giving effect to the Closing and the PIPE Investment, by:

- each person who is known by New Blade to be the beneficial owner of more than five percent (5%) of the outstanding shares of any class of New Blade's Class A Common Stock;
- each current executive officer and director of New Blade; and
- all current executive officers and directors of New Blade, as a group.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. A person is a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of the security, or "investment power", which includes the power to dispose of or to direct the disposition of the security or has the right to acquire such powers within 60 days. The beneficial ownership percentages set forth in the table below are based on 69,213,195 shares of New Blade Class A Common Stock issued and outstanding as of May 7, 2021 (after giving effect to the Closing and the PIPE Investment). Except as specified below, the table below excludes an aggregate of 23,856,493 shares of New Blade Class A Common Stock issuable upon the exercise of any vested Blade Options or the exercise of New Blade Warrants.

Unless otherwise noted in the footnotes to the following table, and subject to applicable community property laws, the persons and entities named in the table have sole voting and investment power with respect to their beneficially owned New Blade Class A Common Stock.

Name of Beneficial Owners[(1)]	Number of Shares of Class A Common Stock Beneficially Owned[(2)]	Percentage of Outstanding Class A Common Stock
5% Stockholders:		
Experience Sponsor LLC[(3)]	13,880,000	18.7%
Robert S. Wiesenthal[(4)]	10,108,983	13.6%

HG Vora Capital Management, LLC(5)	7,876,453	11.4%
Colony Capital, Inc.(6)	5,153,835	7.4%
David Zaslav(7)	3,082,262	4.5%
Executive Officers and Directors:		
Eric Affeldt(8)	-	-
Jane Garvey	-	-
Kenneth Lerer(9)	1,235,349	1.8%
Susan Lyne	-	-
Edward Philip(8)	-	-
David Zaslav(7)	3,082,262	4.5%
Robert S. Wiesenthal(4)	10,108,983	13.6%
William A. Heyburn(10)	935,489	1.3%
Melissa M. Tomkiel(11)	1,495,937	2.1%
Amir Cohen	-	-
Brandon Keene(12)	520,524	*%
All directors and executive officers as a group (11 individuals)(13)	17,378,544	22.6%

* Indicates less than 1 percent.

(1) Unless otherwise noted, the business address for each executive officer and director of New Blade is 499 East 34th Street, New York, NY 10016.

(2) The beneficial ownership of New Blade as of May 7, 2021 is based on shares of New Blade Class A Common Stock outstanding as of such date.

(3) Includes 8,880,000 shares of New Blade Class A Common Stock and Private Placement Warrants exercisable for 5,000,000 shares of New Blade Class A Common Stock. Steele ExpCo Holdings, LLC, a Delaware limited liability company, is the managing member and 100% owner of Experience Sponsor LLC. KSL Capital Partners V GP, LLC, a Delaware limited liability company, is the managing member of Steele ExpCo Holdings, LLC. Eric Charles Resnick is the managing member of KSL Capital Partners V GP, LLC. As such, Steele ExpCo Holdings, LLC, KSL Capital Partners V GP, LLC and Mr. Resnick may be deemed to have or share voting and dispositive power of the stock held directly by Experience Sponsor LLC. In addition, Steele ExpCo Holdings, LLC beneficially owns 2,005,000 additional shares of New Blade Class A Common Stock through the consummation of the PIPE Investment. Mr. Resnick disclaims beneficial ownership of these shares except to the extent of his individual pecuniary interest in such shares, directly or indirectly. The address for each entity is c/o KSL Capital Partners, 100 St. Paul Street, Suite 800, Denver, Colorado 80206.

(4) Interests shown consist of 4,922,588 shares of New Blade Class A Common Stock and vested Blade Options exercisable for an aggregate of 5,186,395 shares of New Blade Class A Common Stock.

(5) Includes 2,500,000 shares of New Blade Class A Common Stock, and also includes 5,376,453 shares of New Blade Class A common stock purchased in the PIPE Investment or received in exchange for shares of Blade Preferred Stock by HG Vora Capital Management, LLC. Panag Vora is the managing member of HG Vora Capital Management, LLC, and as such may be deemed to have voting and dispositive power of the New Blade Class A Common Stock held by HG Vora Capital Management, LLC. The business address for this investor is 330 Madison Avenue, 20th floor, New York, NY 10017.

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(6) Interests shown consist of 5,153,835 shares of New Blade Class A Common Stock held by ColPE Blade Investor, LLC, an indirect wholly-owned subsidiary of Colony Capital Operating Company, LLC. Colony Capital Operating Company, LLC is the beneficial owner of shares held by ColPE Blade Investor, LLC. Colony Capital, Inc. is the managing member and 90% owner of Colony Capital Operating Company, LLC, and as such may be deemed to share voting and dispositive power of the New Blade Class A Common Stock held by ColPE Blade Investor, LLC. The business address for Colony Capital, Inc. is 750 Park of Commerce Drive, Suite 210, Boca Raton, Florida 33487.

(7) Interests shown consist of 3,082,262 shares of New Blade Class A Common Stock, which includes 100,000 shares purchased in the PIPE Investment, held by Snickers Holdings LLC. Mr. Zaslav, one of the members of the New Blade Board, is the managing member of Snickers Holdings LLC. The business address for this investor is 115 Central Park West #17C, New York, NY 10023.

(8) Messrs. Affeldt, Witherow, Pastor and Philip each have an economic interest (or deemed economic interest) in shares of New Blade Class A Common Stock and/or Private Placement Warrants through their respective ownership of membership interests in Experience Sponsor LLC, but do not beneficially own any shares of New Blade Class A Common Stock or Private Placement Warrants. The indirect ownership interest via Experience Sponsor LLC is reflected solely under the rows for Experience Sponsor LLC. The economic interests (or deemed economic interests) of these individuals in the Class A common stock and/or Private Placement Warrants held by Experience Sponsor LLC are as shown below:

	Class A Common Stock	Private Placement Warrants
Eric Affeldt	605,250	350,000
Brian C. Witherow	50,000	-
Rafael Pastor	50,000	-
Edward Philip	50,000	-

(9) Interests shown consist of: 50,960 shares of New Blade Class A Common Stock held by Mr. Lerer, 111,500 shares of New Blade Class A Common Stock held by Lerer Investments II LLC, 373,988 shares of New Blade Class A Common Stock held by Lerer Hippeau Ventures Select Fund, LP and 698,901 shares of New Blade Class A Common Stock held by Lerer Hippeau Ventures V, LP. Mr. Lerer, who is a member of the New Blade Board, is the Managing Member of each of the investors, and may be deemed to beneficially own all of the shares of New Blade Class A Common Stock held by Lerer Investments II LLC, Lerer Hippeau Ventures Select Fund, LP and Lerer Hippeau Ventures V, LP. The business address for each of the investors is 100 Crosby Street, Suite 201, New York, NY 10012.

(10) Interests shown consist of 218,402 shares of New Blade Class A Common Stock held and 717,087 shares of New Blade Class A Common Stock issuable upon the exercise of vested Blade Options.

(11) Interests shown consist of 221,925 shares of New Blade Class A Common Stock held and 1,274,012 shares of New Blade Class A Common Stock issuable upon the exercise of vested Blade Options.

(12) Interests shown consist of 10,920 shares of New Blade Class A Common Stock held and 509,604 shares of New Blade Class A Common Stock issuable upon the exercise of vested Blade Options.

(13) Interests shown consist of 9,691,446 shares of New Blade Class A Common Stock held and 7,687,098 shares of New Blade Class A Common Stock issuable upon the exercise of vested Blade Options.

Directors and Executive Officers

Except as disclosed below, information with respect to the Company's directors and executive officers immediately following the Closing is set forth in the Proxy Statement/Prospectus/Consent Solicitation Statement in the section titled "Management After the Business Combination" beginning on page 183, which is incorporated herein by reference.

In connection with the consummation of the Merger, each of EIC's officers and directors tendered their resignations, except that Eric Affeldt and Edward Philip remained as directors of New Blade.

Directors

Effective as of immediately prior to the Effective Time, in connection with the Merger, the size of the Board was increased from five members to seven members. Effective as of immediately prior to the Effective Time, Eric Affeldt, Jane Garvey, Susan Lyne, Edward Philip and David Zaslav were appointed to serve as directors of New Blade. John Borthwick and Justin Chang resigned as directors of the New Blade. Kenneth Lerer and Robert S. Wiesenthal are continuing to serve as a directors of New Blade. Messrs. Philip and Zaslav were appointed to serve as Class I directors, with terms expiring at New Blade's annual meeting of stockholders following the Closing; Messrs. Affeldt and Lerer were appointed to serve as Class II directors, with terms expiring at New Blade's second annual meeting of stockholders following the Closing; and Ms. Garvey, Ms. Lyne and Mr. Wiesenthal were appointed to serve as Class III directors, with terms expiring at New Blade's third annual meeting of stockholders following the Closing. Biographical information for these individuals is set forth in the Proxy Statement/Prospectus/Consent Solicitation Statement in the section titled "Management After the Business Combination" beginning on page 183, which is incorporated herein by reference.

Independence of Directors

Nasdaq listing rules require that a majority of the board of directors of a company listed on Nasdaq be composed of "independent directors," which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship that, in the opinion of the company's board of directors, would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. Based on information provided by each director concerning his or her background, employment and affiliations, including family relationships, the Board has determined that each of Eric Affeldt, Jane Garvey, Kenneth Lerer, Susan Lyne, Edward Philip and David Zaslav is an independent director under the Nasdaq listing rules and Rule 10A-3 of the Exchange Act.

Committees of the Board of Directors

Effective as of as of the Effective Time, the standing committees of the Board consist of an audit committee (the "Audit Committee"), a compensation committee (the "Compensation Committee") and a nominating and corporate governance committee (the "Nominating and Corporate Governance Committee"). Each of the committees reports to the Board.

Effective as of the Effective Time, the Board appointed Mr. Philip, Ms. Garvey and Ms. Lyne to serve on the Audit Committee, with Mr. Philip as chairperson and the audit committee financial expert. The Board appointed Ms. Lyne, Mr. Philip, Mr. Lerer and Mr. Affeldt to serve on the Compensation Committee, with Ms. Lyne as chairperson. Ms. Garvey, Mr. Zaslav and Mr. Affeldt were appointed to serve on the Nominating and Corporate Governance Committee, with Ms. Garvey as chairperson.

Executive Officers

On May 7, 2021, the Board appointed Amir Cohen as Chief Accounting Officer of the Company. Each of Robert S. Wiesenthal, our Chief Executive Officer, Melissa M. Tomkiel, our President and General Counsel, William A. Heyburn, our Chief Financial Officer and Brandon Keene, our Chief Technology Officer, remained as executive officers of New Blade after consummation of the Merger.

Amir Cohen has served as our Chief Accounting Officer since May 2021. Prior to Blade, Mr. Cohen served in various capacities at WPP plc, a multinational communications and advertising company, most recently as Senior Vice President of Finance for its Wunderman Thompson network. Prior to WPP, Mr. Cohen was a Manager at PricewaterhouseCoopers in New York. Mr. Cohen is a Certified Public Accountant, holds an M.B.A. from New York University, and a B.A. in Economics and Accounting from The Hebrew University in Jerusalem.

Certain Relationships and Related Transactions

The certain relationships and related party transactions of EIC and Blade are described in the Proxy Statement/Prospectus/Consent Solicitation Statement in the section titled "Certain Relationships and Related Person Transactions" beginning on page 241, which is incorporated herein by reference.

Legal Proceedings

Information about legal proceedings is set forth in the Proxy Statement/Prospectus/Consent Solicitation Statement in the sections titled "Information about EIC - Legal Proceedings" on page 174 and "Information About Blade-Legal Proceedings" on page 217, which are incorporated herein by reference.

Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters

Prior to the business combination, EIC's Class A Common Stock, warrants and units (consisting of one share of Class A Common Stock and onethird of a warrant) were quoted on The Nasdaq Capital Market under the symbols "EXPC," "EXPCW" and "EXPCU," respectively. At the Effective Time, the units automatically separated into the component securities and, as a result, no longer trade as a separate security. On May 10, 2021, New Blade's Class A Common Stock and New Blade Warrants began trading on The Nasdaq Global Market under the symbols "BLDE" and "BLDEW," respectively.

As of the Closing Date and following completion of the Merger (and after giving effect to the Closing and the PIPE Investment), New Blade had 78,903,021 shares of New Blade Class A Common Stock issued and outstanding held of record by 78 holders and 14,166,667 New Blade Warrants, each exercisable for one share of New Blade's Class A Common Stock at a price of $11.50 per share, held of record by one holder.

The information set forth in the section titled “Price Range of Securities and Dividends” on page 234 of the Proxy Statement/Prospectus/Consent Solicitation Statement is incorporated herein by reference.

Recent Sales of Unregistered Securities

The information set forth in the “Introductory Note” above and under Item 3.02 of this Current Report on Form 8-K with respect to the issuance of the PIPE Shares pursuant to the PIPE Investment is incorporated herein by reference. The PIPE Shares were issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. The subscribers to the PIPE Investment are accredited investors as defined in Rule 501 of Regulation D.

In May 2019, the Sponsor purchased an aggregate of 7,187,500 shares (the “Founder Shares”) of EIC’s Class B common stock for an aggregate purchase price of $25,000 (up to 937,500 of which were subject to forfeiture by the Sponsor depending on the extent to which the underwriters’ option to purchase additional EIC units was exercised).

The number of Founder Shares issued was determined based on the expectation that the Founder Shares would represent 20% of EIC’s outstanding shares of common stock upon completion of EIC’s initial public offering. On September 17, 2019, as a result of the underwriters’ election to partially exercise their option to purchase additional units, 312,500 Founder Shares were forfeited and 625,000 Founder Shares are no longer subject to forfeiture, resulting in an aggregate of 6,875,000 Founder Shares that were issued and outstanding. The Founder Shares automatically converted into shares of New Blade’s Class A Common Stock upon the consummation of the Merger. The Founder Shares were issued in connection with EIC’s organization pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act. The Sponsor is an accredited investor for purposes of Rule 501 of Regulation D.

Simultaneously with the consummation of the EIC initial public offering, the Sponsor entered into a purchase agreement with EIC to purchase from EIC an aggregate of 5,000,000 warrants (the “Private Placement Warrants”) at a purchase price of $1.50 per warrant for an aggregate purchase price of $7,500,000. Each Private Placement Warrant is exercisable to purchase one whole share of New Blade’s Class A Common Stock at $11.50 per share, subject to adjustment as provided in the warrant agreement attached as Exhibit 4.3 hereto and incorporated herein by reference.

