

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

Form 10-Q
(Mark One)

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

For the quarterly period ended: **June 30, 2022**

OR

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

For the transition period from to

Commission File Number **001-39046**

BLADE AIR MOBILITY, INC.

(Exact name of registrant as specified in its charter)

Delaware	84-1890381
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
55 Hudson Yards, 14th Floor New York, NY	10001
(Address of principal executive offices)	(Zip Code)
(212) 967-1009 (Registrant's telephone number, including area code)	

Securities registered under section 12(b) of the Act:

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

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

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

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

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

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

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

As of August 2, 2022, there were 71,432,103 shares of the registrant's Common Stock, \$0.0001 par value per share, issued and outstanding.

BLADE AIR MOBILITY, INC.

FORM 10-Q

TABLE OF CONTENTS

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	3
<u>Item 1.</u> <u>Financial statements</u>	3
<u>Unaudited Interim Condensed Consolidated Balance Sheets as of June 30, 2022 and December 31, 2021</u>	3
<u>Unaudited Interim Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2022 and 2021</u>	4
<u>Unaudited Interim Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2022 and 2021</u>	5
<u>Unaudited Interim Condensed Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2022 and 2021</u>	6
<u>Unaudited Interim Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2022 and 2021</u>	8
<u>Notes to Unaudited Interim Condensed Consolidated Financial Statements</u>	9
<u>Item 2.</u> <u>Management's discussion and analysis of financial condition and results of operations</u>	22
<u>Item 3.</u> <u>Quantitative and qualitative disclosures about market risk</u>	36
<u>Item 4.</u> <u>Controls and procedures</u>	36
<u>PART II. OTHER INFORMATION</u>	38
<u>Item 1.</u> <u>Legal proceedings</u>	38
<u>Item 1A.</u> <u>Risk factors</u>	38
<u>Item 2.</u> <u>Unregistered sales of equity securities and use of proceeds</u>	38
<u>Item 3.</u> <u>Defaults upon senior securities</u>	38
<u>Item 4.</u> <u>Mine safety disclosures</u>	38
<u>Item 5.</u> <u>Other information</u>	38
<u>Item 6.</u> <u>Exhibits</u>	39
<u>SIGNATURES</u>	40

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

BLADE AIR MOBILITY, INC.
Unaudited Interim Condensed Consolidated Balance Sheets
June 30, 2022 and December 31, 2021
(in thousands, except share and per share data)

	June 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 186,556	\$ 2,595
Restricted cash	1,690	630
Accounts receivable	9,672	5,548
Short-term investments (cost: June 30, 2022 - \$70,308; December 31, 2021 - \$280,263)	69,607	279,374
Prepaid expenses and other current assets	10,700	6,798
Total current assets	<u>278,225</u>	<u>294,945</u>
Non-current assets:		
Property and equipment, net	2,304	2,045
Investment in joint venture	200	200
Intangible assets, net	22,743	24,421
Goodwill	13,328	13,328
Operating right-of-use asset	6,003	713
Other non-current assets	1,384	232
Total assets	<u>\$ 324,187</u>	<u>\$ 335,884</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 7,648	\$ 6,369
Deferred revenue	8,500	5,976
Operating lease liability, current	2,364	438
Total current liabilities	<u>18,512</u>	<u>12,783</u>
Non-current liabilities:		
Warrant liability	9,492	31,308
Operating lease liability, long-term	3,748	278
Deferred tax liability	144	144
Total liabilities	<u>31,896</u>	<u>44,513</u>
Commitments and Contingencies (Note 9)		
Stockholders' Equity		
Preferred stock, \$0.0001 par value, 2,000,000 shares authorized at June 30, 2022 and December 31, 2021. No shares issued and outstanding at June 30, 2022 and December 31, 2021.	—	—
Common stock, \$0.0001 par value; 400,000,000 authorized; 71,397,326 and 70,667,381 shares issued at June 30, 2022 and December 31, 2021, respectively.	7	7
Additional paid in capital	371,690	368,680
Accumulated other comprehensive loss	(388)	(898)
Accumulated deficit	(79,018)	(76,418)
Total stockholders' equity	<u>292,291</u>	<u>291,371</u>
Total Liabilities and Stockholders' Equity	<u>\$ 324,187</u>	<u>\$ 335,884</u>

See Notes to Unaudited Interim Condensed Consolidated Financial Statements

BLADE AIR MOBILITY, INC.
Unaudited Interim Condensed Consolidated Statements of Operations
Three and Six Months Ended June 30, 2022 and 2021
(in thousands, except share and per share data)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue	\$ 35,633	\$ 12,951	\$ 62,263	\$ 22,224
Operating expenses				
Cost of revenue (1)	30,522	9,976	54,229	17,773
Software development (1)	1,062	323	1,897	612
General and administrative (1)	12,144	9,808	26,122	14,633
Selling and marketing (1)	1,638	615	3,438	1,202
Total operating expenses	<u>45,366</u>	<u>20,722</u>	<u>85,686</u>	<u>34,220</u>
Loss from operations	<u>(9,733)</u>	<u>(7,771)</u>	<u>(23,423)</u>	<u>(11,996)</u>
Other non-operating income (expense)				
Change in fair value of warrant liabilities	19,266	(14,913)	21,816	(14,913)
Realized loss from sales of short term investments	(1,576)	—	(1,712)	—
Recapitalization costs attributable to warrant liabilities	—	(1,742)	—	(1,742)
Interest income, net	455	140	719	144
Other non-operating income (expense)	<u>18,145</u>	<u>(16,515)</u>	<u>20,823</u>	<u>(16,511)</u>
Net income (loss)	<u>\$ 8,412</u>	<u>\$ (24,286)</u>	<u>\$ (2,600)</u>	<u>\$ (28,507)</u>
Net income (loss) per share (Note 7):				
Basic	<u>\$ 0.11</u>	<u>\$ (0.47)</u>	<u>\$ (0.04)</u>	<u>\$ (0.74)</u>
Diluted	<u>\$ 0.10</u>	<u>\$ (0.47)</u>	<u>\$ (0.04)</u>	<u>\$ (0.74)</u>
Weighted-average shares used to compute net income (loss) per share:				
Basic	<u>71,051,523</u>	<u>51,569,634</u>	<u>70,913,597</u>	<u>38,547,863</u>
Diluted	<u>78,497,356</u>	<u>51,569,634</u>	<u>70,913,597</u>	<u>38,547,863</u>

(1) Prior period amounts have been updated to conform to current period presentation.

See Notes to Unaudited Interim Condensed Consolidated Financial Statements

BLADE AIR MOBILITY, INC.
Unaudited Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
Three and Six Months Ended June 30, 2022 and 2021
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income (loss)	\$ 8,412	\$ (24,286)	\$ (2,600)	\$ (28,507)
Other comprehensive income (loss):				
Unrealized investment losses	(140)	—	(1,520)	—
Less: Reclassification adjustment for losses included currently in net income (loss)	1,576	—	1,712	—
Foreign currency translation adjustments for the period	77	—	318	—
Other comprehensive income	1,513	—	510	—
Comprehensive income (loss)	\$ 9,925	\$ (24,286)	\$ (2,090)	\$ (28,507)

See Notes to Unaudited Interim Condensed Consolidated Financial Statements

BLADE AIR MOBILITY, INC.
Unaudited Interim Condensed Consolidated Statements of Stockholders' Equity
Three and Six Months Ended June 30, 2022 and 2021
(in thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances as of April 1, 2022	70,845,636	\$ 7	\$ 370,794	\$ (1,901)	\$ (87,430)	\$ 281,470
Issuance of common stock upon exercise of stock options	325,040	—	58	—	—	58
Issuance of common stock upon settlement of restricted stock units	356,376	—	—	—	—	—
Stock-based compensation - restricted stock	—	—	1,844	—	—	1,844
Shares withheld related to net share settlement	(129,726)	—	(1,006)	—	—	(1,006)
Other comprehensive income	—	—	—	1,513	—	1,513
Net income	—	—	—	—	8,412	8,412
Balances as of June 30, 2022	71,397,326	\$ 7	\$ 371,690	\$ (388)	\$ (79,018)	\$ 292,291
Balances as of April 1, 2021	26,115,840	\$ 3	\$ 51,413	\$ —	\$ (43,720)	\$ 7,696
Issuance of common stock upon exercise of stock options	9,627	—	5	—	—	5
Stock-based compensation- restricted stock	—	—	1,862	—	—	1,862
Stock-based compensation- stock options	—	—	656	—	—	656
Shares withheld related to net share settlement	—	—	(52)	—	—	(52)
EIC shares recapitalized, net of issuance costs and the fair value of warrant liabilities	30,778,021	3	191,180	—	—	191,183
Shares issued in PIPE, net of issuance costs	12,500,000	1	119,633	—	—	119,634
Net loss	—	—	—	—	(24,286)	(24,286)
Balance as of June 30, 2021	69,403,488	\$ 7	\$ 364,697	\$ —	\$ (68,006)	\$ 296,698

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance as of January 1, 2022	70,667,381	\$ 7	\$ 368,680	\$ (898)	\$ (76,418)	\$ 291,371
Issuance of common stock upon exercise of stock options	440,143	—	79	—	—	79
Issuance of common stock upon settlement of restricted stock units	422,341	—	—	—	—	—
Stock-based compensation - restricted stock	—	—	3,942	—	—	3,942
Shares withheld related to net share settlement	(132,539)	—	(1,011)	—	—	(1,011)
Other comprehensive income	—	—	—	510	—	510
Net loss	—	—	—	—	(2,600)	(2,600)
Balances as of June 30, 2022	71,397,326	\$ 7	\$ 371,690	\$ (388)	\$ (79,018)	\$ 292,291
Balance as of January 1, 2021	26,069,962	\$ 3	\$ 49,492	\$ —	\$ (39,499)	\$ 9,996
Issuance of common stock upon exercise of stock options	55,505	—	22	—	—	22
Stock-based compensation - restricted stock	—	—	3,657	—	—	3,657
Stock-based compensation - stock options	—	—	765	—	—	765
Shares withheld related to net share settlement	—	—	(52)	—	—	(52)
EIC shares recapitalized, net of issuance costs and the fair value of warrant liabilities	30,778,021	3	191,180	—	—	191,183
Shares issued in PIPE, net of issuance costs	12,500,000	1	119,633	—	—	119,634
Net loss	—	—	—	—	(28,507)	(28,507)
Balance as of June 30, 2021	69,403,488	\$ 7	\$ 364,697	\$ —	\$ (68,006)	\$ 296,698

See Notes to Unaudited Interim Condensed Consolidated Financial Statements

BLADE AIR MOBILITY, INC.
Unaudited Interim Condensed Consolidated Statements of Cash Flows
Six Months Ended June 30, 2022 and 2021
(in thousands)

	Six Months Ended June 30,	
	2022	2021
Cash Flows From Operating Activities:		
Net loss	\$ (2,600)	\$ (28,507)
Adjustments to reconcile net loss to net cash and restricted cash used in operating activities:		
Depreciation and amortization	2,300	266
Stock-based compensation	3,942	4,422
Change in fair value of warrant liabilities	(21,816)	14,913
Realized loss from sales of short term investments	1,712	—
Unrealized foreign exchange gain / losses	(5)	—
Recapitalization costs attributable to warrant liabilities	—	1,742
Loss on disposal of property and equipment	65	—
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(3,902)	(5,745)
Accounts receivable	(4,124)	(167)
Other non-current assets	(1,152)	(32)
Operating right-of-use assets/lease liabilities	106	18
Accounts payable and accrued expenses	1,275	2,419
Deferred revenue	2,524	848
Net cash used in operating activities	(21,675)	(9,823)
Cash Flows From Investing Activities:		
Purchase of property and equipment	(626)	(197)
Purchase of short-term investments	(453)	(303,163)
Proceeds from sales of short-term investments	208,700	—
Net cash provided by / (used in) investing activities	207,621	(303,360)
Cash Flows From Financing Activities:		
Proceeds from the exercise of common stock options	79	22
Taxes paid related to net share settlement of equity awards	(1,011)	—
Repayment of note payable	—	(1,165)
Proceeds from recapitalization of EIC, net of issuance costs	—	214,988
Proceeds from sale of common stock in PIPE, net of issuance costs	—	119,634
Net cash (used in) / provided by financing activities	(932)	333,479
Effect of foreign exchange rate changes on cash balances	7	—
Net increase in cash and cash equivalents and restricted cash	185,021	20,296
Cash and cash equivalents and restricted cash - beginning	3,225	10,337
Cash and cash equivalents and restricted cash - ending	\$ 188,246	\$ 30,633
Reconciliation to the unaudited interim condensed consolidated balance sheets		
Cash and cash equivalents	\$ 186,556	\$ 30,003
Restricted cash	1,690	630
Total	\$ 188,246	\$ 30,633
Non-cash investing and financing activities		
New leases under ASC 842 entered into during the period	\$ 5,871	\$ 13

See Notes to Unaudited Interim Condensed Consolidated Financial Statements

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Note 1 – Description of Business and Summary of Significant Accounting Policies

Description of Business

Blade Air Mobility, Inc. (“Blade” or the “Company”), headquartered in New York, New York, is a technology-powered, global air mobility platform that provides consumers with a cost effective and time efficient alternative to ground transportation for congested routes. Blade arranges charter and by-the-seat flights using 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 or operate aircraft.