Description of Registrant’s Securities

Common Stock

A description of New Blade’s Class A Common Stock is included in the Proxy Statement/Prospectus/Consent Solicitation Statement in the section titled “Description of EIC’s Securities” beginning on page 218, which is incorporated herein by reference.

Warrants

<u>Public Warrants</u>

A description of New Blade’s public shareholders’ warrants is included in the Proxy Statement/Prospectus/Consent Solicitation Statement in the section titled “Description of EIC’s Securities - Warrants” beginning on page 218, which is incorporated herein by reference.

<u>Private Placement Warrants</u>

A description of New Blade’s private placement warrants is included in the Proxy Statement/Prospectus/Consent Solicitation Statement, in the section titled “Description of EIC’s Securities - Warrants” beginning on page 218, which is incorporated herein by reference.

Indemnification of Directors and Officers

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Financial Statements and Supplementary Data

The information set forth under Item 9.01 of this Current Report on Form 8-K, as amended, is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The unaudited condensed consolidated financial statements of Blade Urban Air Mobility, Inc., a Delaware corporation, as of March 31, 2021 and for the three months and six months ended March 31, 2021 and 2020, and the related notes thereto are attached as Exhibit 99.1 and are incorporated herein by reference. Also included as Exhibit 99.2 and incorporated herein by reference is the Management’s Discussion and Analysis of Financial Condition and Results of Operations of BUAM for the three months ended March 31, 2021 and 2020.

(b) Pro forma financial information.

Certain pro forma financial information of the Company is attached hereto as Exhibit 99.3 and is incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description

99.1	Unaudited consolidated financial statements of BUAM as of March 31, 2021 and September 30, 2020 and for the six months ended March 31, 2021 and 2020.
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations of BUAM for the three months ended March 31, 2021 and 2020 and for the six months ended March 31, 2021 and 2020.
99.3	Unaudited pro forma condensed consolidated combined financial information of Blade Air Mobility, Inc. for the year ended September 30, 2020 and for the three months ended December 31, 2020.
104	Cover Page Interactive Data File (formatted in Inline XBRL in Exhibit 101).

SIGNATURES

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

BLADE AIR MOBILITY, INC.

By:	/s/ Melissa M. Tomkiel
Name:	Melissa M. Tomkiel
Title:	President and General Counsel

Date: May 17, 2021

Exhibit 99.1

BLADE URBAN AIR MOBILITY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(in thousands, except share and per share data)

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020	For the Six Months Ended March 31, 2021	For the Six Months Ended March 31, 2020
Revenue	$ 9,273	$ 6,454	$ 17,259	$ 11,677
Operating expenses				
Cost of revenue	7,673	5,831	13,995	11,588
Software development	156	241	342	471
General and administrative	4,803	2,807	8,214	5,815
Selling and marketing	866	923	1,301	1,955
Total operating expenses	13,498	9,802	23,852	19,829
Loss from operations	(4,225)	(3,348)	(6,593)	(8,152)
Other non-operating income (expense)				
Interest income (expense), net	4	(61)	11	30
Total other non-operating income (expense)	4	(61)	11	30
Net loss	$ (4,221)	$ (3,409)	$ (6,582)	$ (8,122)
Weighted average shares outstanding, basic and diluted	12,747,462	12,513,301	12,681,029	12,510,955
Net loss per share, basic and diluted	$ (0.33)	$ (0.27)	$ (0.52)	$ (0.65)

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

BLADE URBAN AIR MOBILITY, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	As of March 31, 2021 (unaudited)	As of September 30, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 7,511	$ 12,162
Restricted cash	415	114
Accounts receivable	1,072	1,092
Prepaid expenses and other current assets	2,114	1,011
Total current assets	11,112	14,379
Non-current assets		
Investment in joint venture	200	200
Other non-current assets	136	107
Intangible assets, net	942	533
Operating right-of-use asset	569	737
Deferred recapitalization costs	3,173	-
Property and equipment, net	1,674	1,759
Total assets	$ 17,806	$ 17,715
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued expenses	$ 4,011	$ 776
Deferred revenue	4,415	3,973
Operating lease liability, current	394	430
Note payable	1,165	1,165
Total current liabilities	9,985	6,344
Non-current liabilities		
Operating lease liability, long-term	125	291
Total liabilities	10,110	6,635
Commitments and Contingencies (Note 9)		
Stockholders' Equity		
Preferred stock - Series Seed, $0.00001 par value, 2,817,000 shares authorized, issued and outstanding at March 31, 2021 and September 30, 2020, respectively.	-	-
Preferred stock - Series A, $0.00001 par value, 6,734,526 shares authorized, 6,734,517 issued and outstanding at March 31, 2021 and September 30, 2020, respectively.	-	-
Preferred stock - Series B, $0.00001 par value, 12,660,000 shares authorized at March 31, 2021 and September 30, 2020, respectively. 12,565,294 shares issued and outstanding at March 31, 2021 and September 30, 2020, respectively.	-	-
Common stock, $0.00001 par value; 50,300,000 authorized; 13,756,294 and 12,592,851 shares issued and outstanding at March 31, 2021 and September 30, 2020, respectively.	-	-
Additional paid in capital	51,416	48,218
Accumulated deficit	(43,720)	(37,138)
Total stockholders' equity	7,696	11,080
Total Liabilities and Stockholders' Equity	$ 17,806	$ 17,715

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

BLADE URBAN AIR MOBILITY, INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED MARCH 31, 2021 AND 2020
(unaudited)
(in thousands, except share and per share data)

	Preferred Stock - Series Seed		Preferred Stock - Series A		Preferred Stock - Series B		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at January 1, 2021	2,817,000	$ -	6,734,517	$ -	12,565,294	$ -	13,693,274	$ -	$ 49,495	$ (39,499)	$ 9,996
Stock option exercise	-	-	-	-	-	-	63,020	-	17	-	17
Stock-based compensation - stock options	-	-	-	-	-	-	-	-	109	-	109
Stock-based compensation - restricted stock	-	-	-	-	-	-	-	-	1,795	-	1,795
Net loss	-	-	-	-	-	-	-	-	-	(4,221)	(4,221)
Balance at March 31, 2021	2,817,000	$ -	6,734,517	$ -	12,565,294	$ -	13,756,294	$ -	$ 51,416	$ (43,720)	$ 7,696
Balance at January 1, 2020	2,817,000	$ -	6,734,517	$ -	12,565,294	$ -	12,513,301	$ -	$ 47,809	$ (31,691)	$ 16,118
Stock-based compensation - stock options	-	-	-	-	-	-	-	-	87	-	87
Net loss	-	-	-	-	-	-	-	-	-	(3,409)	(3,409)
Balance at March 31, 2020	2,817,000	$ -	6,734,517	$ -	12,565,294	$ -	12,513,301	$ -	$ 47,896	$ (35,100)	$ 12,796
Balance at October 1, 2020	2,817,000	$ -	6,734,517	$ -	12,565,294	$ -	12,592,851	$ -	$ 48,218	$ (37,138)	$ 11,080
Issuance of restricted stock	-	-	-	-	-	-	1,085,840	-	-	-	-
Stock option exercise	-	-	-	-	-	-	77,603	-	19	-	19
Stock-based compensation - restricted stock	-	-	-	-	-	-	-	-	2,822	-	2,822
Stock-based compensation - stock options	-	-	-	-	-	-	-	-	357	-	357
Net loss	-	-	-	-	-	-	-	-	-	(6,582)	(6,582)
Balance at March 31, 2021	2,817,000	$ -	6,734,517	$ -	12,565,294	$ -	13,756,294	$ -	$ 51,416	$ (43,720)	$ 7,696
Balance at October 1, 2019	2,817,000	$ -	6,734,517	$ -	12,565,294	$ -	12,502,885	$ -	$ 47,713	$ (26,978)	$ 20,735
Stock option exercise	-	-	-	-	-	-	10,416	-	5	-	5
Stock-based compensation - stock options	-	-	-	-	-	-	-	-	178	-	178
Net loss	-	-	-	-	-	-	-	-	-	(8,122)	(8,122)
Balance at March 31, 2020	2,817,000	$ -	6,734,517	$ -	12,565,294	$ -	12,513,301	$ -	$ 47,896	$ (35,100)	$ 12,796

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

BLADE URBAN AIR MOBILITY, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(in thousands)

	For the Six Months Ended March 31, 2021	For the Six Months Ended March 31, 2020
Cash Flows From Operating Activities:		
Net loss	$ (6,582)	$ (8,122)
Adjustments to reconcile net loss to net cash and restricted cash used in operating activities:		
Depreciation and amortization	265	265
Stock-based compensation	3,179	178
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(1,203)	(429)
Accounts receivable	20	(178)
Other non-current assets	71	90
Operating lease assets/liabilities	(34)	(21)
Accounts payable and accrued expenses	3,235	(1,502)
Deferred revenue	442	375
Net cash used in operating activities	(607)	(9,344)
Cash Flows From Investing Activities:		
Purchase of domain name	(503)	-
Purchase of property and equipment	(86)	(368)
Net cash used in investing activities	(589)	(368)
Cash Flows From Financing Activities:		
Proceeds from the exercise of common stock options	19	5
Deferred recapitalization costs related to the merger	(3,173)	-
Net cash (used in) provided by financing activities	(3,154)	5
Net decrease in cash and cash equivalents and restricted cash	(4,350)	(9,707)
Cash and cash equivalents and restricted cash - beginning	12,276	22,291
Cash and cash equivalents and restricted cash - ending	$ 7,926	$ 12,584
Cash and cash equivalents	$ 7,511	$ 12,467
Restricted cash	415	117
Total	$ 7,926	$ 12,584
Supplemental cash flow information		
Cash paid for:		
Interest	$ -	$ -
Income Taxes	$ -	$ -
Non-cash investing and financing activities		
Adoption of new leases under ASC 842 entered into during the period	$ 12	$ 767

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

Note 1 – Business, Liquidity and Capital Resources

Overview and Management's Plans

Blade Urban Air Mobility, Inc. ("Blade"), a Delaware corporation, was formed on December 22, 2014. On May 21, 2020 and March 21, 2019, Blade formed Blade Urban Ground Mobility LLC, a New York limited liability company and Blade US LLC, a Delaware limited liability company, respectively, as its wholly owned subsidiaries. Blade and its wholly owned subsidiaries (the "Company") have their headquarters in New York, New York.

The Company is committed to providing consumers with a cost effective and time efficient alternative to ground transportation for congested routes. Blade arranges charter and by-the-seat flights across helicopters, jets, turboprops, and amphibious seaplanes operating in various locations throughout the United States. Blade's platform utilizes a technology-powered, asset-light business model. Blade provides transportation to its customers through a network of contracted aircraft operators. Blade does not own, lease or operate its own aircraft.

The Company's asset-light business model was developed to be scalable and profitable using conventional helicopters today while enabling a seamless transition to Electric Vertical Aircraft ("EVA"), or as known within the aerospace community, Electric Vertical Take-Off and Landing aircraft ("eVTOL"), once they are certified for public use. The Company intends to leverage the lower operating costs of EVA versus helicopters to reduce the consumer's price for its flights. Additionally, the Company expects the reduced noise footprint and zero carbon emission characteristics of EVA to allow for the development of new vertical landing infrastructure ("vertiports") in its existing and new markets.

Liquidity and Capital Resources

As of March 31, 2021 and September 30, 2020, the Company's cash on hand was $7,511 and $12,162, respectively. The Company has generated revenues of $9,273 and $6,454 for the three months ended March 31, 2021 and 2020, respectively, and $17,259 and $11,677 for the six months ended March 31, 2021 and 2020, respectively. On account of costs incurred in building its operations and developing its markets, the Company has incurred net losses of $4,221 and $3,409 for the three months ended March 31, 2021 and 2020, respectively, and $6,582 and $8,122 for the six months ended March 31, 2021 and 2020, respectively. As of March 31, 2021, the Company had working capital of $1,127 and stockholders' equity of $7,696. During the six months ended March 31, 2021, cash flows used in operating activities were $607, consisting primarily of a net loss of $6,582 offset by non-cash stock-based compensation charges of $3,179 and an increase in accounts payable and accrued expenses of $3,235. Since inception, the Company has met its liquidity requirements principally through the sale of its convertible preferred stock in private placements.

On December 14, 2020, Blade entered into an Agreement and Plan of Merger (the "Merger Agreement") with Experience Investment Corp. ("Experience"), a Delaware corporation and Experience Merger Sub, Inc., also a Delaware corporation and a wholly-owned subsidiary of Experience ("Merger Sub"), providing for, among other things, and subject to the terms and conditions therein, a business combination between Blade and Experience (the "Merger").

On May 7, 2021, the Company consummated the Merger. Simultaneous with the closing of the Merger, the Company consummated a PIPE financing. The Company received approximately $365,000 in gross proceeds at the time of the Merger with Experience, which included $125,000 in gross proceeds from the PIPE financing.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. Management's opinion is that all adjustments (consisting of normal accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ending September 30, 2021. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended September 30, 2020 and related notes thereto included in our proxy statement/prospectus/consent solicitation statement filed on April 6, 2021.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company balances and transactions have been eliminated in the accompanying consolidated financial statements.

Reclassification

Certain amounts in prior periods related to the classification of disaggregated revenue have been reclassified to conform to current period presentation. These reclassifications had no effect on the previously reported net loss.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience, current business factors, and various other assumptions that the Company believes are necessary to consider to form a basis for making judgments about the carrying values of assets and liabilities, the recorded amounts of revenue and expenses, and the disclosure of contingent assets and liabilities. The Company is subject to uncertainties such as the impact of future events, economic and political factors, and changes in the Company's business environment; therefore, actual results could differ from these estimates. Accordingly, the accounting estimates used in the preparation of the Company's financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment evolves.

Changes in estimates are made when circumstances warrant. Such changes in estimates and refinements in estimation methodologies are reflected in reported results of operations; if material, the effects of changes in estimates are disclosed in the notes to the financial statements. Significant estimates and assumptions by management include the allowance for doubtful accounts, the carrying value of long-lived assets, the carrying value of intangible assets, revenue recognition, contingencies, the provision for income taxes and related deferred tax accounts and the fair value of stock options and other stock-based awards.

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with a maturity of three months or less on their acquisition date as cash and cash equivalents. Restricted cash consists principally of Company funds on deposit with a financial institution, which supports a letter of credit by the financial institution in favor of the Company's obligations to the United States Department of Transportation.

Concentrations

Financial instruments which potentially subject the Company to concentrations of credit risk consists principally of cash amounts on deposit with financial institutions. At times, the Company's cash in banks is in excess of the Federal Deposit Insurance corporation ("FDIC") insurance limit. The Company has not experienced any loss as a result of these deposits.

Major Customers

For the three and six months ended March 31, 2021 and 2020, there was no single customer that generated 10% or more of the Company's revenue.

Most of the Company's customers remit payment in advance of the date of the flight. Accounts receivable consists principally of amounts due from the Company's MediMobility organ transport customers, which are large hospitals that receive terms for payment, along with receivables from our credit card processors. Four of these customers accounted for 28%, 23%, 17% and 14%, respectively, of accounts receivable as of March 31, 2021 and three customers accounted for 36%, 29% and 10%, respectively, of accounts receivable as of September 30, 2020. These concentrations make the Company vulnerable to a near-term severe impact should these relationships be terminated. To limit such risks, the Company performs ongoing credit evaluations of its customers' financial condition.

Major Vendors

No vendor accounted for 10% or more of the Company's purchases from operating vendors for the three months ended March 31, 2021. For the three months ended March 31, 2020, one vendor accounted for 12% of the Company's purchases from operating vendors.

No vendor accounted for 10% or more of the Company's purchases from operating vendors for the six months ended March 31, 2021. One vendor accounted for 15% of the Company's purchases from operating vendors for the six months ended March 31, 2020.

One vendor accounted for 62% of the Company's outstanding accounts payable as of March 31, 2021. One vendor accounted for 26% of the Company's outstanding accounts payable as of September 30, 2020.

Accounts Receivable

Accounts receivable consists principally of amounts due from the Company's MediMobility organ transport customers, which are large hospitals that receive terms for payment. Receivables are reviewed on a regular basis for collectability. Based upon these reviews and historical collection experience, the Company determined that no allowance for uncollectible accounts was required at March 31, 2021 and September 30, 2020.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets includes prepaid insurance, the costs of which are amortized on a straight-line basis over the related coverage periods, prepaid marketing supplies, which are expensed upon usage, and prepayments to aircraft operators, which are expensed based upon flight time. Prepaid marketing supplies were $641 and $512 as of March 31, 2021 and September 30, 2020, respectively.

Note 2 – Summary of Significant Accounting Policies (Continued)

Property, Equipment and Leasehold Improvements

The Company records additions to owned operating property, equipment and leasehold improvements at cost when acquired.

Depreciation and amortization of owned depreciable assets is based on the straight-line method over the assets' estimated useful lives, less estimated residual value, if appropriate, as estimated when placed into service. Leasehold improvements are amortized over the remaining term of the lease, including estimated facility renewal options when renewal is reasonably certain at key airports, or the estimated useful life of the related asset, whichever is less. The Company periodically reviews its owned property, equipment and leasehold improvements for recoverability.

Intangibles

The Company has finite-lived intangible assets. Finite-lived intangible assets are amortized over their estimated useful lives. Research and development costs are expensed as incurred. Following initial recognition of the finite-lived intangible asset, the asset is carried at cost less any accumulated amortization. Amortization of the asset begins when the asset is available for use.

Amortization is recorded in general and administrative expenses on the Company's condensed consolidated statement of operations. The Company periodically reviews its owned intangible assets for recoverability.

Joint Venture

Investments in joint arrangements are classified as joint ventures. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profits and losses. When the Company's share of losses in a joint venture equals or exceeds its interests in the joint venture, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

When the Company's investment in the joint venture does not qualify for accounting under the equity method because the Company does not have sufficient control or influence, then, except as provided for below, the investment in the joint venture would be accounted for at fair value.

Specifically, ASC 321-10-35-2 states, in part, that an entity may measure an equity security without a readily determinable fair value that does not qualify for the practical expedient to estimate fair value in accordance with paragraph 820-10-35-59 at its cost minus impairment, if any. As such, the Company has recorded its investment in the joint venture at cost less impairment, if any (See Note 3).

Long-Lived Asset Impairments

The Company evaluates the carrying value of long-lived assets subject to amortization whenever events or changes in circumstances indicate that an impairment may exist. An impairment charge is recognized when the asset's carrying value exceeds its net undiscounted future cash flows and its fair market value. The amount of the charge is the difference between the asset's carrying value and fair market value.

Note 2 – Summary of Significant Accounting Policies (Continued)

Net Loss per Common Share

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding, plus the impact of common shares, if dilutive, resulting from the exercise of outstanding stock options and the conversion of convertible preferred stock.

Excluded from the calculation of weighted average dilutive common shares for the three and six months ended March 31, 2021 and 2020 were stock options to purchase 13,323,315 and 11,754,833 shares of common stock, respectively, and 22,116,811 shares of Convertible Preferred Stock, because their inclusion would have been anti-dilutive.

Revenue Recognition

The Company recognizes revenue under ASC 606, Revenue from Contracts with Customers. The core principle of the revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods and services transferred to the customer. The following five steps are applied to achieve that core principle:

Step 1: Identify the contract with the customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when the company satisfies a performance obligation

The Company does not have any significant contracts with customers requiring performance beyond delivery.

For passenger revenue, seats or monthly or annual flight passes are typically purchased using the Blade App, and paid for via credit card transactions, wire, check, customer credit and gift cards, with payments principally collected by the Company in advance of the performance of related services. The Company initially records flight sales in its unearned revenue, deferring revenue recognition until the travel occurs. Unearned revenue from gift card purchases is recognized as revenue when a flight is flown or upon the expiration of the gift card. Unearned revenue from the Company's monthly commuter pass and annual pass is recognized ratably over the term of the pass. For travel that has more than one flight segment, the Company deems each segment as a separate performance obligation and recognizes revenue for each segment as travel occurs. Fees charged in association with add-on services or changes or extensions to non-refundable seats sold are considered part of the Company's passenger performance obligation. As such, those fees are deferred at the time of collection and recognized at the time the travel is provided.

As of March 31, 2021 and September 30, 2020, the Company's balance in its deferred revenue is $4,415 and $3,973, respectively. Deferred revenue consists of unearned revenue, prepaid monthly and annual flight passes, customer credits, and gift card obligations. Unearned revenue represents principally the flight revenues received in advance of the actual flight. Customer credits represents unearned revenue for flights reservations that typically were cancelled for good reason by the customer. The customer has one year to use the credit as payment for a future flight with the Company. Gift cards represent prepayment of flight costs. The Company recognizes revenue for expired customer credits upon expiration.

Certain governmental taxes are imposed on the Company's flight sales through a fee included in flight prices. The Company collects these fees and remits them to the appropriate government agency. These fees are excluded from revenue.

The Company's quarterly financial data is subject to seasonal fluctuations. Historically, its third and fourth quarter financial results have reflected higher travel demand, and were better than the first and second quarter financial results.

(amounts in thousands, except share and per share data)

Note 2 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Blade operates in three key lines of business:

- Short Distance – Consisting primarily of flights: (i) between 60 and 100 miles in distance, largely servicing commuters with prices between $595 and $795 per seat (or $295 for monthly commuter pass holders); and (ii) between all New York area airports and dedicated Blade terminals in Manhattan's heliports for $195 per seat (or $95 per seat with the purchase of an annual Airport Pass for $795). (Prices per seat presented at full dollar value and not rounded).

- MediMobility Organ Transport and Jet – Consisting of jet transportation of human organs for transplant, non-medical jet charter and limited, by-the-seat, jet flights between New York and both Miami and Aspen.

- Other – Consists principally of revenues from brand partners for exposure to Blade fliers and certain ground transportation services.

Disaggregated revenue by product line was as follows:

	For the Three Months Ended March 31,	
Product Line	2021	2020
Short distance	$ 1,049	$ 1,787
MediMobility organ transport and jet	7,729	4,588
Other	495	79
Total Revenue	$ 9,273	$ 6,454

	For the Six Months Ended March 31,	
Product Line	2021	2020
Short distance	$ 3,179	$ 5,138
MediMobility organ transport and jet	13,253	6,453
Other	827	86
Total Revenue	$ 17,259	$ 11,677

Advertising

Advertising costs, which are included in selling and marketing expenses, are expensed as incurred. Advertising costs were $517 and $440 for the three months ended March 31, 2021 and 2020, respectively. Advertising costs were $710 and $881 for the six months ended March 31, 2021 and 2020, respectively.

Cost of Revenue

Cost of revenue consists principally of flight costs paid to operators of aircraft under contractual arrangements with Blade and landing fees.

Software Development Costs for Internal Use

Costs incurred for the development of the Company's internal use software are expensed as incurred.

Note 2 – Summary of Significant Accounting Policies (Continued)

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation - Stock Compensation" ("ASC 718"). ASC 718 establishes accounting for stock-based awards exchanged for employee and consultant services. Under the provisions of ASC 718, stock-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognized as expense over the employee's requisite service period (generally the vesting period of the equity grant). The fair value of the Company's stock options are estimated using the Black Scholes option-pricing model with the following assumptions: fair value of the Company's common stock, expected volatility, dividend rate, risk free interest rate and the expected life. The Company utilized a third party to determine the fair value of the Company's common stock. The Company calculates the expected volatility using the historical volatility for a pool of peer companies over the most recent period equal to the expected term and evaluates the extent to which available information indicate that future volatility may differ from historical volatility. The expected dividend rate is zero as the Company does not expect to pay or declare any cash dividends on its common stock. The risk-free rates for the expected terms of the stock options are based on the U.S. Treasury yield curve in effect at the time of the grant. The Company has not experienced significant exercise activity on stock options. Due to the lack of historical information, the Company determined the expected term of its stock option awards issued using the simplified method. The simplified method assumes each vesting tranche of the award has a term equal to the midpoint between when the award vests and when the award expires.

Restricted stock awards are granted at the discretion of the Company's Board of Directors. These awards are restricted as to the transfer of ownership and generally vest over the requisite service period, typically over a 12 month period.

Recently Issued and Adopted Accounting Pronouncements

In December 2019, FASB issued ASU 2019-12 Simplification of Income Taxes (Topic 740) Income Taxes. ASU 2019-12 simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify U.S. GAAP for other areas of Topic 740 by clarifying and amending existing guidance. ASU 2019-12 is effective for public companies for annual periods beginning after December 15, 2020, including interim periods within those fiscal years. The standard will apply as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Company is in the process of evaluating the impact of the adoption of ASU 2019-12 on the Company's financial statements and disclosures.

In August 2020, the FASB issued ASU No. 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging— Contracts in Entity's Own Equity (Subtopic 815-40)." The objective of this update is to simplify the accounting for convertible preferred stock by removing the existing guidance in ASC 470-20, "Debt: Debt with Conversion and Other Options," that requires entities to account for beneficial conversion features and cash conversion features in equity, separately from the host convertible debt or preferred stock. The guidance in ASC 470-20 applies to convertible instruments for which the embedded conversion features are not required to be bifurcated from the host contract and accounted for as derivatives. In addition, the amendments revise the scope exception from derivative accounting in ASC 815-40 for freestanding financial instruments and embedded features that are both indexed to the issuer's own stock and classified in stockholders' equity, by removing certain criteria required for equity classification. These amendments are expected to result in more freestanding financial instruments qualifying for equity classification (and, therefore, not accounted for as derivatives), as well as fewer embedded features requiring separate accounting from the host contract. This amendment also further revises the guidance in ASU 260, "Earnings per Share," to require entities to calculate diluted earnings per share (EPS) for convertible instruments by using the if-converted method. In addition, entities must presume share settlement for purposes of calculating diluted EPS when an instrument may be settled in cash or shares. The amendments in ASU 2020-06 are effective for fiscal years beginning after December 15, 2023, with early adoption permitted. The Company does not expect the adoption of ASU 2020-06 to have a significant impact on its consolidated financial statements.

Note 2 – Summary of Significant Accounting Policies (Continued)

Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date and up to the date that the financial statements were available to be issued. See Notes 8 and 12 for all subsequent events noted through the date the financial statements were available to be issued for more details.

Note 3 – Investment in Joint Venture

On March 24, 2019, and as amended on February 25, 2020, the Company entered into a joint venture agreement and a license agreement (the "First Amended Joint Venture and License Agreements") with Hunch Ventures and Investments Private Limited, a private limited company incorporated under the laws of India ("Hunch") and FlyBlade India Private Limited, a company incorporated and validly existing under the provisions of the Companies Act, 2013 ("FlyBlade India"), whereby the Company and Hunch initially invested $200 for 10% interest and $1,800 for 90% interest, respectively, for undertaking the business of FlyBlade India. Subsequently, upon the issuance of additional shares to Hunch in exchange for additional investment by Hunch, the Company's interest fell below 10%. Pursuant to the First Amended Joint Venture and License Agreements, the Company and Hunch agreed to establish FlyBlade India as a joint venture and support it in carrying on the business operations. The Company agreed to provide the licensed IP support related to the software developed for short distance aviation services along with its trademarks in exchange for quarterly royalty payments of four percent (4%) of Gross Revenue for the period where Gross Revenue was up to $10,000 in a calendar year, quarterly royalty payments of three percent (3%) on Gross Revenue in excess of $10,000 and up to $40,000 in a calendar year, and quarterly royalty payments of one and half percent (1.5%) on Gross Revenue exceeding $40,000 (collectively, the "Royalties") in a calendar year. In addition to the Royalties, the Company could receive three percent (3%) of FlyBlade India's profits before tax in each year that FlyBlade India attained a minimum of $3,500 in annual profits before income tax. Hunch agreed to provide support in carrying out the day to day operations, including the implementation of the business plan and hiring of personnel, ensuring compliance with local requirements and assisting with legal arrangements as needed by the business. For the three and six months ended March 31, 2021, the Company recorded royalty revenue of $19 and $19, respectively, under this arrangement.

In accordance with the First Amended Joint Venture and License Agreements, FlyBlade India was permitted to have a total of five directors, three of which were permitted to be appointed by Hunch and provided that Blade held at least a 10% interest, a single director was permitted to be appointed by the Company. Based upon Blade having less than ten percent (10%) interest on March 31, 2021, Blade held no board seat and lacked the power to appoint members of the FlyBlade India executive management team. As such, the Company is viewed as having minimal influence and control over FlyBlade India. As of March 31, 2021, the Company's investment in the joint venture is recorded at cost.