On May 7, 2021 (the “Closing Date”), privately held Blade Urban Air Mobility, Inc., a Delaware corporation formed on December 22, 2014 (“Old Blade”), consummated transactions contemplated by the Agreement and Plan of Merger (the “Merger Agreement”), dated December 14, 2020, by and among Experience Investment Corp. (“EIC”), Experience Merger Sub, Inc., a wholly owned subsidiary of EIC (“Merger Sub”), and Old Blade. The Merger Agreement provided for the acquisition of Old Blade by EIC pursuant to the merger of Merger Sub with and into Old Blade (the “Merger”), with Old Blade continuing as the surviving entity and a wholly-owned subsidiary of EIC. On the Closing Date, and in connection with the closing of the Merger Agreement (the “Closing”), EIC changed its name to Blade Air Mobility, Inc. See Note 3 to the consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended September 30, 2021 for additional information.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited interim 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 June 30, 2022 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2022. These financial statements should be read in conjunction with the Company’s consolidated financial statements and accompanying Notes included in the Company’s Annual Report on Form 10-K for the year ended September 30, 2021.

On February 1, 2022, the Board of Directors approved a change of the Company’s fiscal year-end from September 30 to December 31. The Company’s 2022 fiscal year began on January 1, 2022 and will end on December 31, 2022.

Emerging Growth Company

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include, but are not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected to use such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's consolidated financial statements with another public company that is not an emerging growth company or is an emerging growth company that has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used.

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 and goodwill, 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.

Reclassification

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

Recently Issued Accounting Standards - Adopted

In December 2019, FASB issued ASU 2019-12, *Simplification of Income Taxes (Topic 740) Income Taxes* ("ASU 2019-12"). 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 adoption of the ASU did not have a significant impact on the Company's consolidated financial statements.

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Recently Issued Accounting Standards - Not Adopted

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 Accounting Standards Codification ("ASC") 470-20, *Debt: Debt with Conversion and Other Options*, ("ASC 470-20"), 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 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 – Revenue

Revenue Recognition

For Short Distance revenue, seats or monthly or annual flight passes are typically purchased using the Blade App and paid for principally 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.

MediMobility Organ Transport products are typically purchased through our medical logistics coordinators and are paid for principally via checks and wires. Payments are generally collected after the performance of the related service in accordance with the client's payment terms. The revenue is recognized as the service is completed.

Jet products are typically purchased through our Flier Relations associates and our app and are paid for principally via checks, wires and credit card. Jet payments are typically collected at the time of booking before the performance of the related service. The revenue is recognized as the service is completed.

The Company initially records flight sales in its unearned revenue, deferring revenue recognition until the travel occurs. Unearned revenue from customer credit and 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 passes 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.

Contract liability is defined as entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. As of June 30, 2022 and December 31, 2021, the Company's contract liability balance is \$ 8,500 and \$5,976, respectively. This balance 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 flight 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 flights. The Company recognizes

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

revenue for expired customer credits and gift cards upon expiration. The table below presents a roll forward of the contract liability balance:

	Six Months Ended June 30,			
	2022		2021	
Balance, beginning of period	\$	5,976	\$	4,418
Additions		36,662		22,591
Revenue recognized		(34,138)		(21,743)
Balance, end of period	\$	8,500	\$	5,266

For the six months ended June 30, 2022, the Company recognized \$3,603 of revenue that was included in the contract liability balance as of January 1, 2022. For the six months ended June 30, 2021, the Company recognized \$2,224 of revenue that was included in the contract liability balance as of January 1, 2021.

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, the second and third quarter (ended on June 30 and September 30, respectively) financial results have reflected higher Short Distance travel demand and were better than the first and fourth quarter (ended March 31 and December 31) financial results. Historically, MediMobility Organ Transport demand has not been seasonal. Jet and Other revenue have historically been stronger in the first and fourth quarter (ended on March 31 and December 31, respectively) given that the Company's by-the-seat jet service has operated only between November and April.

Blade operates in three key lines of business:

- *Short Distance* – Consisting primarily of helicopter and amphibious seaplane flights in the United States and Canada between 10 and 100 miles in distance with prices starting at approximately \$195 per seat (or, in the case of our New York City airport transfer service, as low as \$95 per seat with the purchase of an annual Airport Pass for \$795). Flights are also available on a full aircraft charter basis. Prices per seat are presented at full dollar value and not rounded.
- *MediMobility Organ Transport* – Consisting of transportation of human organs for transplant.
- *Jet and Other* – Consists principally of revenues from non-medical jet charter, by-the-seat jet flights between New York and South Florida, revenue from brand partners for exposure to Blade fliers and certain ground transportation services.

Disaggregated revenue by product line was as follows:

	Three Months Ended			
	June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Product Line(1):				
Short Distance	\$	10,963	\$	5,798
MediMobility Organ Transport		17,249		1,550
Jet and Other		7,421		5,603
Total Revenue	\$	35,633	\$	12,951
			\$	62,263
			\$	22,224

(1) Prior period amounts have been updated to conform to current period presentation.

Cost of Revenue

Cost of revenue consists of flight costs paid to operators of aircraft and cars, landing fees and internal costs incurred in generating ground transportation revenue using the Company's owned cars.

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Note 3 – Intangible Assets

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

	Estimated Useful Life	June 30, 2022			December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Exclusive rights to Helijet's scheduled passenger routes in Canada	5 years	\$ 12,705	\$ (1,482)	\$ 11,223	\$ 12,357	\$ (206)	\$ 12,151
Customer list	5-10 years	11,542	(1,582)	9,960	11,542	(957)	10,585
Domain name	Indefinite	\$ 504	—	504	504	—	504
Trademarks	6-10 years	\$ 1,006	(134)	872	1,006	(51)	955
Developed technology	3 years	\$ 250	(66)	184	250	(24)	226
Total		<u>\$ 26,007</u>	<u>\$ (3,264)</u>	<u>\$ 22,743</u>	<u>\$ 25,659</u>	<u>\$ (1,238)</u>	<u>\$ 24,421</u>

For the three months ended June 30, 2022 and 2021, amortization of its finite-lived intangible assets were \$1,001 and \$47, respectively. For the six months ended June 30, 2022 and 2021, amortization of its finite-lived intangibles assets were \$1,998 and \$94, respectively.

As of June 30, 2022, the estimated amortization expense of its finite-lived intangible assets for each of the next five years are as follows:

For the Year Ended December 31,

2022 (balance of the year)	\$ 2,020
2023	3,956
2024	3,827
2025	3,768
2026	3,578

Note 4 – Right-of-Use Asset and Operating Lease Liability

Blade's operating leases consist of airport and heliport terminals, offices and aircraft leases that are embedded within certain capacity purchase agreements ("CPAs"). Upon meeting certain criteria as stated in ASC 842 *Leases*, the lease component of a capacity purchase agreement would be accounted for as an embedded lease, with a corresponding balance included in the operating right-of-use ("ROU") asset and lease liability.

As of June 30, 2022, the Company have two significant leases and are as follows: an operating lease for office space located at 55 Hudson Yards in New York, New York for an initial term of 2.5 years, signed in May 2022; and aircraft leases that are embedded within one of its capacity purchase agreements, signed in April 2022. The Company allocated the consideration in the capacity purchase agreement to the lease and nonlease components based on their relative standalone value. The lease components of this agreement consist of a lease of up to 6 aircraft for a three-year term, and the nonlease components primarily consist of the costs associated with flight operations. Blade has the right to terminate this agreement without cause upon 60 days written notice, upon such termination the guarantee will be pro-rated to the date of the termination and the operator will be entitled to retain any unapplied deposit paid by Blade at the time of such termination, in addition, Blade has the right for immediate termination with no penalty if a government authority enacts travel restrictions. The Company determined its best estimate of the standalone value of the individual components by

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Consolidated Financial Statements
(amounts in thousands, except share and per share data)

considering observable information from publicly available market rates. See Note 9, “Commitments and Contingencies”, for additional information about our capacity purchase agreements.

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

Operating leases:	June 30, 2022		December 31, 2021	
Operating right-of-use asset	\$	6,003	\$	713
Operating lease liability, current		2,364		438
Operating lease liability, long term		3,748		278

As of June 30, 2022, included in the table above is \$2,510, \$824 and \$1,687 of operating right-of-use asset, current operating lease liability, and long-term operating lease liability, respectively, under aircraft leases that are embedded within a capacity purchase agreement. As of December 31, 2021 there were no aircraft leases embedded within a capacity purchase agreement. As of June 30, 2022, included in the table above is \$2,654, \$1,064 and \$1,690 of operating right-of-use asset, current operating lease liability, and long-term operating lease liability, respectively, under the new office space located at 55 Hudson Yards in New York, New York.

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

Lease cost:	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Short-term lease cost	\$ 59	\$ 66	\$ 97	\$ 78
Operating lease cost	227	116	410	231
Operating lease cost - cost of revenue	250	—	250	—
Total	\$ 536	\$ 182	\$ 757	\$ 309

Operating lease costs related to aircraft leases that are embedded within a capacity purchase agreements are reported as part of Cost of Revenue.

Other information related to leases is presented below:

	June 30, 2022
Weighted-average discount rate – operating lease	6.60 %
Weighted-average remaining lease term – operating lease (in years)	2.4

As of June 30, 2022, the expected annual minimum lease payments of the Company’s operating lease liabilities and other short-term leases were as follows:

For the Year Ended December 31,	
Remainder of 2022	\$ 1,365
2023	2,699
2024	2,281
2025	300
2026 and thereafter	10
Total future minimum lease payments, undiscounted	6,655
Less: Imputed interest for leases in excess of one year	(543)
Present value of future minimum lease payments	\$ 6,112

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Note 5 – Stock-Based Compensation

Stock Option Awards

Following is a summary of stock option activities for the six months ended June 30, 2022:

	Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Life (years)	Intrinsic Value
Outstanding – January 1, 2022	8,084,676	\$ 0.19	\$ 0.21	5.6	\$ 69,875
Granted	—	—	—		
Exercised	(440,143)	0.18	0.22		
Forfeited	—	—	—		
Outstanding – June 30, 2022	7,644,533	\$ 0.19	\$ 0.21	5.1	\$ 32,661
Exercisable as of June 30, 2022	7,644,533	\$ 0.19	\$ 0.21	5.1	\$ 32,661

For the three months ended June 30, 2022 and 2021, the Company recorded \$0 and \$656, respectively, in stock option expense. For the six months ended June 30, 2022 and 2021, the Company recorded \$0 and \$765, respectively, 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 June 30, 2022, \$0 of stock options remain subject to amortization.

Restricted Stock

During the three months ended June 30, 2022, the Company granted an aggregate of 270,357 of the Company's restricted stock units to various employees, officers, directors, consultants, and service providers under the 2021 Equity Incentive Plan. The restricted stock units have various vesting dates, ranging from vesting on the grant date to as late as four years from the date of grant.

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Non-vested – January 1, 2022	2,373,523	\$ 8.22
Granted	420,913	7.27
Vested	(394,430)	8.01
Forfeited	(45,777)	8.88
Non-vested – June 30, 2022	2,354,229	\$ 8.24

For the three months ended June 30, 2022 and 2021, the Company recorded \$1,844 and \$1,862 in employee and officers restricted stock compensation expense. For the six months ended June 30, 2022 and 2021, the Company recorded \$3,942 and \$3,657 in employee and officers restricted stock compensation expense. As of June 30, 2022, unamortized stock-based compensation costs related to restricted share arrangements was \$14,970 and will be recognized over a weighted average period of 2.6 years.