The Company determined that it does not control the joint venture and therefore was not required to consolidate. In addition, Blade does not have sufficient control to influence and as such the equity method is not appropriate. The investment should be recorded at fair value. However, the Company elected the practicability exception to fair value measurement because the equity security does not have a readily determinable fair value. Accordingly, the Company has recorded the investment at cost less impairment if any. Based upon a qualitative assessment, the Company has determined that the investment should not be impaired. Qualitative considerations included an evaluation of the COVID-19 pandemic delays to the start-up of flight operations in India. Both Hunch and Blade Urban Air remain committed to the start of operations and discussions are underway with third parties to raise the next round of equity capital for the joint venture. As such, no impairment was warranted as of March 31, 2021.

As of March 31, 2021 and September 30, 2020, other non-current assets included amounts due from Blade India of $100 and $73, respectively.

Note 4 – Intangible Assets

Purchase of Customer List – Underhill

On March 8, 2019, the Company purchased a customer list from Underhill Holdings, LLC, doing business as Fly the Whale, a seaplane operator that previously competed with Blade on one route between Manhattan and Long Island ("Underhill"). Underhill agreed to refrain from marketing its by-the-seat services to the customer names sold to Blade and refrain from offering by-the-seat services that are competitive with Blade. The Company paid Underhill $250 in cash for this customer list. Blade is amortizing the customer list using the straight-line method over its estimated useful life of five years. Blade has other pre-existing arrangements with Underhill, including capacity agreements for the utilization of certain amphibious seaplane and helicopter operator activities (See Note 9).

(amounts in thousands, except share and per share data)

Purchase of Blade Domain

On December 16, 2020, the Company purchased the website domain "Blade.com" for $503 in cash. Blade has recorded the purchase of the domain as an indefinite lived intangible asset, subject to impairment testing at least annually. As of March 31, 2021, the Company did not deem impairment of its website domain necessary.

Intangible Assets

The following table presents information about the Company's intangible assets at:

		March 31, 2021			September 30, 2020		
Intangible assets	Estimated useful life	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Customer list	5 years	$ 942	$ (507)	$ 435	$ 942	$ (414)	$ 528
Domain name	Indefinite	503	-	503	-	-	-
Trademarks	10 years	6	(2)	4	6	(1)	5
Total		$ 1,451	$ (509)	$ 942	$ 948	$ (415)	$ 533

For the three months ended March 31, 2021 and 2020 amortization of its finite-lived intangible assets were $47 and $48, respectively. For the six months ended March 31, 2021 and 2020 amortization of its finite-lived intangible assets were $94 and $94, respectively.

Note 5 – Right-of-Use Asset and Operating Lease Liability

The Company has entered into operating leases consisting principally of its airport terminals.

For contracts entered into by the Company, at the inception of a contract, the Company will assess whether the contract is, or contains, a lease. The Company's assessment is based on: (i) whether the contract involves the use of a distinct identified asset, (ii) whether the Company obtained the right to substantially all the economic benefit from the use of the asset throughout the period, and (iii) whether the Company has the right to direct the use of the asset.

Note 5 – Right-of-Use Asset and Operating Lease Liability (Continued)

The Company generally uses its incremental borrowing rate as the discount rate for leases, unless an interest rate is implicitly stated in the lease. The Company's incremental borrowing rate used for all leases under ASC 842 was 5.00%, the rate of interest that the Company would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term. The lease term for the Company's leases include the noncancellable period of the lease plus any additional periods covered by either a Company option to extend the lease that the Company is reasonably certain to exercise, or an option to extend the lease controlled by the lessor. ROU assets, once recorded, are reviewed for impairment.

Lease expense for operating leases consist of the lease payments plus any initial direct costs and is recognized on a straight-line basis over the lease term.

Balance sheet information related to the Company's leases is presented below:

	As of	
Operating leases:	March 31, 2021	September 30, 2020
Operating right-of-use asset	$ 569	$ 737
Operating lease liability, current	394	430
Operating lease liability, long term	125	291

The following provides details of the Company's lease expense:

Lease cost	For the Three Months Ended March 31,		For the Six Months Ended March 31,	
	2021	2020	2021	2020
Short-term lease cost	$ 12	$ 8	$ 52	$ 30
Operating lease cost	115	138	227	182
Total	$ 127	$ 146	$ 279	$ 212

Other information related to leases is presented below:

	As of March 31, 2021	As of September 30, 2020
Weighted-average discount rate – operating lease	5.00%	5.00%
Weighted-average remaining lease term – operating lease (in months)	16	21

Note 5 – Right-of-Use Asset and Operating Lease Liability (Continued)

As of March 31, 2021, the expected annual minimum lease payments of the Company's operating lease liabilities and other short-term leases were as follows:

For the Years Ended September 30,		
2021 (six months)	$	233
2022		270
2023		36
Total future minimum lease payments, undiscounted		539
Less: Imputed interest for leases in excess of one year		20
Present value of future minimum lease payments	$	519
Present value of future minimum lease payments - current	$	394
Present value of future minimum lease payments - non-current	$	125

Note 6 – Note Payable

On April 8, 2020, the Company entered into a note evidencing an unsecured loan ("PPP Loan") in the principal amount of $1,165 pursuant to the Paycheck Protection Program ("PPP") under the Coronavirus Aid Relief and Economic Security Act ("CARES Act"). The PPP Loan is administered by the U.S. Small Business Administration and the Company's loan was made through JP Morgan Chase Bank. The PPP Loan bears interest at a fixed interest rate of zero point ninety-eight (0.98 %) percent per year and matures in two (2) years after the issuance date. Payment of interest is deferred through September 2021. After that date, the Company is required to make 18 payments of equal monthly installments of principal and interest, including the deferred interest,with the final payment due in February 2023. The PPP Loan provides for customary events of default including, among other things, cross-defaults on any other loan with JP Morgan Chase Bank. The PPP Loan may be accelerated upon the occurrence of an event of default. The PPP Loan may be prepaid by the Company at any time with no prepayment penalties applied. As of March 31, 2021, the Company had not made any payments on its PPP Loan.

The proceeds of the PPP Loan may be used for payroll costs, costs related to certain group health care benefits, rent payments, utility payments, mortgage interest payments, interest payments on other debt obligation that were incurred before February 15, 2021.

The PPP Loan is guaranteed by the United States Small Business Administration ("SBA"). Under the terms of the CARES Act, the PPP Loan recipients can apply for and be granted forgiveness for all or a portion of a loan granted under the PPP, and any accrued interest, with such forgiveness to be determined subject to limitations based on the use of loan proceeds for payment of payroll costs and any payments of mortgage, interest, rent and utilities. The terms of any forgiveness may be subject to further requirements in any regulations and guidelines the SBA may adopt. The Company's current plans are to not seek loan forgiveness and to repay the loan.

For the three and six months ended March 31, 2021, the Company recorded interest expense of $3 and $6, respectively, which is included in interest income (expense), net on the Company's condensed consolidated statement of operations.

As of March 31, 2021 the balance of $1,165 was reflected as notes payable on the condensed consolidated balance sheet.

On May 7, 2021, the Company repaid the PPP Loan in full.

Blade Urban Air Mobility, Inc. and Consolidated Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Note 7 – Stock-Based Compensation

Option Awards

On December 14, 2020, the Board of Directors granted an option for the purchase of 15,000 shares of the Company's common stock to an employee of the Company. The option, which was granted under the Company's 2015 Equity Incentive Plan, had an exercise price of $7.28 per share and a term of 10 years. The option had a grant date fair value of $4.00 and vests over 48 months.

Option Award Valuation Assumptions

The Company determined the fair value of stock options granted during the six months ended March 31, 2021 based upon the assumptions as provided below.

Stock price	$	7.28
Exercise price	$	7.28
Dividend yield		0%
Expected volatility		60%
Risk-Free interest rate		0.63%
Expected life (in years)		6.08

Stock Option Modification

Stock options granted under the 2015 Equity Incentive Plan shall vest over a period of time as previously determined by the Board of Directors, subject to the option holder's continuous service through each applicable vesting date. Consummation of the Merger will not automatically cause the vesting of options under the 2015 Equity Incentive Plan, but the Company's Board of Directors provided that the vesting of all outstanding options under the 2015 Equity Incentive Plan that are held by current employees or other service providers will be accelerated upon the consummation of the Merger Agreement. Under ASC 718, the Company treated this event as a modification of these stock option awards. The Company determined that the increase in fair value of the number was immaterial, and as such, no additional cost was recognized.

(amounts in thousands, except share and per share data)

Note 7 – Stock-Based Compensation (Continued)

Stock Option Awards

Following is a summary of stock option activities for the six months ended March 31, 2021:

	Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Life (years)
Outstanding – October 1, 2020	13,543,398	$ 0.14	$ 0.15	6.8
Granted	15,000	7.28	4.00	
Exercised	(77,603)	0.24	0.18	
Forfeited	(157,480)	0.18	0.09	
Outstanding – March 31, 2021	13,323,315	$ 0.14	$ 0.15	6.3
Exercisable as of March 31, 2021	9,595,015	$ 0.14	$ 0.14	5.5

For the three months ended March 31, 2021 and 2020, the Company recorded $109 and $87 in stock option expense. For the six months ended March 31, 2021 and 2020, the Company recorded $357 and $178 in stock option expense. The fair value of stock options is amortized on a straight line basis over the requisite service periods of the respective awards. As of March 31, 2021, the unamortized value of stock options was $704. As of March 31, 2021, the weighted average remaining amortization period was 1.0 year.

Restricted Stock

On December 14, 2020, the Company granted an aggregate of 1,015,840 shares of the Company's restricted stock to various employees, officers, directors, consultants and service providers under the 2015 Equity Incentive Plan and 70,000 shares of the Company's restricted stock to a director outside the 2015 Equity Incentive Plan. The shares have various vesting dates, ranging from vesting on the grant date to as late as one year from the date of grant.

	Shares of Restricted Stock	Weighted Average Grant Date Fair Value
Non-vested – October 1, 2020	-	$ -
Granted	1,085,840	7.28
Vested	(100,000)	7.28
Non-vested – March 31, 2021	985,840	$ 7.28

For the three months ended March 31, 2021 and 2020, the Company recorded $1,795 and $0 in employee and officers restricted stock compensation expense. For the six months ended March 31, 2021 and 2020, the Company recorded $2,822 and $0 in employee and officers restricted stock compensation expense. As of March 31, 2021, unamortized stock-based compensation costs related to restricted share arrangements was $5,082 and will be recognized over a weighted average period of 0.71 years.

Note 7 – Stock-Based Compensation (Continued)

Stock-Based Compensation Expense

Stock-based compensation expense for stock options and restricted stock in the condensed consolidated statements of operations is summarized as follows:

	For the Three Months Ended March 31,	
	2021	2020
Software development	$ 71	$ 6
General and administrative	1,833	75
Selling and marketing	-	6
Total stock-based compensation expense	$ 1,904	$ 87

	For the Six Months Ended March 31,	
	2021	2020
Software development	$ 88	$ 12
General and administrative	3,091	154
Selling and marketing	-	12
Total stock-based compensation expense	$ 3,179	$ 178

Fair Value of Common Stock

In order to determine the fair value of its common stock, the Company evaluated the transaction price determined in its Merger Agreement (as defined in Note 11) with

Experience. The Company used the total consideration provided for in the Merger Agreement divided by its fully diluted outstanding shares, to compute an assumed valuation of $7.28 per common share.

Note 8 – Related Party Transactions

The Company contracts for certain air charter services with Underhill, a related party. The Company paid Underhill approximately $312 and $379 for each of the three months ended March 31, 2021 and 2020, and $939 and $959 for each of the six months ended March 31, 2021 and 2020, respectively, for air charter services. The rates charged by Underhill for these air charter services are comparable to those that could be obtained in an arm's-length transaction with an unrelated third party. Through January 20, 2021, Melissa Tomkiel, the Company's President and General Counsel, had a 20% interest in Underhill. On January 23, 2021, Ms. Tomkiel and Underhill entered into an agreement under which one half of Ms. Tomkiel's interest was immediately transferred back to Underhill and under which pursuant to the satisfaction of certain conditions by Underhill, Ms. Tomkiel's interest will be fully transferred to Underhill. On April 8, 2021, those conditions were satisfied and Ms. Tomkiel's remaining interest was transferred to Underhill.

Note 9 – Commitments and Contingencies

Capacity Purchase Agreements

Blade has contractual relationships with various aircraft operators to provide aircraft service. Under these Capacity Purchase Agreements ("CPAs"), the Company pays the operator contractually agreed fees (carrier costs) for operating these flights. The fees are generally based on fixed hourly rates for flight time multiplied by hours flown. Under these CPAs, the Company is also responsible for landing fees and other costs, which are either passed through by the operator to the Company without any markup or directly incurred by the Company.

As of March 31, 2021, the Company has a remaining unfulfilled obligation for the years ended September 30, 2021 and 2022 under agreements with operators to purchase flights with an aggregate value of approximately $181 and $2,271, respectively.

Legal and Environmental

From time to time, we may be a party to litigation that arises in the ordinary course of business. Other than described below, we do not have any pending litigation that, separately or in the aggregate, would, in the opinion of management, have a material adverse effect on its results of operations, financial condition or cash flows. As of March 31, 2021, management believes, after considering a number of factors, including (but not limited to) the information currently available, the views of legal counsel, the nature of contingencies to which the Company is subject and prior experience, that the ultimate disposition of these other litigation and claims will not materially affect the Company's consolidated financial position or results of operations. The Company records liabilities for legal and environmental claims when a loss is probable and reasonably estimable. These amounts are recorded based on the Company's assessments of the likelihood of their eventual disposition.

On February 9, 2021, an individual complaint captioned, Digennaro v. Experience Investment Corp., et al. (No. 020921-104) was filed in New York state court. The complaint names Experience Investment Corp.; its Chief Executive Officer, Mr. Eric Affeldt; and its directors Mr. Martin J. Newburger, Mr. Brian C. Witherow, Mr. Rafael Pastor, Mr. Edward Philip, Experience Merger Sub, Inc. and Blade Urban Air Mobility, Inc. The complaint asserts claims for breach of fiduciary duty against Experience's officer and directors and aiding and abetting breach of fiduciary against the entities in connection with alleged material misstatements and omissions made in the Company's Form S-4, filed January 29, 2021. The complaint seeks, inter alia, injunctive relief enjoining or rescinding the Transaction, injunctive relief directing the filing of an amended registration statement, and damages.

On April 1, 2021, Shoreline Aviation, Inc. filed an Amended Complaint in the United States District Court for the Eastern District of New York naming Cynthia L. Herbst, Sound Aircraft Flight Enterprises, Inc., Ryan A. Pilla, Blade Urban Air Mobility, Inc., Robert Wiesenthal and Melissa Tomkiel as defendants. The case is captioned Aviation, Inc. v. Sound Aircraft Flight Enterprises, Inc. et al., No. 2:20-cv-02161-JMA-SIL (E.D.N.Y.). The complaint alleges, among other things, claims of misappropriation, violation of the Defend Trade Secrets Act, unfair competition, tortious interference with business relations, constructive trust, tortious interference with contract, and aiding and abetting breach of fiduciary duty against Blade, Robert Wiesenthal and Melissa Tomkiel (together the "Blade Defendants"). Claims against the Blade Defendants relate to the May 2018 Asset Purchase Agreement between Blade and Sound Aircraft Flight Enterprises, Inc. ("SAFE") and Cindy Herbst, pursuant to which Blade purchased SAFE's complete customer list, including names, contact information and customer flight histories. The complaint demands compensatory and consequential damages in excess of $13 million relating to the claims against the Blade Defendants, as well as punitive damages, certain equitable remedies, interest and attorneys' fees and costs. The Company believes the outcome would not result in a material contingency.

As of March 31, 2021, the Company has not accrued for any contingencies related to the above legal proceedings.

Note 10 – COVID-19 Risks and Uncertainties

COVID-19, which was declared a global health pandemic by the World Health Organization in March 2020, has driven the implementation and continuation of significant, government-imposed measures to prevent or reduce its spread, including travel restrictions, "shelter in place" orders and business closures. Consequently, the Company has experienced a decline in the demand for its passenger services due to travel restrictions significantly reducing the number of commercial airline passengers and office closures that required many people to work from home. As a result of this decline, the Company paused its airport service beginning in March 2020 and significantly reduced the number of its Northeast commuter flights. In addition, the Company did not renew certain agreements with its operators for some charter services that were in effect prior to COVID-19. Despite the decline in its core business, the Company saw an increase in demand for its MediMobility organ transport and jet business during the pandemic. The Company believes that its flights on jet aircraft, operating from private terminals with no more than 16 passengers (to avoid commercial airport terminals), appealed to its fliers. The Company also launched BLADE Essential Ground Connect, the Company's ground transportation service, during the pandemic and Blade implemented new measures to focus on the personal safety of its air and ground passengers.

Additionally, the Company implemented measures to focus on the personal safety of its passengers. These measures include, but are not limited to, the following: (i) enhanced aircraft cleaning procedures, including electrostatic decontamination of aircraft between flights; (ii) checking temperature and blood oxygen saturation levels upon check in for all passengers at BLADE terminals; (iii) requiring proof of a negative COVID-19 test result administered within 48 hours prior to departure for all shared jet flights; and (iv) requiring onsite COVID-19 testing or proof of a negative COVID-19 test result administered within 48 hours prior to departure for all scheduled jet flights.

With respect to its service, the Company enforces enhanced health and safety protocols among the fleet of vehicles it uses for this service, including equipping all vehicles with partitions between the passengers and driver, conducting temperature and blood oxygen level checks on the drivers, and deep cleaning the vehicles before and after each trip.

With the reduction in revenue, the Company has implemented cost savings initiatives, such as delaying non-essential projects and reducing or suspending other discretionary spending.

Note 11 – Merger Agreement

On May 7, 2021, the Merger between Blade and Experience was consummated. Pursuant to the Merger Agreement, at the closing date of the Merger, the outstanding shares of Blade common stock and preferred stock were cancelled and converted into (a) 10,024,296 shares of New Blade Class A Common Stock for each outstanding share of Blade common stock, par value $0.00001 per share, (including shares that were subject to vesting conditions) outstanding as of the closing date , (b) 16,101,172 shares of New Blade Class A Common Stock for each outstanding share of Blade Series Seed Preferred Stock, Blade Series A Preferred Stock and Blade Series B Preferred Stock, each par value $0.00001 per share, outstanding as of the closing date (collectively, the “Blade Preferred Stock” and together with the Blade Common Stock, the “Blade Stock”) and/or (c) 9,689,826 options to purchase a number of shares of New Blade Class A Common Stock at an exercise price calculated pursuant to the Merger Agreement for each option to acquire Blade Common Stock outstanding as of the closing date (each, a “Blade Option”), as calculated pursuant to the Merger Agreement.

Simultaneous with the closing of the Merger, on May 7, 2021, the Company completed a PIPE financing, whereby the Company received $125,000 in exchange for 12,500,000 shares of New Blade Class A Common Stock.

Immediately after giving effect to the Merger and the PIPE financing, there were 78,903,021 shares of New Blade Class A Common Stock and 14,166,667 New Blade Warrants outstanding. New Blade’s Class A Common Stock and New Blade’s Warrants trade on The Nasdaq Stock Market (“Nasdaq”) under the symbols “BLDE” and “BLDEW,” respectively.

Exhibit 99.2

BLADE'S MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the financial condition and results of operations of Blade Urban Air Mobility, Inc., a Delaware corporation ("Blade," the "Company," "we," "us" and "our") should be read together with our unaudited condensed consolidated interim financial statements as of March 31, 2021 and September 30, 2020 and for the three-month and six-month periods ended March 31, 2021 and 2020, together with related notes thereto, and our pro forma financial information as of and for the three-month period ended December 31, 2020 included elsewhere in this amendment to our current report on Form 8-K, which was originally filed with the SEC on May 13, 2021 (as originally filed, the "Original Report" and, as amended hereby, "Amendment No. 1"). The discussion and analysis should also be read together with our audited consolidated financial statements for the years ended September 30, 2020 and 2019 and the sections entitled "Business of Blade" and "Blade's Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference into the Original Report. The following discussion contains forward-looking statements. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those discussed in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward Looking Statements" in the Original Report, including information incorporated by reference therein.

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the section titled "Blade's Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated by reference into the Original Report.

Overview

Blade is a technology-powered, global air mobility platform. We provide consumers with a cost-effective and time-efficient alternative to ground transportation for congested routes, predominantly within the Northeast United States, through our helicopter, amphibious seaplane and fixed-wing transportation services. Our platform utilizes a technology-powered, asset-light business model, which was developed to be scalable and profitable using conventional helicopters today while enabling a seamless transition to Electric Vertical Aircraft ("EVA"), once they are certified for public use. Blade currently operates in three key lines of business:

- *Short Distance* — Consisting primarily of flights: (i) between 60 and 100 miles in distance, largely servicing commuters for prices between $595 and $795 per seat (or $295 for monthly commuter pass holders); and (ii) between all New York area airports and dedicated Blade terminals in Manhattan's heliports for $195 per seat (or $95 per seat with the purchase of an annual Airport Pass for $795).

- *MediMobility Organ Transport and Jet* — We believe Blade is one of the largest air transporters of human organs for transplant in the Northeast United States, in most cases reducing the costs and transport time for hospitals versus legacy competitors. Organ movements are expected to be one of the first uses of EVA, given light payloads, short distances involved in "last mile" transfers between airports and hospital helipads, and missions that can be flown without passengers. This business line also includes non-medical jet charter and limited, by-the-seat jet flights between New York and both Miami and Aspen.

- *Other* — Consists principally of revenues from brand partners for exposure to Blade fliers and certain ground transportation services.

Blade's first international joint venture launched helicopter services in late 2019 in India, flying between Mumbai, Pune and Shirdi.

Our Business Model

Blade leverages an asset-light business model: we neither own nor operate aircraft. Pilots, maintenance, hangar, insurance and fuel are all costs borne by our network of operators, which provide aircraft to Blade at fixed hourly rates. This enables our operator partners to focus on training pilots, maintaining aircraft and flying, while we schedule flights based on demand analysis and maintain the relationship with the flier from booking through flight arrival. Blade takes the economic risk of aggregating fliers to optimize flight profitability, providing predictable margins for our operators.

We typically pre-negotiate fixed hourly rates and flight times with our aircraft operators, paying only for flights actually flown, creating a predictable and flexible cost structure. Our costs are variable based on how many flights we offer, so if demand recedes, we are able to adjust our supply requirements accordingly by using fewer operators and reducing our by-the-seat flights. Depending on the maturity of the routes an operator is servicing, Blade will sometimes provide an annual guaranteed number of flight hours to the aircraft operators.

Our asset-light business model was developed to be scalable and profitable using conventional helicopters today while enabling a seamless transition to EVA, once they are certified for public use. We intend to leverage the lower operating costs of EVA versus helicopters to reduce the consumer's price for our flights. Additionally, we expect the reduced noise footprint and zero carbon emission characteristics of EVA to allow for the development of new vertical landing infrastructure ("*vertiports*") in our existing and new markets.

Key Business Metric

We collect, measure, and evaluate operating and financial data of our business to evaluate our performance, measure our progress, and make strategic decisions. The following table reflects the key operating metric we use to evaluate our business:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2021	2020	2021	2020
Seats flown – all flights	2,936	4,988	5,882	12,278

We define "Seats flown — all flights" as the total number of seats occupied by paying passengers on all flights, whether sold by-the-seat or within a charter arrangement. Our long-term strategy is primarily focused on growth in by-the-seat products and we believe that "Seats flown — all flights" is an important indicator of our progress in executing on this growth strategy. This metric is not always directly correlated with revenue given the significant variability in the price we charge per seat flown across our various products and routes. For products and routes sold by-the-seat, we fly significantly more passengers at a low price per seat; growth in these areas is captured by "Seats flown — all flights," but not necessarily in revenue, which is heavily influenced by our organ transplant and jet product line where we typically fly fewer or sometimes no passengers over long distances at a high price. We believe the "Seats flown — all flights" metric is useful to investors in understanding the overall scale of our business and trends in the number of passengers paying to use our service.

Recent Developments

Completion of Merger

On May 7, 2021, we completed our previously announced business combination with Experience Investment Corp ("EIC"). We received approximately $365 million in gross proceeds at the time of the merger with EIC, which includes $125 million in gross proceeds from a fully committed PIPE financing that closed concurrently. After payment of fees and expenses associated with the merger, we expect to have approximately $345 million of cash. Following merger closing, the combined company will be known as Blade Urban Air Mobility and its class A common stock and warrants will trade on Nasdaq under the ticker symbols "BLDE" and "BLDEW", respectively.

Impact of COVID-19

COVID-19, which was declared a global health pandemic by the World Health Organization in March 2020, has driven the implementation and continuation of significant government-imposed measures to prevent or reduce its spread, including travel restrictions, "shelter in place" orders, and business closures. We experienced a substantial decline in the demand for some of our passenger services due to travel restrictions that significantly reduced the number of commercial airline passengers and office closures that required many people to work from home, lowering commuter demand.

As a result of this decline, we paused our New York airport service beginning in March 2020 and significantly reduced the number of Northeast commuter flights we offered in the typically high-demand summer season. Despite the reduction in volume, our cost of revenue on a per flight basis remained generally consistent with 2019 for our by-the-seat routes. In addition, we did not renew agreements with certain of our operators for charter services, although we continue to do business with some of them. Despite the decline in our Short distance business, we saw an increase in demand for our MediMobility organ transport and jet services during the pandemic. We also launched BLADE Essential Ground Connect, our ground transportation service, during the pandemic and we implemented new measures to focus on the personal safety of our air and ground passengers.

With the reduction in commercial flight volumes, and the persistence of city-wide lockdowns in our core markets, we implemented cost savings initiatives, such as delaying non-essential projects and reducing or suspending other discretionary spending. Many of our landlords allowed us to defer rent for up to three months. On April 8, 2020, we received a loan in the principal amount of approximately $1.2 million through the Paycheck Protection Program under the CARES Act, which we used to help sustain our employee payroll costs and rent. We repaid the loan in full on May 7, 2021.

The ultimate impact of the current COVID-19 pandemic, or a similar health crisis, is highly uncertain and subject to change. Despite the expected distribution of vaccines against the virus in 2021, adverse developments related to the pandemic, such as delays in vaccine distribution and administration, the emergence of new viral strains that are not responsive to the vaccine, or a continued lack of demand for travel from the public, could postpone our ability to resume more frequent services.

Key Factors Affecting our Performance

Ability to attract and retain fliers

Our success depends in part on our ability to cost-effectively attract new fliers, retain existing fliers and increase utilization of our services by current fliers. Historically, we have made, and expect that we will need to continue to make, significant investments and implement strategic initiatives in order to attract new fliers, such as flier acquisition campaigns and the launching of new scheduled routes. These investments and initiatives may not be effective in generating sales growth or profits. Moreover, if fliers do not perceive our urban air mobility services to be reliable, safe and cost-effective, or if we fail to offer new and relevant services and features on our platform, we may not be able to attract or retain fliers or increase their utilization of our platform.

Expansion into New Geographic Markets

Our growth plan is focused on dense urban areas, primarily those with existing air transportation infrastructure in the Northeast and on the West Coast, that are facing increasing ground congestion. In these areas, Blade's urban air mobility services can provide the most time savings for our fliers and, given the short distances involved, costs for our services can be comparable to luxury private car services. In addition, EVA may be commercially viable sooner in these markets given that battery technology constraints may limit the range of early models. Large urban markets with existing heliport infrastructure should be able to accommodate EVA while other cities may need several years to permit and build such infrastructure. In addition to these domestic target markets, we will continue to explore international markets through joint ventures, as in India. The number of potential fliers using our urban air mobility services in any of these markets cannot be predicted with any degree of certainty, and we cannot assure you that we will be able to operate in a profitable manner in any of our current or targeted future markets.

Growth of our business will require significant investments in our infrastructure, technology and marketing and sales efforts. Historically, cash flow from operations has not been sufficient to support these needs. If our business does not generate the level of available cash flow required to support these investments, our results of operations will be negatively affected. Further, our ability to effectively manage growth and expansion of our operations will also require us to enhance our operational systems, internal controls and infrastructure, human resources policies and reporting systems. These enhancements will require significant capital expenditures and allocation of valuable management and employee resources.

Development, approval and acceptance of EVA for passenger travel

We intend to leverage the expected lower operating costs of EVA versus helicopters to reduce the consumer's price for our flights. Additionally, we expect the reduced noise footprint and zero carbon emission characteristics of EVA to allow for the development of new vertical landing infrastructure ("*vertiports*") in our existing and new markets. However, manufacturers, individual operators that will purchase EVA, and pilots must receive requisite approvals from federal transportation authorities before EVA can fly passengers. No EVA aircraft are currently certified by the FAA for commercial operations in the United States, and there is no assurance that research and development will result in government certified aircraft that are market-viable or commercially successful in a timely manner or at all.