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Stock-Based Compensation Expense

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Software development	\$ 254	\$ 86	\$ 529	\$ 156
General and administrative	1,495	2,425	3,218	4,259
Selling and marketing	95	7	195	7
Total stock-based compensation expense	\$ 1,844	\$ 2,518	\$ 3,942	\$ 4,422

Note 6 – Income Taxes

The Company has not recorded tax benefits on the loss before income taxes due to a full valuation allowance that offsets potential deferred tax assets resulting from net operating loss (“NOL”) carry forwards, reflecting the inability to demonstrate the realizability of such loss carry forwards.

As of June 30, 2022, the Company has a net deferred tax liability, due to what is referred to as a “naked credit.” The naked credit exists when a deferred tax liability can only be offset up to 80% by NOLs generated in tax years beginning in 2018 and beyond, as well as NOLs available after consideration of IRC Section 382 limitation. The remaining portion that cannot be used remains as a liability. In future years, if the deferred tax assets are determined by management to be “more likely than not” to be realized, the recognized tax benefits relating to the reversal of the valuation allowance as of June 30, 2022 will be recorded. The Company will continue to assess and evaluate strategies that will enable the deferred tax asset, or portion thereof, to be utilized, and will reduce the valuation allowance appropriately as such time when it is determined that the “more likely than not” criteria is satisfied.

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Note 7 – Earnings Per Share

The Company has granted restricted stock awards with dividend rights that are considered to be participating securities. Accordingly, a portion of the Company's earnings is allocated to those participating securities in the earnings per share ("EPS") calculation under the two-class method. Basic earnings per common share is computed using the two-class method by dividing income available to common stockholders after the allocation of dividends and undistributed earnings to the participating securities by the weighted average number of common shares outstanding for the period. Diluted earnings per common share is calculated using the more dilutive of the treasury stock method or the two-class method. Diluted earnings per common share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised, and is computed after giving consideration to the weighted average dilutive effect of the Company's stock options, warrants, and nonvested restricted stock, where applicable. Diluted EPS under the two-class method also considers the allocation of earnings to the participating securities. Antidilutive securities are disregarded in earnings per share calculations. Diluted EPS for the three months ended June 30, 2022 shown below reflects the two-class method, as diluted EPS under the two-class method was more dilutive than under the treasury stock method.

A reconciliation of net earnings (loss) and common stock share amounts used in the computation of basic and diluted earnings per share is presented below.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Basic and dilutive earnings (loss) per common share:				
Net income ((loss) attributable to Blade Air Mobility, Inc.	\$ 8,412	\$ (24,286)	\$ (2,600)	\$ (28,507)
Less: Undistributed earnings allocated to nonvested restricted stockholders	(256)	—	—	—
Basic net earnings (loss) available to common stockholders	8,156	(24,286)	(2,600)	(28,507)
Add: Undistributed earnings allocated to nonvested restricted stockholders	256	—	—	—
Less: Reallocation of undistributed earnings to nonvested restricted stockholders	(233)	—	—	—
Diluted net earnings (loss) available to common stockholders	8,179	(24,286)	(2,600)	(28,507)
Total weighted-average basic common shares outstanding	71,051,523	51,569,634	70,913,597	38,547,863
Effect of dilutive securities:				
Stock options	7,445,833	—	—	—
Total effect of dilutive securities	7,445,833	—	—	—
Total weighted-average diluted common shares outstanding	78,497,356	51,569,634	70,913,597	38,547,863
Net earnings (loss) per common share:				
Basic earnings (loss) per common share	\$ 0.11	\$ (0.47)	\$ (0.04)	\$ (0.74)
Dilutive earnings (loss) per common share	\$ 0.10	\$ (0.47)	\$ (0.04)	\$ (0.74)

The following table represents common stock equivalents that were excluded from the computation of diluted earnings per share for the three and six months ended June 30, 2022 and 2021, because the effect of their inclusion would be anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Warrants to purchase shares of common stock	14,166,644	14,166,666	14,166,644	14,166,666
Options to purchase shares of common stock	—	9,689,826	7,644,533	9,689,826
Restricted shares of common stock	1,051,549	703,137	2,354,229	703,137
Total potentially dilutive securities	15,218,193	24,559,629	24,165,406	24,559,629

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Note 8 – Related Party Transactions

The Company contracted for certain air charter services with Underhill, a related party up to April 2021. 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 would be fully transferred to Underhill. On April 8, 2021, those conditions were satisfied and Ms. Tomkiel's remaining interest was transferred to Underhill.

For the three and six months ended June 30, 2021, the Company paid Underhill approximately \$1,100 and \$1,412 respectively for air charter services.

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 June 30, 2022, the Company has a remaining unfulfilled obligation for the years ending December 31, 2022, 2023, 2024 and 2025 under agreements with various aircraft operators to purchase flights with an aggregate value of approximately \$4,187, \$7,061, \$8,628 and \$7,500, respectively. The above remaining unfulfilled obligation includes amounts within operating lease liability related to aircraft leases embedded within one of the capacity purchase agreements as discussed in Note 4 – Right-of-Use Asset and Operating Lease Liability. Blade has the right for immediate termination of certain agreements if a government authority enacts travel restrictions, this right is applicable to unfulfilled obligation for the years ending December 31, 2022, 2023, 2024 and 2025 with an aggregate value of approximately \$1,288, \$7,061, \$8,628 and \$7,500, respectively. In addition, obligations amounting to \$1,120, \$6,267, \$7,500 and \$7,500 for the years ending December 31, 2022, 2023, 2024 and 2025, respectively, could be terminated by Blade for convenience upon 30 or 60 days' notice with the annual minimum guarantee being pro rated as of the termination date.

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 June 30, 2022, 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 April 1, 2021, Shoreline Aviation, Inc. (SAI) 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 (SAFE), Ryan A. Pilla, Blade Urban Air Mobility, Inc., Robert Wiesenthal and Melissa Tomkiel as defendants. The case is captioned Shoreline Aviation, Inc. v. Sound Aircraft Flight Enterprises, Inc. et al., No. 2:20-cv-02161-JMA-SIL (E.D.N.Y.). The complaint alleged, 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"). On March 16, 2022, SAI and the Blade Defendants filed a Joint Stipulation and Order of Dismissal with Prejudice in the Court, in which, SAI and the Blade Defendants stipulated and agreed that pursuant to Federal Rule of Civil Procedure

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

41(a)(1)(A)(ii), all of SAI's claims against the Blade Defendants were dismissed with prejudice. The Blade Defendants expressly denied any wrongdoing and did not admit any liability.

Trinity Air Medical, LLC ("Trinity"), a wholly owned subsidiary of Blade Urban Air Mobility, Inc., has received a federal grand jury subpoena seeking records related to the provision of transplant transportation services. Trinity is cooperating with the subpoena.

Note 10 – Warrant Liabilities

Warrants — Public Warrants may only be exercised for a whole number of shares. The Public Warrants became exercisable on June 7, 2021. The Public Warrants will expire on May 7, 2025 or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any shares of common stock pursuant to the exercise of a warrant and will have no obligation to settle such warrant exercise unless a registration statement under the Securities Act with respect to the shares of common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration. No warrant will be exercisable, and the Company will not be obligated to issue any shares of common stock upon exercise of a warrant unless common stock, issuable upon such warrant exercise, has been registered, qualified, or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants. On June 10, 2022, the Company's post-effective amendment on Form S-3 to its registration statement on Form S-1 registering the shares issuable upon exercise of the warrants was declared effective by the SEC.

Redemptions of Warrants for Cash— Once the warrants become exercisable, the Company may redeem the Public Warrants:

- in whole and not in part;
- at a price of \$0.01 per warrant;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the reported last sale price of the Company's common stock equals or exceeds \$8.00 per share for any 20 trading days within a 30-trading day period ending three business days before the Company sends the notice of redemption to each warrant holder.

If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

Redemption of Warrants for Shares of Common Stock— Commencing ninety days after the warrants become exercisable, the Company may redeem the outstanding warrants:

- in whole and not in part;
- at a price equal to a number of shares of common stock to be determined, based on the redemption date and the fair market value of the Company's common stock;
- upon a minimum of 30 days' prior written notice of redemption;
- if, and only if, the last reported sale price of the Company's common stock equals or exceeds \$0.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations, and the like) on the trading day prior to the date on which the Company sends the notice of redemption to the warrant holders; and
- if, and only if, there is an effective registration statement covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating thereto is available throughout the 30-day period after the written notice of redemption is given.

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

If the Company calls the Public Warrants for redemption for cash, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a “cashless basis”, as described in the warrant agreement. The exercise price and number of shares of common stock issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, recapitalization, reorganization, merger, or consolidation. However, except as described below, the warrants will not be adjusted for issuance of common stock at a price below its exercise price. Additionally, in no event will the Company be required to net-cash settle the warrants.

The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Placement Warrants will be exercisable on a cashless basis and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

Note 11 – Fair Value Measurements

The Company follows the guidance in ASC 820, *Fair Value Measurement* (“ASC 820”), for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually.

The fair value of the Company’s financial assets and liabilities reflects management’s estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs based on management’s assessment of the assumptions that market participants would use in pricing the asset or liability.

The following table presents information about the Company’s assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2022 and December 31, 2021, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value.

	Level	June 30, 2022	December 31, 2021
Warrant liabilities - Public Warrants	1	\$ 6,142	\$ 20,258
Warrant liabilities - Private Warrants	2	3,350	11,050
Fair value of aggregate warrant liabilities		<u>\$ 9,492</u>	<u>\$ 31,308</u>

The Warrants were accounted for as liabilities in accordance with ASC 815-40 and are presented within “Warrant liability” on the Company’s unaudited interim condensed consolidated balance sheets. The warrant liabilities are measured at fair value upon assumption and on a recurring basis, with changes in fair value presented within “Change in fair value of warrant liabilities” in the unaudited interim condensed consolidated statements of operations.

The Public Warrants are considered part of level 1 of the fair value hierarchy, as those securities are traded on an active public market. At the Closing Date and thereafter, the Company valued the Private Warrants using Level 2 of the fair value hierarchy. The Company used the value of the Public Warrants as an approximation of the value of the Private Warrants as they are substantially similar to the Public Warrants, but not directly traded or quoted on an active market.

BLADE AIR MOBILITY, INC.
Notes to Unaudited Interim Condensed Consolidated Financial Statements
(amounts in thousands, except share and per share data)

Subsequent measurement

The following table presents the changes in fair value of the warrant liabilities:

	Public Warrants	Private Placement Warrants	Total Warrant Liability
Fair value as of January 1, 2022	\$ 20,258	\$ 11,050	\$ 31,308
Change in fair value of warrant liabilities	(14,116)	(7,700)	(21,816)
Fair value as of June 30, 2022	<u>\$ 6,142</u>	<u>\$ 3,350</u>	<u>\$ 9,492</u>

Note 12 – 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. At the onset of the pandemic, we experienced a substantial decline in the demand for our Short Distance 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. However, we continued to see increasing demand for our MediMobility Organ Transport and Jet and Other services throughout the pandemic.

As a result of the decline in Short Distance demand, we paused our New York airport service from March 2020 through June 2021. Additionally, we implemented new measures to focus on the personal safety of our air and ground passengers during the pandemic, which did not materially increase our costs, and significantly reduced the number of Short Distance flights we offered in the typically high-demand summer season during 2020.

We began to see a recovery in Short Distance demand in Summer 2021. While the ultimate impact of the current COVID-19 pandemic is highly uncertain and subject to change, we were able to resume our New York by-the-seat airport flights on June 1, 2021, beginning with service between Manhattan and JFK Airport and later adding Newark Airport. Additionally, we have seen recovering demand on our other Short Distance routes. However, adverse developments related to the pandemic, such as the emergence of new viral strains that are not responsive to the vaccine, a reduction in business travel in favor of virtual meetings, or a continued lack of demand for air travel from the public, could slow the recovery of our Short Distance products and postpone our ability to launch planned route expansions.

Note 13 – Subsequent Events

The Company has completed an evaluation of all subsequent events through the filing of this Quarterly Report on Form 10-Q to ensure that these unaudited interim condensed consolidated financial statements include appropriate disclosure of events both recognized in the unaudited interim condensed consolidated financial statements and events which occurred but were not recognized in the unaudited interim condensed consolidated financial statements. The Company has concluded that no subsequent event has occurred that requires disclosure.

Item 2. Management’s discussion and analysis of financial condition and results of operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited interim condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended September 30, 2021.

On February 1, 2022, the Board of Directors approved a change of the Company’s fiscal year-end from September 30 to December 31. The Company’s 2022 fiscal year began on January 1, 2022 and will end on December 31, 2022.