We believe that Blade is well positioned to introduce EVA into commercial service, once available, for a number of reasons. We believe our existing short-distance routes are compatible with EVA, which are expected initially to have a limited range, and our existing terminal space will accommodate EVA. Blade's unit economics are designed to be profitable using either helicopters or EVA, even if early EVA does not deliver significant cost savings relative to helicopters. Moreover, Blade's asset-light business model and technology platform are operator and aircraft agnostic, enabling a seamless transition to EVA.

Seasonality

Historically, we experienced seasonality with flight volume peaking during the third and fourth fiscal quarters of each fiscal year due to the busy summer travel season, with lower volume during the first and second fiscal quarters. In calendar year 2020, we experienced less seasonality as a result of the COVID-19 pandemic and related restrictions, which altered typical travel patterns. Blade's expansion strategy is focused on routes with significantly less seasonality, such as intercity transfers, airport, and year-round commuter routes. Thus, we expect that seasonality in revenue will decrease as our business grows and our revenue mix shifts to these new year-round routes.

Components of Results of Operations

Revenue

Blade generates revenue through the sale of air travel services. Our fliers primarily purchase and manage reservations using our self-service mobile and web applications, but some choose to call, email or text our dedicated team of Flier Relations professionals. Fliers pay via credit card transactions, wire, check, customer credits and gift cards, and generally we collect payments in advance of performing the related services. We also collect fees from add-ons, such as trip insurance and ground transportation services, and changes to non-refundable seats sold. Our MediMobility organ transport customers receive terms and make payments to us after we perform the related service. Most of our accounts receivable consist of amounts due from MediMobility customers. The rest of our revenue streams are paid by our customers prior to the service rendered. Additionally, our joint venture agreement for operations in India entitles us to receive quarterly royalty payments.

Cost of Revenue

Cost of revenue consists principally of flight costs paid to operators of aircraft and landing fees.

Software Development

Costs incurred for the development of the Company's internal use software are expensed as incurred.

General and Administrative

General and administrative expenses include principally personnel costs, including stock-based compensation, facility fees, credit card processing fees and professional fees. We expect that general and administrative expenses will increase for the foreseeable future as we expand our service offerings to additional cities and increase flight volumes on existing routes. We expect to incur additional expenses as a result of operating as a public company, including expenses related to compliance with reporting obligations under the rules and regulations of the SEC, rules and regulations applicable to companies listed on a national securities exchange, and higher expenses for director and officer insurance, investor relations, and professional services.

Selling and Marketing

Selling and marketing expenses consist primarily of advertising costs, marketing expenses, and promotion costs. We expect that selling and marketing expenses will increase for the foreseeable future as it represents a key component of our initiatives to expand into new markets. The trend and timing of our brand marketing expenses will depend in part on the timing of our expansion into new markets and other marketing campaigns.

Results of Operations

Comparison of the Three Months Ended March 31, 2021 and 2020

The following table presents our consolidated statements of operations for the periods indicated:

($ in thousands)	Three Months Ended March 31,			
	2021		2020	
	$	% of Revenue	$	% of Revenue
Revenue	9,273	100	6,454	100
Operating expenses				
Cost of revenue	7,673	83	5,831	90
Software development	156	2	241	4
General and administrative	4,803	52	2,807	43
Selling and marketing	866	9	923	14
Total operating expenses	13,498	146	9,802	152
Loss from operations	(4,225)		(3,348)	
Other non-operating income (expense)				
Interest income (expense)	4		(61)	
Total other non-operating income (expense)	4		(61)	
Net loss	(4,221)		(3,409)	

Revenue

Disaggregated revenue by product line was as follows:

Product Line	For the Three Months Ended March 31, 2021	2020
Short distance	$ 1,049	$ 1,787
MediMobility organ transport and jet	7,729	4,588
Other	495	79
Total Revenue	$ 9,273	$ 6,454

For the three months ended March 31, 2021 and 2020, revenue increased by $2.8 million or 44%, from $6.5 million in 2020 to $9.3 million in 2021. The increase in revenue was driven principally by increases in MediMobility organ transport and jet of $3.1 million in 2021, from $4.6 million in 2020 to $7.7 million in 2021, an increase of 68%. The revenue increase in MediMobility organ transport and jet was partially offset by a 41% decrease in short distance aviation services, from $1.8 million in 2020 to $1.0 million in 2021. Short distance revenues were negatively impacted by a significant reduction in demand for commercial airline travel and, thus, our New York airport transfer services.

Our MediMobility and jet charter businesses were not adversely impacted by the pandemic and continued to show strong growth. In MediMobility, growth was driven by our successful effort to add additional hospital customers and the continued need for organ transplants during the pandemic. In jet charter, growth was driven by the successful acquisition of additional fliers and more frequent trips from fliers who preferred to avoid commercial airline travel during the pandemic.

Other revenue increased 527% from $0.1 million to $0.5 million driven primarily by the introduction of our Essential Ground Connect car service.

Cost of Revenue

For the three months ended March 31, 2021 and 2020, cost of revenue increased by $1.9 million or 32%, from $5.8 million during 2020 to $7.7 million in 2021. The increase in cost of revenue was driven by an increase in flight operator costs in support of the increase in revenues. Cost of revenue decreased as a percentage of revenues driven by higher passenger utilization on our short-distance flight services.

Software Development

For the three months ended March 31, 2021 and 2020, software development costs decreased by $0.1 million, or 35%, from $0.2 million in 2020 to $0.1 million in 2021, principally due to management's decision to reduce development efforts in response to the COVID-19 pandemic's impact on operations.

General and Administrative

For the three months ended March 31, 2021 and 2020, general and administrative expense increased by $2.0 million, or 71%, from $2.8 million during 2020 to $4.8 million in 2021, principally based upon an increase in stock-based compensation of $1.8 million and an increase in professional fees of $0.4 million as we prepared for our proposed merger with EIC.

Selling and Marketing

For the three months ended March 31, 2021 and 2020, selling and marketing expense decreased by $0.1 million, or 6%, from $0.9 million during 2020 to $0.8 million in 2021. The decrease in selling and marketing expense was attributed primarily to reductions in marketing and advertising related to scaling down our short distance flight services in response to COVID-19 restrictions on travel and workplace closures.

Other non-operating income (expense)

For the three months ended March 31, 2021 and 2020, other non-operating income consists of interest income net of interest expense. We earn interest income on our money market investments. Interest income was $4,000 during 2021, as opposed to interest expense in 2020 of $61,000.

Comparison of the Six Months Ended March 31, 2021 and 2020

The following table presents our consolidated statements of operations for the periods indicated:

($ in thousands)	Six Months Ended March 31, 2021 $	2021 % of Revenue	2020 $	2020 % of Revenue
Revenue	17,259	100	11,677	100
Operating expenses				
Cost of revenue	13,995	81	11,588	99
Software development	342	2	471	4
General and administrative	8,214	48	5,815	50
Selling and marketing	1,301	8	1,955	17
Total operating expenses	23,852	138	19,829	170
Loss from operations	(6,593)		(8,152)	
Other non-operating income				
Interest income	11		30	
Total other non-operating income	11		30	
Net loss	(6,582)		(8,122)	

Revenue

Disaggregated revenue by product lines was as follows:

Product Line	For the Six Months Ended March 31, 2021	2020
Short distance	$ 3,179	$ 5,138
MediMobility organ transport and jet	13,253	6,453
Other	827	86
Total Revenue	$ 17,259	$ 11,677

For the six months ended March 31, 2021 and 2020, revenue increased by $5.6 million or 48%, from $11.7 million in 2020 to $17.3 million in 2021. The increase in revenue was driven principally by increases in MediMobility organ transport and jet of $6.8 million in 2021, from $6.5 million in 2020 to $13.3 million in 2021, an increase of 105%. The revenue increase in MediMobility organ transport and jet was partially offset by a decrease in short distance aviation services, from $5.1 million in 2020 to $3.2 million in 2021. Short distance revenues were negatively impacted by a significant reduction in demand for commercial airline travel and, thus, our New York airport transfer services, but this was partially offset by increased demand for our Northeast commuter services as fliers continued to utilize suburban homes well beyond the typical summer peak season.

Our MediMobility organ transport and jet businesses were not adversely impacted by the pandemic and continued to show strong growth. In MediMobility organ transport, growth was driven by our successful effort to add additional hospital customers and the continued need for organ transplants during the pandemic. In jet charter, growth was driven by the successful acquisition of additional fliers and more frequent trips from fliers who preferred to avoid commercial airline travel during the pandemic.

Other revenue increased 862% from $0.1 million to $0.8 million driven primarily by the introduction of our Essential Ground Connect car service.

Cost of Revenue

For the six months ended March 31, 2021 and 2020, cost of revenue increased by $2.4 million or 21%, from $11.6 million during 2020 to $14.0 million in 2021. The increase in cost of revenue was driven by increase in volume of flights. Cost of revenue decreased as a percentage of revenues driven by higher passenger utilization on our short-distance flight services.

Software Development

For the six months ended March 31, 2021 and 2020, development costs decreased by $0.2 million, or 27%, from $0.5 million in 2020 to $0.3 million in 2021, principally due to management's decision to reduce development costs in response to the COVID-19 pandemic's impact on operations.

General and Administrative

For the six months ended March 31, 2021 and 2020, general and administrative expense increased by $2.4 million, or 41%, from $5.8 million during 2020 to $8.2 million in 2021, principally on a $3.0 million increase in stock-based compensation (from $0.2 million in 2020 to $3.2 million in 2021), partially offset by cost savings implemented in response to COVID-19.

Selling and Marketing

For the six months ended March 31, 2021 and 2020, selling and marketing expense decreased by $0.7 million, or 33%, from $2.0 million during 2020 to $1.3 million in 2021. The decrease in selling and marketing expense was attributed primarily to reductions in marketing and advertising related to scaling down our short distance flight services in response to COVID-19 restrictions on travel and workplace closures.

Other non-operating income (expense)

For the six months ended March 31, 2021 and 2020, other non-operating income consists of interest income and interest expense. We earn interest income on our money market investments held with JP Morgan Chase Bank. Interest income remained stable at less than $0.1 million in 2021.

Liquidity and Capital Resources

Sources of liquidity

Since our inception, we have financed our operations primarily from sales of our convertible preferred stock.As of March 31, 2021, and September 30, 2020, we had cash and cash equivalents of $7.5 million and $12.2 million, respectively, and restricted cash of $0.4 million and $0.1 million at March 31, 2021 and September 30, 2020, respectively. We anticipate that our available cash and cash equivalents will be sufficient to meet our current operational needs for at least the next 12 months. Our future capital requirements, however, will depend on many factors, including the pace of our expansion into new markets, our ability to attract and retain fliers, capital expenditures, acquisitions, as well as the timing of regulatory approval and market adoption of EVAs for urban air mobility. We will need to raise additional capital in order to fully realize our plans for growth and expansion.

On April 8, 2020, we entered into an unsecured note evidencing our PPP Loan in the principal amount of $1.2 million. Proceeds of our PPP Loan may be used for payroll costs, costs related to certain group health care benefits, rent payments, utility payments, mortgage interest payments, interest payments on other debt obligations that were incurred in the 24 weeks following the disbursement of the loan. We repaid the loan in full on May 7, 2021.

Liquidity Requirements

Blade's principal uses of cash since inception have been funding its operations and investing in technology development. To a limited extent, we have acquired or invested in complementary businesses, products and technologies. Our short-term (less than 12 months) cash requirements include personnel costs, lease payments, and receivables for our MediMobility business. Our long-term cash requirements will depend on many factors, including our revenue growth rate, expansion of sales and marketing activities, the addition of new domestic routes, international expansion, the availability of EVA in the urban air mobility market, and identification of acquisition or investment targets.

Blade has contractual relationships with various aircraft operators to provide aircraft service. Under these Capacity Purchase Agreements ("CPAs"), we pay the operator contractually agreed fees for operating these flights. The fees are generally based on fixed hourly rates by aircraft type multiplied by pre-negotiated time-distance multiples (i.e., flight hours). Under these CPAs, the Company is also responsible for landing fees and other costs, which are either passed through by the operator to the Company without any markup or directly incurred by the Company. As of March 31, 2021, the Company was obligated under agreements with operators to purchase flights with an aggregate value of approximately $2.3 million for the years ended September 30, 2021 and 2022.

As a consequence of our business combination with EIC, Blade became a NASDAQ-listed company, which will require us to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. Blade expects to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting and legal and administrative resources, including increased audit and legal fees.

If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, Blade may not be able to compete successfully, which would harm its business, results of operations and financial condition. If adequate funds are not available, we may need to reconsider our growth plans, which could have a material adverse impact on our business prospects and results of operations.

Cash Flows

Comparison on the Six Months Ended March 31, 2021 and 2020

The following table summarizes our cash flows for the periods indicated:

	Six Months Ended March 31,		Change	
	2021	2020	$	%
Net cash used in operating activities	$ (607)	$ (9,344)	$ 8,737	(94)
Net cash used in investing activities	(589)	(368)	(221)	60
Net cash (used in) provided by financing activities	(3,154)	5	(3,159)	(63,180)
Net decrease in cash, cash equivalents and restricted cash	$ (4,350)	$ (9,707)	$ 5,357	(55)

Cash Used in Operating Activities

For the six months ended March 31, 2021, net cash used in operating activities was $0.6 million, primarily driven by a net loss of $6.6 million adjusted for non-cash depreciation and amortization and stock-based compensation. Non-cash adjustments consisted of $0.3 million depreciation and amortization and $3.2 million stock-based compensation. The changes in operating assets and liabilities are primarily driven by an increase of $1.2 million in prepaid expenses and other current assets, offset by an increase of $3.2 million in accounts payable and accrued expenses and $0.4 million deferred revenue.

For the six months ended March 31, 2020, net cash used in operating activities was $9.3 million, primarily driven by a net loss of $8.1 million adjusted for non-cash depreciation and amortization and stock-based compensation. Non-cash adjustments consisted of $0.3 million of depreciation and amortization and $0.2 million of stock-based compensation. The changes in operating assets and liabilities included are primarily driven by an increase of $0.4 million in prepaid expenses and other current assets, $0.2 million increase in accounts receivable, and a $1.5 million decrease in accounts payable and accrued expenses, offset by an increase of $0.4 million in deferred revenue.

Cash Used in Investing Activities

For the six months ended March 31, 2021, net cash used in investing activities was $0.6 million, driven by $0.5 million of purchase of domain name, and $0.1 million of purchases of property and equipment.

For the six months ended March 31, 2020, net cash used in investing activities was $0.4 million, driven by $0.4 million of purchases of property and equipment.

Cash (Used in) Provided by Financing Activities

For the six months ended March 31, 2021, net cash used in financing activities was $3.2 million, reflecting primarily deferred recapitalization costs related to the merger of $3.2 million.