In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, and beliefs.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes statements that express our opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, “forward-looking statements.” These forward-looking statements can generally be identified using forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “seeks”, “projects”, “intends”, “plans,” “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward- looking statements include all matters that are not historical facts. They appear in several places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which we operate. Such forward-looking statements are based on available current market material and management’s expectations, beliefs and forecasts concerning future events impacting us. Factors that may impact such forward-looking statements include: the duration and severity of the COVID-19 pandemic, failure of the markets for our offerings to grow as expected, or at all; our ability to attract and retain customers and increase existing customer utilization rates; the inability or unavailability to use or take advantage of the shift, or lack thereof, to EVA technology or the failure of such technology to deliver the expected results and cost savings; our ability to successfully enter new markets and launch new offerings; accidents or safety-related events involving small aircraft that create adverse publicity; the effects of competition; effects of pricing pressures; injuries to our reputation and brand; challenges to our ability to provide quality customer support at scale; events that cause decreases in our daily aircraft usage rates and flier utilization rates; shifts in customer preferences, discretionary spending and the ability of our customers to pay for our services; disruption of operations at the heliports and airports where our operations are concentrated; risks associated climate change, including potential increased impacts of severe weather and regulatory activity; the availability of aircraft fuel; technology system failures, defects, errors, or vulnerabilities and cyber-based attacks; our ability to receive favorable placements in mobile application marketplaces and effectively operate our mobile operating systems and applications; our ability to protect our intellectual property rights; risks related to our use of open source software; our ability to maintain and expand our facility and infrastructure network; our ability to obtain additional funding on acceptable terms, or at all; our ability to successfully navigate international expansion; our ability to identify, complete and successfully integrate acquisitions; our ability to manage future growth effectively; our ability or that of our third-party operators to obtain sufficient insurance at reasonable cost, or at all; the loss of key members of our management team; disruptions in the operations of our third-party operators, their failure to perform adequately, or their misuse of Blade-branded aircraft; the loss of our existing relationships with third-party operators or our inability to attract and retain qualified new operators to meet demand; disruptions or interference in our use of third-party web services; changes in our regulatory environment, including aviation law and FAA regulations; regulatory obstacles that may block our ability to offer our services in certain jurisdictions on a profitable basis, or at all; our ability to comply with privacy, data protection, consumer protections and environmental laws and regulations and changes to such laws and their interpretations; our ability to remediate any material weaknesses or maintain effective a system of disclosure controls and internal control over financial reporting; changes in the fair value of our warrants; and other factors beyond our control. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in “Risk Factors” included in the Annual Report on Form 10-K for the year ended September 30, 2021, and in our other filings with the Securities and Exchange Commission (the SEC). Except as required by law, we do not assume any obligation to update any forward-looking statements, whether as a result of new information, changes in expectations, future events or otherwise.

Merger and Organization

On May 7, 2021 (the “Closing Date”), privately held Blade Urban Air Mobility, Inc., a Delaware corporation formed on December 22, 2014, (“Old Blade”) consummated the previously announced transactions contemplated by the Agreement and Plan of Merger (the “Merger Agreement”), dated December 14, 2020, by and among Experience Investment Corp. (“EIC”), Experience Merger Sub, Inc., a wholly owned subsidiary of EIC (“Merger Sub”), and Old Blade. The Merger Agreement provided for the acquisition of Old Blade by EIC pursuant to the merger of Merger Sub with and into EIC (the “Merger”), with Old Blade continuing as the surviving entity and a wholly-owned subsidiary of EIC. On the Closing Date, and in connection with the closing of the business combination (the “Closing”), EIC changed its name to Blade Air Mobility, Inc. Unless the context indicates otherwise, the discussion of the Company and its financial condition and results of operations is with respect to Blade following the Closing Date and with respect to Old Blade prior to the Closing Date.

See Note 3 to the consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended September 30, 2021 for additional information.

Significant Transactions

Potential Acquisition of the commercial passenger transport activities of Monacair S.A.M., Héli Sécurité and Azur Hélicoptère

On May 18, 2022, the Company, through Old Blade, entered into a Share Purchase Agreement (the “Share Purchase Agreement”) with EOLA, SCP ABC, SCP JKL, SCP XYZ and certain of their shareholders. Pursuant to the Share Purchase Agreement, and upon the terms and subject to the conditions therein, Blade will acquire, through a wholly-owned French subsidiary, the commercial passenger transport activities of Monacair S.A.M, a Montegasque-based air carrier, and Héli Sécurité and Azur Hélicoptère, both French-based air carriers, for cash consideration of approximately \$50.1 million (€47.8 million). Through a series of corporate reorganizations to occur pre-closing, the sellers will consolidate the assets to be acquired by Blade into newly formed entities. Upon closing, these newly formed entities will become wholly owned subsidiaries of Blade’s French subsidiary. Under the terms of the Share Purchase Agreement, the completion of the transaction is subject to certain closing conditions and the agreement may be terminated under certain specified circumstances, including, at Blade’s discretion, if the closing conditions are not fulfilled by September 30, 2022 or automatically on December 31, 2022 if the closing conditions are not fulfilled and the parties have not agreed to extend such date. The transaction is expected to close in late summer 2022.

Purchase of Exclusive Rights to Helijet International, Inc.’s Scheduled Passenger Routes in Canada

On November 30, 2021, the Company through its wholly-owned subsidiaries Blade Urban Air Mobility, Inc. and Blade Urban Air Mobility (Canada) Inc. entered into an agreement with Helijet International, Inc. (Helijet), a British Columbia-based aviation solutions company and with Pacific Heliport Services Ltd. (“PHS”), a wholly-owned subsidiary of Helijet. Pursuant to this agreement, Blade has acquired exclusive rights to offer scheduled helicopter flights operated by Helijet and to utilize passenger terminals at heliports controlled by PHS, for cash consideration of \$12 million. The agreement has an initial term of five years and will be automatically renewed for successive two-year periods. This transaction is consistent with Blade’s asset-light model, where the Company organically creates or purchases, valuable routes and contracts with incumbent aircraft operators to fly on its behalf. Routes are between Vancouver, Victoria and Nanaimo, British Columbia where Blade will invest in Helijet’s heliport terminal infrastructure; flights range from 20 to 40 minutes. Flight revenue generated through those exclusive rights is included in the Short Distance product line.

This transaction was accounted for as a purchase of an intangible asset under ASC 350, *Intangibles—Goodwill and Other*, per which the Company capitalized the consideration paid and acquisition related costs as an intangible asset and amortize it over five years. See Note 3 to the unaudited interim condensed consolidated financial statements for additional information on the intangibles.

Business Overview

Blade is a technology-powered, global air mobility platform committed to reducing travel friction by providing cost-effective air transportation alternatives to some of the most congested ground routes in the U.S. and abroad. Today, we predominantly use helicopters and amphibious aircraft for our passenger routes and are also one of the largest air medical transporters of human organs for transplant in the world. Our asset-light model, coupled with our exclusive passenger terminal infrastructure, is designed to facilitate a seamless transition to Electric Vertical Aircraft (“EVA” or “eVTOL”), enabling lower cost air mobility to the public that is both quiet and emission-free. Blade currently operates in three key lines of business:

- *Short Distance* — Consisting primarily of helicopter and amphibious seaplane flights in the United States and Canada between 10 and 100 miles in distance with prices starting at approximately \$195 per seat (or, in the case of our New York City airport transfer service, as low as \$95 per seat with the purchase of an annual Airport Pass for \$795). Flights are also available on a full aircraft charter basis. Prices per seat are presented at full dollar value and not rounded.
- *MediMobility Organ Transport* — Consisting of transportation of human organs for transplant.
- *Jet and Other* — Consists principally of revenues from non-medical jet charter, by-the-seat jet flights between New York and South Florida, revenue from brand partners for exposure to Blade fliers and certain ground transportation services.

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 flight time to Blade at fixed hourly rates. This enables our operator partners to focus on training pilots, maintaining aircraft and flying, while we maintain the relationship with the client from booking through flight arrival. For flights offered for sale by-the-seat, Blade schedules flights based on demand analysis and takes the economic risk of aggregating fliers to optimize flight profitability, providing predictable margins for our operators.

We typically prenegotiate fixed hourly rates and flight times with our aircraft operators, paying only for flights actually flown, creating a predictable and flexible cost structure. Blade will sometimes provide guaranteed flight commitments to our aircraft operators.

Blade’s proprietary “customer-to-cockpit” technology stack enables us to manage fliers and organ transports across numerous simultaneous flights, coordinating multiple operators flying between terminals across our route network. We believe that this technology, which provides us with enhanced logistics capabilities and information from our fliers signaling their interest in new routes, will enable us to continue to scale our business. This technology stack was built with future growth in mind and is designed to allow our platform to be easily scaled to accommodate, among other things, rapid increases in flier volume, new routes, new operators, broader flight schedules, next-generation verticraft and ancillary services (e.g., last/first-mile ground connections, trip cancellation insurance, baggage delivery) through our mobile apps, website and cloud-based tools.

Our asset-light business model was developed to be scalable and profitable using conventional aircraft 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. In the interim, we purchase offsets to contract the carbon emissions generated by our urban air mobility services.

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Seats flown – all passenger flights(1)	28,241	5,971	46,735	8,226

(1) Prior period amounts have been updated to conform to current period presentation.

We define “Seats flown — all passenger flights” as the total number of seats purchased by paying passengers on all flights, whether sold by-the-seat or within a charter arrangement, and excluding organ transportation flights regardless of whether

the organ is accompanied by a medical team. Our long-term consumer-facing strategy is primarily focused on growth in by-the-seat products, and we believe that “Seats flown — all passenger 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 passenger flights,” but has less impact on revenue, which is heavily influenced by our MediMobility Organ Transport and Jet and Other product lines where we typically fly fewer or sometimes no passengers over long distances at a high price. We believe the “Seats flown — all passenger 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 — 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. At the onset of the pandemic, we experienced a substantial decline in the demand for our Short Distance 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. However, we continued to see increasing demand for our MediMobility Organ Transport and Jet and Other services throughout the pandemic.

As a result of the decline in Short Distance demand, we paused our New York airport service from March 2020 through June 2021. Additionally, we implemented new measures to focus on the personal safety of our air and ground passengers during the pandemic, which did not materially increase our costs, and significantly reduced the number of Short Distance flights we offered in the typically high-demand summer season during 2020.

We began to see a recovery in Short Distance demand in Summer 2021. While the ultimate impact of the current COVID-19 pandemic is highly uncertain and subject to change, we were able to resume our New York by-the-seat airport flights on June 1, 2021, beginning with service between Manhattan and JFK Airport and later adding Newark Airport. Additionally, we have seen recovering demand on our other Short Distance routes. However, adverse developments related to the pandemic, such as the emergence of new viral strains that are not responsive to the vaccine, a reduction in business travel in favor of virtual meetings, or a continued lack of demand for air travel from the public, could slow the recovery of our Short Distance products and postpone our ability to launch planned route expansions. For example, the emergence of the Omicron variant resulted in a negative impact to our Short Distances services during the quarter ending March 31, 2022, while our MediMobility Organ Transport and Jet and Other businesses remained unaffected. This impact of the Omicron variant on Short Distance services dissipated in the quarter ending June 30, 2022.

Factors Affecting our Performance

Ability to attract and retain fliers in our Short Distance business

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. We plan to continue making significant investments and implementing 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.

Ability to attract and retain customers in our MediMobility Organ Transport and Jet and Other businesses

Our MediMobility Organ Transport business primarily serves transplant centers and Organ Procurement Organizations (OPOs and, together, MediMobility Customers). Transportation for the hearts, lungs and livers that make up the vast majority of this business line is typically requested only hours before the required departure time. Our ability to successfully fulfill these requests with consistent pricing on the requested aircraft type, be it jet, turboprop or helicopter, is the primary metric by which MediMobility Customers evaluate our performance. We utilize the same fixed wing aircraft and aircraft operators for our retail jet charter customers, who are also primarily concerned with availability and pricing, but typically book with much more advance notice.

Historically, the combination of Blade's retail jet charter and MediMobility Organ Transport demand, has been enough to incentivize operators to provide dedicated jet aircraft and crews for our MediMobility Organ Transport and Jet and Other product lines. However, there is no guarantee that we will continue to be able to secure dedicated aircraft at favorable rates, particularly given recent significant increases in demand for private jet aircraft in the United States. Recent increased demand for private jets has led to increased charter costs and more limited availability in the spot jet charter market, but has not limited Blade's ability to maintain or increase our access to dedicated jet aircraft at fixed prices.

Impact of inflation to our business

Blade generally pays a fixed hourly rate to its third-party operators, based on flight hours flown. These rates are susceptible to inflation and are typically renegotiated on a yearly basis, with the exception of certain aircraft utilized primarily for organ transportation, which can be on two to three year contracts. Blade has historically passed through cost inflation to customers and most contracts with organ transportation clients automatically pass through any fuel surcharges, but there is no guarantee this will continue in the future.

Expansion into New Geographic Markets

Our consumer-facing growth plan is focused on dense urban areas, primarily those with existing air transportation infrastructure 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. The number of potential fliers using our urban air mobility services in any market cannot be predicted with any degree of certainty, and we cannot provide assurance 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, 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 initially expected to have a limited range, and our existing terminal space will accommodate EVA. Blade's unit economics are designed to be profitable using either conventional helicopters or EVA, even if early EVA do 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 significant seasonality in our Short Distance businesses with flight volume peaking during the quarters ended June 30 (Q2) and September 30 (Q3) of each fiscal year due to the busy summer travel season, with lower volume during the quarters ended March 31 (Q1) and December 31 (Q4). In calendar year 2020, we experienced less seasonality as a result of the COVID-19 pandemic and related restrictions, which altered typical travel patterns. In 2021, we saw a recovery in demand for summer travel, resulting in a return to more typical seasonality. Thus far in 2022, we have seen a continued recovery in demand trends more in line with typical seasonality, however we did experience a

minimal impact from the COVID-19 Omicron variant during the first quarter. Blade's Short Distance expansion strategy is focused on routes with significantly less seasonality, such as intercity transfers, airport, and year-round commuter routes.

Historically, MediMobility Organ Transport demand has not been seasonal.

Jet and Other revenue have historically been stronger in the first and fourth quarter (ended on March 31 and December 31, respectively) given that the Company's by-the-seat jet service has operated only between November and April.

Key Components of the Company's Results of Operations

Revenue

For Short Distance revenue, seats or monthly or annual flight passes are typically purchased using the Blade App and paid for principally 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.

MediMobility Organ Transport products are typically purchased through our medical logistics coordinators and are paid for principally via checks and wires. Payments are generally collected after the performance of the related service in accordance with the client's payment terms. The revenue is recognized as the service is completed.

Jet products are typically purchased through our Flier Relations associates and our app and are paid for principally via checks, wires and credit card. Jet payments are typically collected at the time of booking before the performance of the related service. The revenue is recognized as the service is completed.

Cost of Revenue

Cost of revenue consists of flight costs paid to operators of aircraft and cars, landing fees and internal costs incurred in generating ground transportation revenue using the Company's owned cars.

Software Development

Software development expenses consist primarily of staff costs and stock-based compensation costs. Software development costs are expensed as incurred.

General and Administrative

General and administrative expenses principally include personnel costs, 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, staff salaries and stock-based compensation, marketing expenses, and promotion costs. We expect that selling and marketing expenses will increase for the foreseeable future as they represent 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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)			
Revenue	\$ 35,633	\$ 12,951	\$ 62,263	\$ 22,224
Operating expenses				
Cost of revenue(1)	30,522	9,976	54,229	17,773
Software development(1)	1,062	323	1,897	612
General and administrative(1)	12,144	9,808	26,122	14,633
Selling and marketing(1)	1,638	615	3,438	1,202
Total operating expenses	45,366	20,722	85,686	34,220
Loss from operations	(9,733)	(7,771)	(23,423)	(11,996)
Other non-operating income (expense)				
Change in fair value of warrant liabilities	19,266	(14,913)	21,816	(14,913)
Realized loss from sale of short term investments	(1,576)	—	(1,712)	—
Recapitalization costs attributable to warrant liabilities	—	(1,742)	—	(1,742)
Interest income, net	455	140	719	144
Total other non-operating income (expense)	18,145	(16,515)	20,823	(16,511)
Net income (loss)	\$ 8,412	\$ (24,286)	\$ (2,600)	\$ (28,507)

(1) Prior period amounts have been updated to conform to current period presentation.

Comparison of the Three Months Ended June 30, 2022 and 2021

Revenue

	Three Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Revenue	\$ 35,633	\$ 12,951	175 %

Disaggregated revenue by product line was as follows:

	Three Months Ended June 30,	
	2022	2021
	(in thousands)	
Product Line(1):		
Short Distance	\$ 10,963	\$ 5,798
MediMobility Organ Transport	17,249	1,550
Jet and Other	7,421	5,603
Total Revenue	\$ 35,633	\$ 12,951

(1) Prior period amounts have been updated to conform to current period presentation.

For the three months ended June 30, 2022 and 2021, revenue increased by \$22.6 million or 175%, from \$13.0 million in 2021 to \$35.6 million in 2022. The increase in revenue was driven by the acquisition of Trinity (September 2021), the

acquisition of Helijet's scheduled routes in Vancouver, Canada (November 2021) and organic growth across all product lines.

Short Distance revenue increased by \$5.2 million in 2022, an increase of 89%, from \$5.8 million in 2021 to \$11.0 million in 2022. Growth in Short Distance was driven by the acquisition of Helijet's scheduled routes in Vancouver, Canada, increased demand for helicopter charter flights, the reintroduction of our by-the-seat airport transfer products, beginning in June 2021, and price increases implemented during the 2022 period.

MediMobility Organ Transport revenue increased by \$15.6 million in 2022, an increase of 1,013% from \$1.6 million in 2021 to \$17.2 million in 2022. Growth in MediMobility Organ Transport was driven by the acquisition of Trinity, the addition of new hospital clients and growth within existing clients.

Jet and Other revenue increased by \$1.8 million in 2022, an increase of 32%, from \$5.6 million in 2021 to \$7.4 million. Growth in Jet and Other was driven by an increase in the average price per jet charter trip and increased flight volumes on our seasonal by-the-seat jet services, partially offset by lower revenues from brand partners.

Cost of Revenue

	Three Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Cost of revenue(1)	\$ 30,522	\$ 9,976	206 %
Percentage of revenue	86 %	77 %	

(1) Prior period amounts have been updated to conform to current period presentation.

For the three months ended June 30, 2022 and 2021, cost of revenue increased by \$20.5 million, or 206%, from \$10.0 million during 2021 to \$30.5 million in 2022 driven by increased flight volume and an increase in the average price per trip. Cost of revenue as a percentage of revenues increased by 9 percentage points from 77% to 86%, attributable primarily to (i) a shift in revenue mix towards MediMobility Organ Transport, which has higher cost of revenue as a percentage of revenue compared with our Short Distance products; and (ii) the reintroduction of our by-the-seat airport transfer service, which was paused during the comparable 2021 period and is currently operating below breakeven during the ramp period, as expected.

Software Development

	Three Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Software development(1)	\$ 1,062	\$ 323	229 %
Percentage of revenue	3 %	2 %	

(1) Prior period amounts have been updated to conform to current period presentation.

For the three months ended June 30, 2022 and 2021, software development costs increased \$0.8 million, or 229%, from \$0.3 million during 2021 to \$1.1 million in 2022, attributable to a \$0.5 million increase in staff costs due to hiring and using external resources, an increase of \$0.2 million in stock based compensation and an increase of \$0.1 million in cloud tools.

General and Administrative

	Three Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
General and administrative(1)	\$ 12,144	\$ 9,808	24 %
Percentage of revenue	34 %	76 %	

(1) Prior period amounts have been updated to conform to current period presentation.

For the three months ended June 30, 2022 and 2021, general and administrative expense increased by \$2.3 million, or 24%, from \$9.8 million during 2021 to \$12.1 million in 2022.

The primary drivers of the net increase were: (i) a \$2.5 million increase in staff costs attributable to new hires in order to support our significant growth, both organically and through our acquisition of Trinity (September 2021), as well as the requirement for additional roles following the Company becoming public in May 2021; (ii) a \$1.0 million increase in intangibles amortization costs in connection with the Trinity and Helijet transactions; and (iii) an overall increase in general and administrative costs i.e., office and travel costs in line with the increase in revenue and headcount. Those increases were partially offset by a \$2.0 million decrease in professional fees due to consulting costs related to the initial public listing.

Selling and Marketing

	Three Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Selling and marketing(1)	\$ 1,638	\$ 615	166 %
Percentage of revenue	5 %	5 %	

For the three months ended June 30, 2022 and 2021, selling and marketing expense increased by \$1.0 million, or 166%, from \$0.6 million during 2021 to \$1.6 million in 2022. The increase is attributable primarily to higher marketing spend in connection with the recently re-launched Blade Airport product, our by-the-seat passenger helicopter service between Manhattan and area airports, and higher marketing activity in line with the overall increase in flights.

Other non-operating income

	Three Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Change in fair value of warrant liabilities	\$ 19,266	\$ (14,913)	(229)%
Recapitalization costs attributable to warrant liabilities	—	(1,742)	NM(1)
Interest income, net	455	140	225%
Realized loss from sale of short term investments	(1,576)	—	NM(1)
Total other non-operating income	<u>\$ 18,145</u>	<u>\$ (16,515)</u>	NM(1)

(1) Percentage not meaningful

For the three months ended June 30, 2022, other non-operating income consists of: \$19.3 million non-cash income due to fair value revaluation of warrant liabilities as the value of the warrant liabilities fluctuates with the warrants' market price; \$1.6 million realized loss from the sale of short term investments during the quarter; and \$0.5 million interest income, net of interest expense. We earn interest income on our money market and short-term investments, the increase over the prior year period is attributable to a larger investment balance as well as higher interest rates in the current year period.

Comparison of the Six Months Ended June 30, 2022 and 2021
Revenue

	Six Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Revenue	\$ 62,263	\$ 22,224	180 %

Disaggregated revenue by product line was as follows:

	Six Months Ended June 30,	
	2022	2021
	(in thousands)	
Product Line(1):		
Short Distance	\$ 15,166	\$ 6,849
MediMobility Organ Transport	29,924	2,885
Jet and Other	17,173	12,490
Total Revenue	<u>\$ 62,263</u>	<u>\$ 22,224</u>

(1) Prior period amounts have been updated to conform to current period presentation.

For the six months ended June 30, 2022 and 2021, revenue increased by \$40.1 million or 180%, from \$22.2 million in 2021 to \$62.3 million in 2022. The increase in revenue was driven by the acquisition of Trinity (September 2021), the acquisition of Helijet's scheduled routes in Vancouver, Canada (November 2021) and organic growth across all product lines.

Short Distance revenue increased by \$8.4 million or 121% from \$6.8 million in 2021 to \$15.2 million in 2022. Growth in Short Distance was driven by the acquisition of Helijet's scheduled routes in Vancouver, Canada, increased demand for helicopter charter flights, the reintroduction of our by-the-seat airport transfer products, beginning in June 2021, and price increases implemented in the 2022 period.

MediMobility Organ Transport revenue increased by \$27.0 million or 937% from \$2.9 million in 2021 to \$29.9 million in 2022. Growth in MediMobility Organ Transport was driven by the acquisition of Trinity, the addition of new hospital clients and growth within existing clients.

Jet and Other revenue increased by \$4.7 million, an increase of 37% from \$12.5 million in 2021 to \$17.2 million in 2022. Growth in Jet was driven by an increase in the average price per jet charter trip and increased flight volumes on our seasonal by-the-seat jet services, partially offset by lower revenues from brand partners and ground transportation services.

Cost of Revenue

	Six Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Cost of revenue(1)	\$ 54,229	\$ 17,773	205 %
Percentage of revenue	87 %	80 %	

(1) Prior period amounts have been updated to conform to current period presentation.

For the six months ended June 30, 2022 and 2021, cost of revenue increased by \$36.4 million or 205%, from \$17.8 million during 2021 to \$54.2 million in 2022 driven by increased flight volume and an increase in the average price per trip. Cost of revenue as a percentage of revenues increased by 7 percentage points from 80% to 87%, attributable primarily to (i) a shift in revenue mix towards MediMobility Organ Transport, which has higher cost of revenue as a percentage of revenue compared with our Short Distance products; (ii) the reintroduction of our by-the-seat airport transfer service, which was paused during the comparable 2021 period and is currently operating below breakeven during the ramp period, as expected;

and (iii) the impact of the Omicron variant on demand for travel in Vancouver, Canada, where significant public health restrictions were in effect during the period.

Software Development

	Six Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Software development(1)	\$ 1,897	612	210 %
Percentage of revenue	3 %	3 %	

For the six months ended June 30, 2022 and 2021, software development costs increased \$1.3 million, or 210%, from \$0.6 million during 2021 to \$1.9 million in 2022, attributable primarily to a \$0.9 million increase in staff costs due to hiring and using external resources and an increase of \$0.3 million in stock based compensation.