For the six months ended March 31, 2020, net cash provided by financing activities was $0.01 million, reflecting proceeds of $0.01 million from the exercise of common stock options.

Off-Balance Sheet Arrangements

As of March 31, 2021, 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.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses and related disclosure in the notes to financial statements. We evaluate our accounting policies, estimates and judgments on an on-going basis. Management bases its estimates and judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Our actual results may differ from these estimates under different assumptions or conditions.

For further information about our critical accounting policies and use of estimates, see Note 2 of the notes to our condensed consolidated financial statements included elsewhere in this report.

Exhibit 99.3

UNAUDITED PRO FORMA
CONDENSED COMBINED FINANCIAL INFORMATION

Defined terms included below shall have the same meaning as terms defined and included elsewhere in this this Current Report on Form 8-K and, if not defined in the Form 8-K, the proxy statement/prospectus/consent solicitation statement filed with the Securities and Exchange Commission (the "SEC") on April 6, 2020. Unless otherwise indicated or the context otherwise requires, references to the "Combined Entity" refer to Blade Air Mobility, Inc. (f/k/a Experience Investment Corp.) and its consolidated subsidiaries after the Closing, "EIC" refers to Experience Investment Corp. prior to the Closing, and "Blade" refers to Blade Urban Air Mobility, Inc. prior to the Closing.

Introduction

The unaudited pro forma condensed combined balance sheet as of December 31, 2020, combines the historical audited condensed balance sheet of EIC as of December 31, 2020, with the historical unaudited consolidated balance sheet of Blade as of December 31, 2020, giving effect to the Transactions, as summarized below, as if they had been consummated on December 31, 2020.

EIC and Blade have different fiscal years. EIC's fiscal year ends on December 31, whereas Blade's fiscal year ends on September 30. As the fiscal year end of the Combined Entity will be September 30, the unaudited pro forma condensed combined financial information has been prepared using September 30 as the fiscal year end. The unaudited pro forma condensed combined statement of operations for the three months ended December 31, 2020 combines the historical unaudited condensed statement of operations of EIC for the three months ended December 31, 2020 with the historical unaudited condensed consolidated statement of operations of Blade for the three months ended December 31, 2020. The historical unaudited condensed statement of operations of EIC for the three months ended December 31, 2020 was derived by subtracting the historical unaudited condensed statement of operations of EIC for the nine months ended September 30, 2020 from the historical audited statement of operations of EIC for the fiscal year ended December 31, 2020. The unaudited pro forma condensed combined statement of operations for the twelve months ended September 30, 2020 combines the unaudited condensed statement of operations of EIC for the twelve months ended September 30, 2020 with the historical audited consolidated statement of operations of Blade for the fiscal year ended September 30, 2020. The unaudited condensed statement of operations of EIC for the twelve months ended September 30, 2020 was derived by adding the historical unaudited condensed statement of operations of EIC for the nine months ended September 30, 2020, and the historical audited statement of operations for EIC for the period from May 24, 2019 (inception) through December 31, 2019, and subtracting the historical unaudited condensed statement of operations of EIC for the period from May 24, 2019 (inception) through September 30, 2019. The unaudited pro forma condensed combined statements of operations of the Combined Entity for the three months ended December 31, 2020 and twelve months ended September 30, 2020 are presented on a pro forma basis as if the Transactions, as summarized below, had been consummated on October 1, 2019.

The unaudited pro forma condensed combined financial information was derived from, and should be read in conjunction with, the following historical financial statements, the accompanying notes and other specified information:

- The historical audited financial statements and the related notes of EIC as of and for the fiscal year ended December 31, 2020, the historical unaudited condensed financial statements and the related notes of EIC as of and for the three and nine months ended September 30, 2020 and for the three months ended September 30, 2019 and for the period from May 24, 2019 (inception) through September 30, 2019, and the historical audited financial statements of EIC as of December 31, 2019 and for the period from May 24, 2019 (inception) through December 31, 2019, which are incorporated by reference into the Form 8-K to which this Unaudited Pro Forma Condensed Combined Financial Information is attached;
- the historical unaudited condensed consolidated financial statements and the related notes of Blade as of and for the three months ended December 31, 2020, and the historical audited consolidated financial statements and the related notes of Blade as of and for the fiscal year ended September 30, 2020, which are incorporated by reference into the Form 8-K to which this Unaudited Pro Forma Condensed Combined Financial Information is attached;; and
- other information relating to EIC and Blade included in the proxy statement/prospectus/consent solicitation statement, including the description of the Merger, the terms of the Merger Agreement and the terms of the other agreements relating to the Transactions set forth under the sections titled *"The Merger," "The Merger Agreement" and "Certain Other Agreements Relating to the Transactions,"* respectively, which are incorporated by reference into the Form 8-K to which this Unaudited Pro Forma Condensed Combined Financial Information is attached.

The foregoing historical financial statements have been prepared in accordance with GAAP. The unaudited pro forma condensed combined financial information has been prepared based on the aforementioned historical financial statements and the assumptions and adjustments as described in the notes to the unaudited pro forma condensed combined financial information. Additionally, the unaudited pro forma condensed combined financial information contains estimated adjustments, based upon available information and certain assumptions that we believe are reasonable under the circumstances. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only. The financial results may have been different had the companies been combined as of the dates presented. You should not rely on the unaudited pro forma condensed combined financial information as being indicative of the historical results that would have been achieved had Blade and EIC been combined as of the dates presented or the future results that the Combined Entity will experience. EIC and Blade have not had any historical relationship prior to the Transactions. Accordingly, no pro forma adjustments were required to eliminate activities between Blade and EIC.

The unaudited pro forma condensed combined financial information should also be read together with the accompanying notes to the unaudited pro forma condensed combined financial statements, EIC's and Blade's unaudited and audited financial statements and related notes, *"EIC's Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Blade's Management's Discussion and Analysis of Financial Condition and Results of Operations,"* and other financial information which are incorporated by reference into the Form 8-K to which this Unaudited Pro Forma Condensed Combined Financial Information is attached.

Description of the Merger

On December 14, 2020, EIC, entered into the Merger Agreement, providing for, among other things, and subject to the terms and conditions therein, a business combination between Blade and EIC pursuant to the proposed merger of Merger Sub with and into Blade, with Blade continuing as the surviving entity and wholly-owned subsidiary of EIC.

Pursuant to EIC's current certificate of incorporation, EIC's public stockholders may demand that EIC redeem all or a portion of their public shares of EIC Class A common stock for cash upon the completion of the Merger at a per share price equal to a full pro rata portion of the funds held in the trust account calculated as of two business days prior to the consummation of the Merger. The unaudited condensed combined pro forma financial statements reflect actual redemption of 3,596,979 shares of EIC's Class A common stock at $10.07 per share.

The related Transactions that are given pro forma effect include:

(a) each share of Blade Common Stock that is issued and outstanding as of immediately prior to the effective time of the Merger (other than treasury stock) were cancelled and automatically converted into the right to receive a number of shares of EIC Class A common stock equal to the quotient of (i) (A) the sum of $356,250,000 plus the aggregate exercise prices of all in the money Blade Options outstanding as of immediately prior to the effective time of the Merger divided by (B) the fully-diluted number of shares of Blade Common Stock (as calculated pursuant to the Merger Agreement and including the aggregate number of shares of Blade Common Stock issuable upon the conversion of Blade Preferred Stock and the aggregate number of Blade Common Stock issuable upon the exercise of the in the money Blade Options (the "*Closing Per Share Exchange Amount*") divided by (ii) the Reference Price of $10.00 per share (rounded down to the nearest whole number of shares of EIC Class A common stock, with no cash being payable for any fractional share eliminated by such rounding) (the "*Closing Per Share Stock Consideration*").

(b) each share of Blade Preferred Stock that is outstanding as of immediately prior to the effective time of the Merger were cancelled and automatically converted into the right to receive a number of shares of EIC Class A common stock equal to the Closing Per Share Stock Consideration multiplied by the number of shares of Blade Common Stock issuable upon the conversion of such share of Blade Preferred Stock; and

(c) each Blade Option that is outstanding immediately prior to the effective time of the Merger, whether vested or unvested, were assumed by EIC and automatically converted into an EIC Option to purchase a number of shares of EIC Class A common stock equal to the product of (1) the number of shares of Blade Common Stock that were issuable upon exercise of such Blade Option immediately prior to the effective time of the Merger multiplied by (2) the Closing Per Share Stock Consideration (rounded down to the nearest whole number of shares of EIC Class A common stock, with no cash being payable for any fractional share eliminated by such rounding), at an exercise price per share of EIC Class A common stock equal to the quotient obtained by dividing the exercise price per share of Blade Common Stock under such Blade Option immediately prior to the effective time of the Merger by the Closing Per Share Stock Consideration (rounded up to the nearest whole cent).

For purposes of the unaudited pro forma condensed combined financial information presented below, an aggregate of 35,815,294 shares of EIC Class A common stock were issued in connection with the closing of the Merger, consisting of (a) 26,125,468 shares of EIC Class A common stock issued in exchange for outstanding shares of Blade Common Stock and Blade Preferred Stock and (b) 9,689,826 shares of EIC Class A common stock were issued upon the exercise of EIC Options at a weighted average exercise price of $0.19 per share (which EIC Options were issued pursuant to the adoption and conversion of Blade Options to purchase an aggregate of 13,310,087 shares of Blade Common Stock at a weighted average exercise price of $0.14 per share) and assuming that the payment of the exercise price for such EIC Options was net settled. Options granted under the 2015 Plan vest over a period of time determined by Blade's board of directors, subject to the option holder's continuous service through each applicable vesting date. Consummation of the Merger will not automatically cause the vesting of options under the 2015 Plan but the Blade Board approved that vesting of all options outstanding under the 2015 Plan that were granted before December 14, 2020 and are held by current employees or other service providers will be accelerated upon the Merger; provided that, to the extent (if at all) necessary to avoid an excise tax under Code Section 4999 or lost deductibility under Code Section 280G, certain vesting will be subject to approval of Blade's stockholders. As a result, the shares of EIC Class A common stock underlying the EIC Options will be considered issued and outstanding as of the closing of the Merger for purposes of the unaudited pro forma condensed combined financial information presented below.

Accounting for the Transactions

The Transactions will be accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, EIC will be treated as the "acquired" company for financial reporting purposes. This determination was based primarily on Blade having the ability to appoint a majority of the initial Board of the Combined Entity, Blade's senior management comprising the senior management of the Combined Entity, and Blade's operations comprising the ongoing operations of the Combined Entity. Accordingly, for accounting purposes, the financial statements of the Combined Entity will represent a continuation of the financial statements of Blade with the Transactions treated as the equivalent of Blade issuing stock for the net assets of EIC, accompanied by a recapitalization. The net assets of EIC will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Transactions will be presented as those of Blade in future reports of the Combined Entity.

Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses." The adjustments in the unaudited pro forma condensed combined financial information have been identified and presented to provide relevant information necessary for an illustrative understanding of the effect of the Merger and has been prepared for informational purposes only. Assumptions and estimates underlying the unaudited pro forma adjustments set forth in the unaudited pro forma condensed combined financial information are described above and in the accompanying notes.

The unaudited pro forma condensed combined financial information has been presented for illustrative purposes only and is not necessarily indicative of the operating results and financial position of the post-combination company, and do not reflect adjustments for any anticipated synergies, operating efficiencies, tax savings or cost savings that may be associated with the Merger. The unaudited pro forma adjustments represent Blade management's estimates based on information available as of the date of this unaudited pro forma condensed combined financial information and is subject to change as additional information becomes available and analyses are performed.

The unaudited condensed combined pro forma financial statements reflect actual redemption of 3,596,979 shares of EIC's Class A common stock at $10.07 per share.

The following summarizes the pro forma EIC Class A common stock issued and outstanding immediately after consummation of the Transactions:

	Shares Outstanding (millions)	Percentage[(1)]
EIC's public stockholders (other than the PIPE Investors)	23.9	30.3%
PIPE Investors (other than the Sponsor and its affiliates)	10.5	13.3%
Sponsor (and its affiliates)	8.9	11.3%
Current holders of Blade Stock and Blade Options[(2)]	35.6	45.1%
Total EIC Class A common stock outstanding	78.9	100.0%

(1) Reflects the shares of EIC Class A common stock underlying the EIC Options as issued and outstanding as of the closing of the Merger. The number of shares issued assumes that the payment of the exercise price for such EIC Options is net settled.

(2) Certain Blade stockholders purchased an aggregate of 210,000 shares of EIC Class A common stock in the PIPE Investment. Those shares are excluded from the ownership amounts for current holders of Blade Stock and Blade Options.