General and Administrative

	Six Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
General and administrative(1)	\$ 26,122	\$ 14,633	79 %
Percentage of revenue	42 %	66 %	

(1) Prior period amounts have been updated to conform to current period presentation.

For the six months ended June 30, 2022 and 2021, general and administrative expense increased by \$11.5 million, or 79%, from \$14.6 million in 2021 to \$26.1 million in 2022.

The primary drivers of the increase were: (i) a \$4.8 million increase in staff costs attributable to new hires in order to support our significant growth, both organically and through our acquisition of Trinity (September 2021), as well as the requirement for additional roles following the Company becoming public in May 2021; (ii) a \$1.9 million increase in legal and regulatory advocacy fees, which we do not expect to reoccur at this level, in connection with the proposed flight volume restrictions at East Hampton Airport, potential operational restrictions on large jet aircraft at Westchester Airport and our recent settlement of the Shoreline matter; (iii) a \$1.9 million increase in intangibles amortization costs in connection with the Trinity and Helijet transactions; (iv) a \$1.6 million increase in Directors & Officers (“D&O”) insurance expense following the Company becoming public in May 2021; and (v) a \$1.3 million increase in professional fees related to certain mergers and acquisitions transactions. Those increases were partially offset by \$2.5 million decrease in consulting costs related to the initial public listing.

Selling and Marketing

	Six Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Selling and marketing(1)	\$ 3,438	\$ 1,202	186 %
Percentage of revenue	6 %	5 %	

For the six months ended June 30, 2022 and 2021, selling and marketing expense increased by \$2.2 million, or 186%, from \$1.2 million in 2021 to \$3.4 million in 2022. The increase is attributable primarily to higher marketing spend in connection with the recently re-launched Blade Airport products and higher marketing activity in line with the overall increase in flights.

Other non-operating income

	Six Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Change in fair value of warrant liabilities	\$ 21,816	\$ (14,913)	(246)%
Recapitalization costs attributable to warrant liabilities	—	(1,742)	NM(1)
Interest income, net	719	144	399%
Realized loss from sale of short term investments	(1,712)	—	NM(1)
Total other non-operating income	\$ 20,823	\$ (16,511)	NM(1)

(1) Percentage not meaningful

For the six months ended June 30, 2022, other non-operating income consists of: \$21.8 million non-cash income due to fair value revaluation of warrant liabilities as the value of the warrant liabilities fluctuates with the warrants' market price, \$0.7 million interest income, net of interest expense and a \$1.7 million realized loss from sale of short term investments. We earn interest income on our money market and short-term investments, the increase over the prior year period is attributable to a larger investment balance as well as higher interest rates in the current year period.

Quarterly Disaggregated Revenue

The following table sets forth our unaudited quarterly disaggregated revenue by product line for each of the eight quarters leading up to the period ended June 30, 2022. These unaudited quarterly disaggregated revenue by product line have been prepared on the same basis as our unaudited interim condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

	Three Months Ended			
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
	(in thousands)			
Product Line:(1)				
Short Distance	\$ 10,963	\$ 4,203	\$ 6,255	\$ 13,403
MediMobility Organ Transport	17,249	12,675	9,822	2,245
Jet and Other	7,421	9,752	8,541	4,668
Total Revenue	\$ 35,633	\$ 26,630	\$ 24,618	\$ 20,316

	Three Months Ended			
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	(in thousands)			
Product Line:(1)				
Short Distance	\$ 5,798	\$ 1,051	\$ 2,210	\$ 3,753
MediMobility Organ Transport	1,550	1,335	1,271	1,030
Jet and Other	5,603	6,887	4,505	3,536
Total Revenue	\$ 12,951	\$ 9,273	\$ 7,986	\$ 8,319

(1) Prior period amounts have been updated to conform to current period presentation.

Liquidity and Capital Resources

Sources of Liquidity

Since inception and until May 2021, Old Blade financed its operations primarily from sales of convertible preferred stock. On May 7, 2021 the Company raised \$333.3 million in net proceeds upon the consummation of the merger with EIC and the sale of common stock through a private investment in public equity (“PIPE”) financing. As of June 30, 2022 and December 31, 2021, we had cash and cash equivalents of \$186.6 million and \$2.6 million, respectively, and restricted cash of \$1.7 million and \$0.6 million, respectively. In addition, as of June 30, 2022 we had \$69.6 million of short-term investments in a traded mutual fund which could be liquidated with a one day notice. We anticipate that our available cash and cash equivalents and short-term investments will be sufficient to meet our current operational needs for at least the next 12 months from the date of filing this Quarterly Report. Our long-term liquidity 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.

Liquidity Requirements

As of June 30, 2022, we had net working capital of \$259.7 million, including cash and cash equivalents of \$186.6 million. We had a net loss of \$2.6 million and \$28.5 million for the six months ended June 30, 2022 and 2021, respectively.

In the course of our business, we have certain contractual relationships with third-party aircraft operators pursuant to which we may be contingently required to make payments in the future. As of June 30, 2022, we had commitments with various aircraft operators to purchase flights with an aggregate value of \$4.2 million for the year ending December 31, 2022, \$1.3 million of which may be cancelled by us immediately if a government authority enacts travel restrictions and \$1.1 million could be terminated by Blade for convenience upon 30 or 60 days’ notice with the annual minimum guarantee being pro rated as of the termination date.. See “—Capacity Purchase Agreements” within Note 9 to the unaudited interim condensed consolidated financial statements for additional information and for information about future periods.

On May 18, 2022, the Company, through Old Blade, entered into a Share Purchase Agreement (the “Share Purchase Agreement”) with EOLA, SCP ABC, SCP JKL, SCP XYZ and certain of their shareholders. Pursuant to the Share Purchase Agreement, and upon the terms and subject to the conditions therein, Blade will acquire, through a wholly-owned French subsidiary, the commercial passenger transport activities of Monacair S.A.M., a Montegasque-based air carrier and Hélic Sécurité and Azur Hélicoptère, both French-based air carriers, for cash consideration of approximately \$50.1 million (€47.8 million). Under the terms of the Share Purchase Agreement, the completion of the transaction is subject to certain closing conditions and the agreement may be terminated under certain specified circumstances, including, at Blade’s discretion, if the closing conditions are not fulfilled by September 30, 2022 or automatically on December 31, 2022 if the closing conditions are not fulfilled and the parties have not agreed to extend such date. The transaction is expected to complete in late summer 2022.

We expect to incur net losses in the short term, as we continue to execute our strategic initiatives. Based on our current liquidity, we believe that no additional capital will be needed to execute our current business plan over the next 12 months. Our long-term capital requirements 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.

Cash Flows

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

	Six Months Ended June 30,		% Change
	2022	2021	
	(in thousands, except percentages)		
Net cash used in operating activities	\$ (21,675)	\$ (9,823)	121 %
Net cash provided by / (used in) investing activities	207,621	(303,360)	(168) %
Net cash (used in) / provided by financing activities	(932)	333,479	(100) %

Operating Activities

For the six months ended June 30, 2022, net cash used in operating activities was \$21.7 million, primarily driven by a net loss of \$2.6 million, a \$5.3 million increase in cash used for working capital requirements and adjusted for non-cash items consisting of income from change in fair value of warrant liabilities of \$21.8 million, stock-based compensation expense of \$3.9 million, depreciation and amortization of \$2.3 million and realized loss of \$1.7 million from the sale of short term investments. The \$5.3 million increase in cash used for working capital requirements was primarily driven by an increase in accounts receivable of \$4.1 million due to the rapid growth in MediMobility Organ Transport, an increase in prepaid expenses and other current assets of \$3.9 million driven by prepayments to operators in connection with new capacity purchase agreements and an increase in other non-current assets of \$1.1 million driven by an office lease deposit. Those increases were partially offset by an increase in deferred revenue of \$2.5 million driven by clients prepayments and an increase in accounts payable and accrued expenses of \$1.3 million.

For the six months ended June 30, 2021, net cash used in operating activities was \$9.8 million, primarily driven by a net loss of \$28.5 million, an increase in operating net assets (operating assets net of operating liabilities) of \$2.7 million and adjusted for non-cash items consisting of loss from change in fair value of warrant liabilities of \$14.9 million, stock-based compensation expense of \$4.4 million, \$1.7 recapitalization costs attributable to warrant liabilities and depreciation and amortization of \$0.3 million. The increase in operating net assets was primarily driven by a \$5.7 million increase in prepaid expenses and other current assets driven by prepayment of full year D&O insurance premium and a \$0.2 million decrease in accounts receivable, partially offset by \$2.4 million increase in accounts payable and accrued expenses and \$0.8 million increase in deferred revenue driven by clients prepayments.

Investing Activities

For the six months ended June 30, 2022, net cash provided by investing activities was \$207.6 million, driven by \$208.7 million of proceeds from the sale of short-term investments (the proceeds were reinvested in a government money market fund which is part of Cash and Cash Equivalents) , partially offset by \$0.6 million in purchases of property and equipment and \$0.5 million in purchases of short term investments.

For the six months ended June 30, 2021, net cash used in investing activities was \$303.4 million, driven by \$303.2 million purchase of short-term investments and \$0.2 million in purchases of property and equipment.

Financing Activities

For the six months ended June 30, 2022, net cash used in financing activities was \$0.9 million, primarily reflecting payroll taxes payments made on behalf of employees in exchange for shares withheld by the Company from their equity awards upon vesting (“net share settlement”).

For the six months ended June 30, 2021, net cash provided by financing activities was \$333.5 million, primarily reflecting cash received of \$215.0 million from the Merger with EIC, cash received of \$119.6 million from the issuance of common stock under our PIPE financing, partially offset by the \$1.2 million repayment of the PPP Loan.

Critical Accounting Policies and Significant Judgments and Estimates

This discussion and analysis of the Company’s financial condition and results of operations is based on the Company’s consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America, or U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported periods. In accordance with U.S. GAAP, the Company bases its estimates on historical experience and on various other assumptions the Company believes are reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

For information on the Company’s significant accounting policies and estimates refer to Note 2 to the Company’s consolidated financial statements in our Annual Report on Form 10-K for the year ended September 30, 2021 and to “Use of Estimates” section of Note 1 “Description of Business and Summary of Significant Accounting Policies” in the unaudited interim condensed consolidated financial statements.

Item 3. Quantitative and qualitative disclosures about market risk

Not applicable.

Item 4. Controls and Procedures

As of the end of the period covered by this report, our principal executive officer and principal financial officer evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on their evaluation of our disclosure controls and procedures, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of June 30, 2022, to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is (a) recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and (b) accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate to allow for timely decisions regarding required disclosure.

We determined that our internal control over financial reporting had the following material weakness - the Company has not developed a formal framework that enables management to assess the effectiveness of internal controls over financial reporting, specifically lacking evidential matter to support:

- Management’s evaluation of whether the internal controls are designed to prevent or detect material misstatements or omissions;
- Management’s conclusion that controls tests were appropriately planned and performed to adequately assess the operating effectiveness of the controls; and
- That the results of the control tests were appropriately considered.

Management has concluded that these deficiencies may impact the Company’s financial reporting such that there is a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements will not be prevented or detected on a timely basis and represent a material weakness in the Company’s internal control over financial reporting.

Because disclosure controls and procedures include those components of internal control over financial reporting that provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, management also determined that its disclosure controls and procedures were not effective as a result of the above-mentioned material weakness in its internal control over financial reporting.

Notwithstanding the material weakness, management has concluded that the unaudited interim condensed consolidated financial statements included in this quarterly report on Form 10-Q present fairly, in all material respects, our financial position, results of operations, and cash flows in conformity with GAAP.

Management’s Plans for Remediation

The Company is remediating this material weakness as efficiently and effectively as possible, with the hiring of a Director of Internal Controls to assist in the overall evaluation and documentation of the design and operating effectiveness of our internal controls over financial reporting.

These plans are subject to ongoing review by senior management with Audit Committee oversight. As we continue to evaluate and work to improve our internal control over financial reporting, management may implement additional measures to address the material weakness or modify the remediation plan described above and will continue to review and make necessary changes to the overall design of our internal controls over financial reporting. The Company expects to complete the required remedial action during 2022.

Changes in Internal Control over Financial Reporting

Other than the specific remediation steps discussed above, there were no other changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15(d)-15(f) promulgated under the Securities Exchange Act of 1934, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting in the fiscal quarter ending June 30, 2022.

Limitations on Internal Control over Financial Reporting

An internal control system over financial reporting has inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In the opinion of management, other than as described below, we are not involved in any claims, legal actions, or regulatory proceedings as of June 30, 2022, the ultimate disposition of which would have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

On April 1, 2021, Shoreline Aviation, Inc. (SAI) 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. (SAFE), Ryan A. Pilla, Blade Urban Air Mobility, Inc.(Blade), Robert Wiesenthal and Melissa Tomkiel as defendants. The case is captioned *Shoreline Aviation, Inc. v. Sound Aircraft Flight Enterprises, Inc. et al., No. 2:20-cv-02161-JMA-SIL (E.D.N.Y.)*. The complaint alleged, 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”). On March 16, 2022, SAI and the Blade Defendants filed a Joint Stipulation and Order of Dismissal with Prejudice in the Court, in which, SAI and the Blade Defendants stipulated and agreed that pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii), all of SAI’s claims against the Blade Defendants were dismissed with prejudice. The Blade Defendants expressly denied any wrongdoing and did not admit any liability.

Trinity Air Medical, LLC (“Trinity”), a wholly owned subsidiary of Blade Urban Air Mobility, Inc., has received a federal grand jury subpoena seeking records related to the provision of transplant transportation services. Trinity is cooperating with the subpoena.

Item 1A. Risk Factors

You should carefully consider the risks described under “Risk Factors” in our Annual Report on Form 10-K for the year ended September 30, 2021. These risks could materially affect our business, results of operations or financial condition, cause the trading price of our common stock to decline materially or cause our actual results to differ materially from those expected or those expressed in any forward-looking statements made by, or on behalf of, the Company. These risks are not exclusive, and additional risks to which we are subject include, but are not limited to, the factors mentioned under “Forward-Looking Statements” and the risks of our businesses described elsewhere in this Quarterly Report on Form 10-Q.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other information

None

Item 6. Exhibits

Exhibit No.	Description
2.1 ⁽¹⁾	Share Purchase Agreement, dated as of May 18, 2022, by and among Blade Urban Air Mobility, Inc. and the Sellers party thereto
3.1 ⁽²⁾	Second Amended and Restated Certificate of Incorporation of Blade Air Mobility, Inc.
3.2 ⁽³⁾	Amended and Restated Bylaws of Blade Air Mobility, Inc.
10.1*	Form of Stock Option Agreement of Fly Blade, Inc.
10.2*	Form of Restricted Stock Unit Award Agreement (Officer)
10.3*	Form of Restricted Stock Unit Award Agreement (Non-Officer)
31.1*	Certification of Principal Executive Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Securities Exchange Act Rules 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Interactive Data Files pursuant to Rule 405 of Regulation S-T formatted in Inline Extensible Business Reporting Language (“Inline XBRL”)
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Filed herewith

(1) Incorporated by reference to Exhibit 2.1 of our Form 8-K (file number 001-39046) filed on May 19, 2022.

(2) Incorporated by reference to Exhibit 3.1 of our Form 8-K (file number 001-39046) filed on May 13, 2021.

(3) Incorporated by reference to Exhibit 3.2 of our Form 8-K (file number 001-39046) filed on May 13, 2021.

SIGNATURES

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

BLADE AIR MOBILITY, INC.

Date: August 9, 2022

By: /s/ Robert S. Wiesenthal
Name: Robert S. Wiesenthal
Title: Chief Executive Officer
(Principal Executive Officer)

Date: August 9, 2022

By: /s/ William A. Heyburn
Name: William A. Heyburn
Title: Chief Financial Officer
(Principal Financial Officer)

Date: August 9, 2022

By: /s/ Amir M. Cohen
Name: Amir M. Cohen
Title: Chief Accounting Officer
(Principal Accounting Officer)

FLY BLADE, INC.
2015 EQUITY INCENTIVE PLAN
STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the 2015 Equity Incentive Plan (the “**Plan**”) shall have the same defined meanings in this Stock Option Agreement (the “**Option Agreement**”).

1. **Notice of Stock Option Grant.**

Name:

Address:

The undersigned Participant has been granted an Option to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Date of Grant:	_____
Vesting Commencement Date:	_____
Exercise Price per Share:	\$ _____
Total Number of Shares Granted:	_____
Total Exercise Price:	\$ _____
Type of Option:	_____ Incentive Stock Option _____ Nonstatutory Stock Option
Term/Expiration Date:	_____

Vesting Schedule:

This Option shall be exercisable, in whole or in part, according to the following vesting schedule:

[Twenty-five percent (25%) of the total number of Shares subject to the Option shall vest on the first anniversary of the Vesting Commencement Date, and one forty-eighth (1/48th) of the total number of Shares subject to the Option shall vest each month thereafter on the same day of the month corresponding to the Vesting Commencement Date (or if there is no corresponding day, on the last day of the month), subject to Participant continuing to be a Service Provider through each such date.]

Termination Period:

This Option shall be exercisable for [three (3) months] after Participant ceases to be a Service Provider, unless such termination is due to Participant’s death or Disability, in which case this Option shall be exercisable for [twelve (12) months] after Participant ceases to be a Service Provider. Notwithstanding the foregoing sentence, in no event may this Option be exercised after the Term/Expiration Date as provided above and this Option may be subject to earlier termination as provided in Section 13 of the Plan.

2. **Agreement.**

A. **Grant of Option.** The Administrator of the Company hereby grants to the Participant named in the Notice of Stock Option Grant in Part I of this Agreement (“**Participant**”), an option (the “**Option**”) to purchase the number of Shares set forth in the Notice of Stock Option Grant, at the exercise price per Share set forth in the Notice of Stock Option Grant (the “**Exercise Price**”), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 18 of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

If designated in the Notice of Stock Option Grant as an Incentive Stock Option (“**ISO**”), this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. Nevertheless, to the extent that it exceeds the \$100,000 rule of Code Section 422(d), this Option shall be treated as a Nonstatutory Stock Option (“**NSO**”). Further, if for any reason this Option (or portion thereof) shall not qualify as an ISO, then, to the extent of such nonqualification, such Option (or portion thereof) shall be regarded as a NSO granted under the Plan. In no event shall the Administrator, the Company or any Parent or Subsidiary or any of their respective employees or directors have any liability to Participant (or any other person) due to the failure of the Option to qualify for any reason as an ISO.

B. **Exercise of Option.**

(1) **Right to Exercise.** This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Stock Option Grant and with the applicable provisions of the Plan and this Option Agreement.

(2) **Method of Exercise.** This Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the “**Exercise Notice**”) or in a manner and pursuant to such procedures as the Administrator may determine, which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised (the “**Exercised Shares**”), and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares, together with any applicable tax withholding. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price, together with any applicable tax withholding.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to Participant on the date on which the Option is exercised with respect to such Shares.

C. **Participant’s Representations.** In the event the Shares have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”), at the time this Option is exercised, Participant shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

D. **Lock-Up Period.** Participant hereby agrees that Participant shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Participant (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred and eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Participant shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 4 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred and eighty (180) day (or other) period. Participant agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 4.

E. **Method of Payment.** Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:

(3) cash;

(4) check;

(5) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(6) surrender of other Shares which (i) shall be valued at their Fair Market Value on the date of exercise, and (ii) must be owned free and clear of any liens, claims, encumbrances or security interests, if accepting such Shares, in the sole discretion of the Administrator, shall not result in any adverse accounting consequences to the Company.

F. **Restrictions on Exercise.** This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

G. **Non-Transferability of Option.**

(1) This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Participant only by Participant. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

(2) Further, until the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, or after the Administrator determines that it is, will, or may no longer be relying upon the exemption from registration of Options under the Exchange Act as set forth in Rule 12h-1(f) promulgated under the Exchange Act (the "**Reliance End Date**"), Participant shall not transfer this Option or, prior to exercise, the Shares subject to this Option, in any manner other than (i) to persons who are "family members" (as defined in Rule 701(c)(3) of the Securities Act) through gifts or domestic relations orders, or (ii) to an executor or guardian of Participant upon the death or disability of Participant. Until the Reliance End Date, the Options and, prior to exercise, the Shares subject to this Option, may not be pledged, hypothecated or otherwise transferred or disposed of, including by entering into any short position, any "put equivalent position" or any "call equivalent position" (as defined in Rule 16a-1(h) and Rule 16a-1(b) of the Exchange Act, respectively), other than as permitted in clauses (i) and (ii) of this paragraph.

H. **Term of Option.** This Option may be exercised only within the term set out in the Notice of Stock Option Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option Agreement.

I. **Tax Obligations.**

(7) **Tax Withholding.** Participant agrees to make appropriate arrangements with the Company (or the Parent or Subsidiary employing or retaining Participant) for the satisfaction of all Federal, state, local and foreign income and employment tax withholding requirements applicable to the Option exercise. Participant acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver the Shares if such withholding amounts are not delivered at the time of exercise.

(8) **Notice of Disqualifying Disposition of ISO Shares.** If the Option granted to Participant herein is an ISO, and if Participant sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (i) the date two (2) years after the Date of Grant, or (ii) the date one (1) year after the date of exercise, Participant shall immediately notify the Company in writing of such disposition. Participant agrees that Participant may be subject to income tax withholding by the Company on the compensation income recognized by Participant.

(9) **Code Section 409A.** Under Code Section 409A, an Option that vests after December 31, 2004 (or that vested on or prior to such date but which was materially modified after October 3, 2004) that was granted with a per Share exercise price that is determined by the Internal Revenue Service (the “**IRS**”) to be less than the Fair Market Value of a Share on the date of grant (a “**discount option**”) may be considered “deferred compensation.” An Option that is a “discount option” may result in (i) income recognition by Participant prior to the exercise of the Option, (ii) an additional twenty percent (20%) federal income tax, and (iii) potential penalty and interest charges. The “discount option” may also result in additional state income, penalty and interest tax to the Participant. Participant acknowledges that the Company cannot and has not guaranteed that the IRS will agree that the per Share exercise price of this Option equals or exceeds the Fair Market Value of a Share on the date of grant in a later examination. Participant agrees that if the IRS determines that the Option was granted with a per Share exercise price that was less than the Fair Market Value of a Share on the date of grant, Participant shall be solely responsible for Participant’s costs related to such a determination.

J. **Entire Agreement; Governing Law.** The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant’s interest except by means of a writing signed by the Company and Participant. This Option Agreement is governed by the internal substantive laws but not the choice of law rules of New York.

K. **No Guarantee of Continued Service.** PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT’S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT’S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

(signature page follows)

Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Option and fully understands all provisions of the Option. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. Participant further agrees to notify the Company upon any change in the residence address indicated below.

PARTICIPANT

FLY BLADE, INC.

Signature

By

Print Name

Print Name

Address:

Title

Signature Page to Stock Option Agreement

EXHIBIT A
2015 EQUITY INCENTIVE PLAN
EXERCISE NOTICE

Fly Blade, Inc.
499 E. 34th Street
New York, NY 10016

Attention: Chief Financial Officer

1. **Exercise of Option.** Effective as of today, _____, _____, the undersigned ("**Participant**") hereby elects to exercise Participant's option (the "**Option**") to purchase _____ shares of the Common Stock (the "**Shares**") of Fly Blade, Inc. (the "**Company**") under and pursuant to the 2015 Equity Incentive Plan (the "**Plan**") and the Stock Option Agreement dated _____, 2015 (the "**Option Agreement**").

2. **Delivery of Payment.** Participant herewith delivers to the Company the full purchase price of the Shares, as set forth in the Option Agreement, and any and all withholding taxes due in connection with the exercise of the Option.

3. **Representations of Participant.** Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement and agrees to abide by and be bound by their terms and conditions.

4. **Rights as Stockholder.** Until the issuance of the Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Common Stock subject to an Award, notwithstanding the exercise of the Option. The Shares shall be issued to Participant as soon as practicable after the Option is exercised in accordance with the Option Agreement. No adjustment shall be made for a dividend or other right for which the record date is prior to the date of issuance except as provided in Section 13 of the Plan.

5. **The Company's Right of First Refusal.** Before any Shares held by Participant or any transferee (either being sometimes referred to herein as the "**Holder**") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 5 (the "**Right of First Refusal**").

A. **Notice of Proposed Transfer.** The Holder of the Shares shall deliver to the Company a written notice (the "**Notice**") stating: (i) the Holder's bona fide intention to sell or otherwise transfer such Shares; (ii) the name of each proposed purchaser or other transferee ("**Proposed Transferee**"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "**Offered Price**"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

B. **Exercise of Right of First Refusal.** At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection C below.

C. **Purchase Price.** The purchase price ("**Purchase Price**") for the Shares purchased by the Company or its assignee(s) under this Section E shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board of Directors of the Company in good faith.