Other Events in connection with the Transactions

Other events that occurred in connection with the Transactions are summarized below:

- the PIPE Investment was funded in full and 12,500,000 shares of EIC Class A common stock at a purchase price of $10.00 per share were issued, of which 2,005,000 shares were purchased by Steele ExpCo;
- the estimated transaction costs of approximately $32.0 million incurred with the Transactions are capitalized. These costs relate to $1.4 million of deferred recapitalization costs incurred by Blade, $9.6 million of deferred underwriting fees and offering costs previously incurred by EIC, and approximately $21.0 million of legal, PIPE Investment, and other fees which are direct and incremental to the Transactions and are adjusted against additional paid in capital;
- no Working Capital Warrants were issued;
- all 6,875,000 outstanding shares of EIC Class B common stock were converted to shares of EIC Class A common stock on a one for one basis; and
- the repayment of Blade's PPP Loan in the principal amount of $1.2 million.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2020

(In thousands)	Historical Blade (a)	Historical EIC (b)	Pro Forma Transaction Accounting Adjustments	Pro Forma Combined
Assets				
Current assets				
Cash and cash equivalents	$ 10,216	$ 846	$ 240,721(c)	$ 345,021
			125,000(d)	
			(30,597)(e)	
			(1,165)(j)	
Restricted cash	121	—	—	121
Prepaid expenses and other current assets	1,386	50	—	1,436
Accounts receivable	1,545	—	—	1,545
Total current assets	13,268	896	333,959	384,123
Non-current assets				
Marketable securities held in Trust Account	—	276,943	(276,943)(c)	—
Deferred recapitalization costs	1,403	—	(1,403)(e)	—
Investment in joint venture	200	—	—	200
Other non-current assets	110	—	—	110
Intangible assets, net	989	—	—	989
Operating right-of-use asset	662	—	—	662
Property and equipment, net	1,700	—	—	1,700
Total assets	$ 18,332	$ 277,839	$ 55,613	$ 351,784

Unaudited Pro Forma Condensed Combined Balance Sheet
As of December 31, 2020

(in thousands)	Historical Blade (a)	Historical EIC (b)	Pro Forma Transaction Accounting Adjustments	Pro Forma Combined
Liabilities and Stockholders' Equity				
Current liabilities				
Accounts payable and accrued expenses	$ 2,139	$ 159	$ —	$ 2,298
Accrued offering costs	—	26	(26)(e)	—
Income taxes payable	—	206	—	206
Deferred revenue	4,418	—	—	4,418
Operating lease liability, current	403	—	—	403
Note payable	1,165	—	(1,165)(j)	—
Total current liabilities	8,125	391	(1,191)	7,325
Non-current liabilities				
Deferred underwriting fee payable	—	9,625	(9,625)(e)	—
Warrant liabilities	—	36,766	—	36,766
Operating lease liability, long-term	211	—	—	211
Total liabilities	8,336	46,782	(10,816)	44,302
Commitments and contingencies:				
Class A common stock subject to possible redemption		226,057	(36,222)(c)	—

			(189,835)(f)	—
Stockholders' Equity				
Class A Common stock, $0.0001 par value	—	—	4(g)	8
			2(f)	
			1(d)	
			1(i)	
Class B Common stock, $0.0001 par value	—	1	(1)(i)	—
Preferred stock – Series Seed, $0.00001 par value	—	—	—	—
Preferred stock – Series A, $0.00001 par value	—	—	—	—
Preferred stock – Series B, $0.00001 par value	—	—	—	—
Common stock, $0.00001 par value	—	—	—	—
Additional paid in capital	49,495	23,190	124,999(d)	347,532
			(4)(g)	
			189,833(f)	
			(22,349)(e)	
			(18,191)(h)	
			559(k)	
(Accumulated deficit) Retained earnings	(39,499)	(18,191)	18,191(h)	(40,058)
	—	—	(559)(k)	—
Total stockholders' equity	9,996	5,000	292,486	307,482
Total Liabilities and Stockholders' Equity	$ 18,332	$ 277,839	$ 55,613	$ 351,784

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Three Months Ended December 31, 2020

(in thousands, except share data)	Historical Blade	Historical EIC	Pro Forma Transaction Accounting Adjustments	Pro Forma Combined
	(aa)	(bb)		
Revenue	$ 7,986	$ —	$ —	$ 7,986
Operating expenses				
Cost of revenue	6,322	—	—	6,322
Software development	186	—	—	186
General and administrative	3,411	257	—	3,668
Selling and marketing	435	—	—	435
Total operating expenses	10,354	257	—	10,611
Loss from operations	(2,368)	(257)	—	(2,625)
Other non-operating income (expense)				
Interest income	7	5	(5)(cc)	7
Change in fair value of warrant liabilities	—	(18,242)	—	(18,242)
Total other income (expense)	7	(18,237)	(5)	(18,235)
Income (loss) before income taxes	(2,361)	(18,494)	(5)	(20,860)
Benefit (provision) for income taxes	—	(86)	1(cc)	(85)
Net loss	$ (2,361)	$ (18,580)	$ (4)	$ (20,945)
Weighted average shares of Class A Common Stock outstanding, basic and diluted		8,214,508		78,903,021
Net loss per share of Class A Common Stock, basic and diluted		$ (2.26)		$ (0.27)
Weighted average shares of Blade Common Stock outstanding, basic and diluted	12,616,039			
Net loss per share of Blade Common Stock, basic and diluted	$ (0.19)			

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Twelve Months Ended September 30, 2020

(in thousands, except share data)	Historical Blade	Historical EIC	Pro Forma Transaction Accounting Adjustments	Pro Forma Combined
	(aaa)	(bbb)		
Revenue	$ 23,434	$ —	$ —	$ 23,434
Operating expenses				
Cost of revenue	21,107	—	—	21,107
Software development	861	—	—	861
General and administrative	9,292	646	559(ddd)	10,497
Selling and marketing	2,533	—	—	2,533
Total operating expenses	33,793	646	559	34,998

Loss from operations	(10,359)	(646)	(559)	(11,564)
Other non-operating income (expense)				
Interest income	200	2,104	(2,104)(ccc)	200
Change in fair value of warrant liabilities	—	(558)	—	(558)
Interest expense	(1)	—	—	(1)
Total other income (expense)	199	1,546	(2,104)	(359)
Income (loss) before income taxes	(10,160)	901	(2,663)	(11,923)
Benefit (provision) for income taxes	—	(306)	559(eee)	253
Net income (loss)	$ (10,160)	$ 594	$ (2,104)	$ (11,670)
Weighted average shares of Class A Common Stock outstanding, basic and diluted		8,208,043		78,903,021
Net loss per share of Class A Common Stock, basic and diluted		0.07		(0.15)
Weighted average shares of Blade Common Stock outstanding, basic and diluted	12,512,567			
Net loss per share of Blade Common Stock, basic and diluted	$ (0.81)			

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Introduction

The pro forma adjustments have been prepared as if the Transactions had been consummated on December 31, 2020, in the case of the unaudited pro forma condensed combined balance sheet, and as if the Transactions had been consummated on October 1, 2019, the beginning of the earliest period presented in the unaudited pro forma condensed combined statements of operations.

The unaudited pro forma condensed combined financial information has been prepared assuming the following methods of accounting in accordance with GAAP.

Transactions will be accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, EIC will be treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of the Combined Entity will represent a continuation of the financial statements of Blade with the Transactions treated as the equivalent of Blade issuing stock for the net assets of EIC, accompanied by a recapitalization. The net assets of EIC will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Transactions will be presented as those of Blade in future reports of the Combined Entity.

As the fiscal year end of the Combined Entity will be September 30, the unaudited pro forma condensed combined financial information has been prepared using September 30 as the fiscal year end. The unaudited pro forma condensed combined statement of operations for the three months ended December 31, 2020 combines the historical unaudited condensed statement of operations of EIC for the three months ended December 31, 2020 with the historical unaudited condensed consolidated statement of operations of Blade for the three months ended December 31, 2020. The historical unaudited condensed statement of operations of EIC for the three months ended December 31, 2020 was derived by subtracting the historical unaudited condensed statement of operations of EIC for the nine months ended September 30, 2020 from the historical audited statement of operations of EIC for the fiscal year ended December 31, 2020. The unaudited pro forma condensed combined statement of operations for the twelve months ended September 30, 2020 combines the unaudited condensed statement of operations of EIC for the twelve months ended September 30, 2020 with the historical audited consolidated statement of operations of Blade for the fiscal year ended September 30, 2020. The unaudited condensed statement of operations of EIC for the twelve months ended September 30, 2020 was derived by adding the historical unaudited condensed statement of operations of EIC for the nine months ended September 30, 2020, and the historical audited statement of operations for EIC for the period from May 24, 2019 (inception) through December 31, 2019, and subtracting the historical unaudited condensed statement of operations of EIC for the period from May 24, 2019 (inception) through September 30, 2019.

The pro forma adjustments represent management's estimates based on information available as of the date of this Current Report on Form 8-K and are subject to change as additional information becomes available and additional analyses are performed. Management considers this basis of presentation to be reasonable under the circumstances.

One-time direct and incremental transaction costs incurred prior to, or concurrent with, the closing of the Transactions are reflected in the unaudited pro forma condensed combined balance sheet as a direct reduction to the proceeds from the recapitalization transaction, which are reflected in the Combined Entity's additional paid-in capital and are assumed to be cash settled.

2. Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet as of December 31, 2020

The unaudited pro forma condensed combined balance sheet as of December 31, 2020 reflects the following adjustments:

(a) Represents the Blade historical unaudited condensed consolidated balance sheet as of December 31, 2020.

(b) Represents the EIC historical audited balance sheet as of December 31, 2020.

(c) Represents the reclassification of $240.7 million of marketable securities held in the trust account of EIC that becomes available for transaction consideration, transaction expenses, and the operating activities in conjunction with the Transactions. Furthermore, $36.2 million in cash was paid to redeeming shareholders for the 3,596,979 shares of EIC Class A common stock with a par value of $0.0001 per share that were redeemed at a per share redemption price of $10.07.

(d) Represents the proceeds of $125.0 million from the issuance of 12,500,000 shares of EIC Class A common stock with a par value of $0.0001 from the PIPE Investment.

(e) Represents the pro forma adjustment to record estimated transaction costs of $32.0 million incurred with the Transactions. These costs relate to $1.4 million of deferred recapitalization costs incurred by Blade, $9.6 million of deferred underwriting fees and offering costs incurred by EIC, and approximately $21.0 million of legal, PIPE Investment, and other fees which are direct and incremental to the Transactions and are adjusted against additional paid in capital.

(f) Represents the pro forma adjustments to reclassify $226.1 million of EIC Class A common stock subject to possible redemption to EIC Class A common stock with a par value of $0.0001 and to additional paid in capital. In connection with the Transactions, EIC's public stockholders were issued 27,500,000 shares of EIC Class A common stock with a par value of $0.0001.

(g) Represents the pro forma adjustments to issue 35,815,294 shares of EIC Class A common stock with a par value of $0.0001 per share to Blade's stockholders in connection with the Transactions. The Blade Board approved that vesting of all options outstanding under the 2015 Plan that were granted before December 14, 2020 and are held by current employees or other service providers will be accelerated upon the Merger; provided that, to the extent (if at all) necessary to avoid an excise tax under Code Section 4999 or lost deductibility under Code Section 280G, certain vesting will be subject to approval of Blade's stockholders. As a result, the shares of EIC Class A common stock underlying the EIC Options will be considered issued and outstanding as of the closing of the Merger. The number of shares issued assumes that the payment of the exercise price for such EIC Options is net settled.

(h) Represents the pro forma adjustment to reclassify the retained earnings of EIC to additional paid in capital.

(i) Represents the pro forma adjustment to reclassify EIC Class B common stock with a par value of $0.0001 per share to EIC Class A common stock with a par value of $0.0001. In connection with the Transactions, the Sponsor was issued 6,875,000 shares of EIC Class A common stock with a par value of $0.0001 per share.

(j) Represents the pro forma adjustment to record the repayment of Blade's PPP Loan prior to the closing of the Merger.

(k) Represents the pro forma adjustment to retained earnings and additional paid in capital related to the accelerated vesting of Blade Options subject to triggering excise tax under Code Section 4999 and loss of deduction under Code Section 280G, as approved by the Blade Board upon the consummation of the Merger. This is a nonrecurring event.

3. Adjustments to the Unaudited Pro Forma Condensed Combined Statement of Operations for the Three Months Ended December 31, 2020

The unaudited pro forma condensed combined statement of operations for the three months ended December 31, 2020 reflects the following adjustments:

(aa) Represents the Blade historical unaudited condensed consolidated statement of operations for the three months ended December 31, 2020.

(bb) Represents the EIC historical unaudited condensed statement of operations for the three month period ended December 31, 2020 derived by subtracting the historical unaudited condensed statement of operations of EIC for the nine months ended September 30, 2020 from the historical audited statement of operations of EIC for the fiscal year ended December 31, 2020. See reconciliation of EIC's historical unaudited condensed statement of operations at Note 5.

(cc) Reflects the pro forma adjustment to eliminate the interest income and the related tax provision, calculated at the estimated statutory federal income tax rate of approximately 21%, on the marketable securities held in the trust account of EIC.

4. Adjustments to the Unaudited Pro Forma Condensed Combined Statement of Operations for the Twelve Months Ended September 30, 2020

The unaudited pro forma condensed combined statement of operations for the twelve months ended September 30, 2020 reflects the following adjustments:

(aaa) Represents the Blade historical audited consolidated statement of operations for the fiscal year ended September 30, 2020.

(bbb) Represents the EIC historical unaudited condensed statement of operations for the twelve month period ended September 30, 2020 derived by adding the historical unaudited condensed statement of operations of EIC for the nine months ended September 30, 2020, and the historical audited statement of operations for EIC for the for the period from May 24, 2019 (inception) through December 31, 2019, and subtracting the historical unaudited condensed statement of operations of EIC for the for the period from May 24, 2019 (inception) through September 30, 2019. See reconciliation of EIC's historical unaudited condensed statement of operations at Note 5.

(ccc) Reflects the pro forma adjustment to eliminate the interest income on the marketable securities held in the trust account of EIC.

(ddd) Represents the pro forma adjustment to record the remaining unrecognized stock-based compensation expense related to the accelerated vesting of Blade Options subject to triggering excise tax under Code Section 4999 and loss of deduction under Code Section 280G, as approved by the Blade Board upon the consummation of the Merger. This is a nonrecurring event.

(eee) Reflects the pro forma adjustment to record the related tax provision, calculated at the estimated statutory federal income tax rate of approximately 21%.

5. Reconciliation of EIC's Historical Unaudited Condensed Statement of Operations

A reconciliation of EIC's historical unaudited condensed statement of operations for the three months ended December 31, 2020 is as follows:

CONDENSED STATEMENTS OF OPERATIONS

(in thousands)	Year Ended December 31, 2020	Nine Months Ended September 30, 2020	Three Months Ended December 31, 2020
Formation and operating costs. .	$ 678	$ 421	$ 257
Loss from operations	(678)	(421)	(257)
Other income:			
Interest income on marketable securities held in Trust Account	1,016	1,011	5
Change in fair value of warrant liabilities	(20,650)	(2.408)	(18,242)

Income before income taxes	(20,312)	(1,818)	(18,494)
Benefit (provision) for income taxes	(210)	(124)	(86)
Net income	$ (20,522)	$ (1,942)	$ (18,580)

A reconciliation of EIC's historical unaudited condensed statement of operations for the twelve months ended September 30, 2020 is as follows:

CONDENSED STATEMENTS OF OPERATIONS

(in thousands)	Nine Months Ended September 30, 2020	For the Period from May 24, 2019 (inception) through December 31, 2019	For the Period from May 24, 2019 (inception) through September 30, 2019	Twelve Months Ended September 30, 2020
Formation and operating costs	$ 421	$ 268	$ 44	$ 646
Transaction costs	-	637	637	-
Loss from operations	(421)	(905)	(681)	(646)
Other income:				
Interest income on marketable securities held in Trust Account	1,011	1,262	168	2,104
Change in fair value of warrant liabilities	(2,408)	2,183	333	(558)
Income before income taxes	(1,819)	2,540	(179)	901
Benefit (provision) for income taxes	(124)	(209)	(26)	(306)
Net income	$ (1,942)	$ 2,331	$ (205)	$ 594