D. **Payment.** Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within thirty (30) days after receipt of the Notice or in the manner and at the times set forth in the Notice.

E. **Holder's Right to Transfer.** If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section E, then the Holder may sell or otherwise transfer such Shares to such Proposed Transferee at the Offered Price or at a higher price, *provided* that such sale or other transfer is consummated within one hundred and twenty (120) days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section E shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

F. **Exception for Certain Family Transfers.** Anything to the contrary contained in this Section E notwithstanding, the transfer of any or all of the Shares during the Participant's lifetime or on the Participant's death by will or intestacy to the Participant's immediate family or a trust for the benefit of the Participant's immediate family shall be exempt from the provisions of this Section E. "Immediate family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section E, and there shall be no further transfer of such Shares except in accordance with the terms of this Section E.

G. **Termination of Right of First Refusal.** The Right of First Refusal shall terminate as to any Shares upon the earlier of (i) the first sale of Common Stock of the Company to the general public, or (ii) a Change in Control in which the successor corporation has equity securities that are publicly traded.

6. **Tax Consultation.** Participant understands that Participant may suffer adverse tax consequences as a result of Participant's purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice.

7. **Restrictive Legends and Stop-Transfer Orders.**

H. **Legends.** Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares together with any other legends that may be required by the Company or by state or federal securities laws:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "ACT") AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE ACT OR, IN THE OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THESE SECURITIES, SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE THEREWITH.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND A RIGHT OF FIRST REFUSAL HELD BY THE ISSUER OR ITS ASSIGNEE(S) AS SET FORTH IN THE EXERCISE NOTICE BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE

OF THE ISSUER. SUCH TRANSFER RESTRICTIONS AND RIGHT OF FIRST REFUSAL ARE BINDING ON TRANSFEREES OF THESE SHARES.

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A PERIOD OF TIME FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER PRIOR TO THE EXPIRATION OF SUCH PERIOD WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER.

I. **Stop-Transfer Notices.** Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

J. **Refusal to Transfer.** The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Exercise Notice or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8. **Successors and Assigns.** The Company may assign any of its rights under this Exercise Notice to single or multiple assignees, and this Exercise Notice shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Exercise Notice shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

9. **Interpretation.** Any dispute regarding the interpretation of this Exercise Notice shall be submitted by Participant or by the Company forthwith to the Administrator, which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.

10. **Governing Law; Severability.** This Exercise Notice is governed by the internal substantive laws, but not the choice of law rules, of New York. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Exercise Notice shall continue in full force and effect.

11. **Entire Agreement.** The Plan and Option Agreement are incorporated herein by reference. This Exercise Notice, the Plan, the Option Agreement and the Investment Representation Statement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

PARTICIPANT

Signature

Print Name

Address:

FLY BLADE, INC.

By

Print Name

Title

Address:
499 E. 34th Street

New York, NY 10016

EXHIBIT B

INVESTMENT REPRESENTATION STATEMENT

PARTICIPANT :

COMPANY : Fly Blade, Inc.

SECURITY : Common Stock

AMOUNT :

DATE :

In connection with the purchase of the above-listed Securities, the undersigned Participant represents to the Company the following:

1. Participant is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Participant is acquiring these Securities for investment for Participant's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "**Securities Act**").

2. Participant acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Participant's investment intent as expressed herein. In this connection, Participant understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Participant's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one (1) year or any other fixed period in the future. Participant further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Participant further acknowledges and understands that the Company is under no obligation to register the Securities. Participant understands that the certificate evidencing the Securities shall be imprinted with any legend required under applicable state securities laws.

3. Participant is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Option to Participant, the exercise shall be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may be resold, subject to the satisfaction of the applicable conditions specified by Rule 144, including in the case of affiliates (1) the availability of certain public information about the Company, (2) the amount of Securities being sold during any three (3) month period not exceeding specified limitations, (3) the resale being made in an unsolicited "broker's transaction", transactions directly with a "market maker" or "riskless principal transactions" (as those terms are defined under the Securities Exchange Act of 1934) and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Option, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which may require (i) the availability of current public information about the Company; (ii) the resale to occur more than a specified period after the purchase and full payment (within the meaning of Rule 144)

for the Securities; and (iii) in the case of the sale of Securities by an affiliate, the satisfaction of the conditions set forth in sections (2), (3) and (4) of the paragraph immediately above.

4. Participant further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption shall be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 shall have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Participant understands that no assurances can be given that any such other registration exemption shall be available in such event.

PARTICIPANT

Signature

Print Name

Date

BLADE AIR MOBILITY, INC. 2021 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

BLADE AIR MOBILITY, INC., a Delaware corporation (the "Company"), hereby grants to the Participant named below an award (the "Award") of Restricted Stock Units ("RSUs"), payable in shares of the Company's Common Stock (the "Shares"). The terms and conditions of the Award are set forth in this Award Agreement (the "Agreement") and the Blade Air Mobility, Inc. 2021 Omnibus Incentive Plan, which is attached hereto as Exhibit A (as amended and in effect from time to time, the "Plan").

Date of Grant [DATE] **Participant's Name** [NAME]

Number of RSUs [X]

Vesting of RSUs Subject to the (i) terms of the Plan, (ii) the forfeiture, cancellation, and rescission provisions of this Agreement and (iii) Participant complying with all Company policies, the Confidential Information, Invention Assignment and Arbitration Agreement by and between the Participant and the Company and all other agreements with the Company, the RSUs shall become vested as follows (each such date, a "Vesting Date"):

[X]

Except as otherwise provided in the Plan or this Agreement, any portion of this Award that is not vested on the date of Participant's Termination shall be forfeited. Unless the Company or Committee provides otherwise in writing, the Participant shall not receive vesting credit for any period after the Participant provides notice of resignation.

Payment Date With respect to each Restricted Stock Unit that vests in accordance with this Agreement and the Plan, the Participant will be entitled to receive one Share in the calendar year in which the applicable Vesting Date occurs (each such date, a "Payment Date").

The provisions of the Plan are incorporated herein by reference. All capitalized terms that are not defined in this Agreement have the meanings set forth in the Plan. Except as otherwise expressly provided in this Agreement, in case of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

Please (i) review the rest of this Agreement, the Plan document, and (ii) execute this Agreement. By executing this Agreement, you agree to be bound by the terms and conditions of this Agreement (including the terms under "Forfeiture of Award" and "Cancellation and Rescission").

BLADE AIR MOBILITY, INC. **PARTICIPANT**

Robert S. Wiesenthal Name: _____
Chief Executive Officer Date: _____

**BLADE AIR MOBILITY, INC. 2021 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

The following additional terms and conditions supplement the terms of the Plan and govern this Award of Restricted Stock Units:

Amount of RSU Payment

The vested RSUs shall be settled in Shares at the time set forth in the cover page, with each vested RSU (before withholding) equal to one Share.

Tax Withholding

The Award is subject to withholding for taxes at the time and in the amount determined by the Company and/or Service Recipient. Regardless of the amount withheld or reported, the Participant acknowledges that the Participant is responsible for all taxes in respect of the Award (other than the employer's share of employment taxes) and such taxes may exceed the amount withheld, if any. None of the Company, the Service Recipient, or any of their Affiliates or Subsidiaries: (a) make any representations or undertakings regarding taxes in respect of the Award, including the grant of the Award, the vesting or settlement of the Award, the subsequent sale of any Shares acquired pursuant to the Award and the receipt of any dividends or dividend equivalents; or (b) commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for taxes.

The Participant hereby acknowledges and agrees that, as a condition of the grant of the Award (and notwithstanding any provision of the Plan that permits an alternative method of payment of such withholding taxes), the Participant affirmatively elects to satisfy the Participant's obligation to pay any income, employment, and/or other applicable taxes that are statutorily required to be withheld in respect of the Award (the "withholding taxes") by authorizing the Company's transfer agent, E*TRADE or such other agent appointed by the Company (together with any other party the Company determines to be necessary to execute the sale of Shares pursuant to this paragraph, the "Agent") to (1) with respect to each applicable vesting date, sell on the Participant's behalf that number of Shares as may be necessary to satisfy the withholding taxes with respect to the Award, and (2) allow the Agent to remit the net cash proceeds of such sale(s) directly to the Company or the Service Recipient to satisfy the withholding taxes on the Participant's behalf. The Participant understands that the sale of Shares pursuant to this paragraph will be made by the Agent at prevailing market prices at such times as the withholding taxes are required to be withheld (or paid) and will be subject to all of such Agent's standard brokerage commissions or fees. Notwithstanding the foregoing, the Company may (but is not obligated to), in its sole discretion, permit or require the Participant to satisfy all or any portion of the withholding taxes through any alternative manner permitted by the Plan.

If the Participant relocates to another jurisdiction, the Participant is responsible for notifying the Company of such relocation and is responsible for compliance with all applicable tax requirements. If the Participant is subject to taxation in more than one jurisdiction, the Participant acknowledges that the Company or the Service Recipient may be required to withhold or account for Tax-Related Items in more than one jurisdiction. By accepting this Award, the Participant expressly consents to withholding in multiple jurisdictions, in the amounts and in the manner as the Company determines to be required by Applicable Law and the Plan.

**Post Change in Control
Protection Period**

Notwithstanding any provision of this Agreement to the contrary, 100% of the unvested RSUs will vest if the Participant's employment is terminated by the Service Recipient without Cause (other than due to death or Disability) or the Participant resigns for Good Reason, in each case during the period commencing three months prior to a Change in Control and ending 12 months following a Change in Control. To accomplish the foregoing, if the Participant experiences a termination by the Service Recipient without Cause (other than due to death or Disability) or the Participant resigns for Good Reason prior to a Change in Control, all then unvested RSUs shall remain outstanding following such termination or resignation and, (i) if a Change in Control occurs prior to the expiration of the three month period following such termination, such RSUs shall vest on the date of the Change in Control, or (ii) if no Change in Control occurs prior to the expiration of such three month period, the unvested RSUs will automatically expire at the end of such three month period. "Good Reason" shall mean the Participant's resignation within 30 days following the expiration of any Service Recipient cure period (discussed below) following the occurrence of one or more of the following, without the Participant's express written consent: (i) a material reduction of the Participant's duties, or responsibilities, provided, that a change in job position (including a change in title) shall not be deemed a "material reduction" in and of itself unless the Participant's new duties are materially reduced from the Participant's prior duties; (ii) a material reduction in the Participant's base salary (for clarity, a reduction by 10% or more will be considered a material reduction); provided, that an across the board base salary reduction to all senior executives of the Company will not be grounds for Good Reason; or (iii) a material change in the geographic location of the Participant's primary work facility or location; provided, that a relocation of less than 30 miles from the Participant's then present location will not be considered a material change in geographic location. The Participant will not resign for Good Reason without first providing the Service Recipient with written notice of the acts or omissions constituting the grounds for Good Reason within 90 days of the initial existence of the grounds for Good Reason and a cure period of not less than 30 days following the date of such notice. "Cause" shall mean the Participant's (i) willful neglect in the performance of the Participant's duties for the Service Recipient or willful or repeated failure or refusal to perform such duties; (ii) engagement in conduct in connection with the Participant's employment or service with the Service Recipient, which results in, or could reasonably be expected to result in, material harm to the business or reputation of the Service Recipient or any other member of the Company Group; (iii) conviction of, or plea of guilty or no contest to (A) any felony or (B) any other crime that results in, or could reasonably be expected to result in, material harm to the business or reputation of the Service Recipient or any other member of the Company Group; (iv) material violation of the written policies of the Service Recipient, including, but not limited to, those relating to sexual harassment or the disclosure or misuse of confidential information, or those set forth in the manuals or statements of policy of the Service Recipient; (v) fraud or misappropriation, embezzlement, or misuse of funds or property belonging to the Service Recipient or any other member of the Company Group; or (vi) act of personal dishonesty that involves personal profit in connection with the Participant's employment or service to the Service Recipient; provided, in any case, that the Participant's resignation after an event that would be grounds for a Termination for Cause will be treated as a Termination for Cause hereunder.

Dividend Equivalents

The Participant shall be entitled to accrue dividend equivalents with respect to the Shares underlying the RSUs. For each Share, the Participant shall accrue a right to receive cash or share dividends for which the record date is after the Date of Grant and before the Award is settled. Such amounts shall be subject to the same forfeiture and vesting conditions as the underlying Shares, and shall be paid (if at all) at the same time as the RSUs are settled, applying the same vesting percentage as applies for the Shares.

Cancellation and Rescission for Detrimental Activity	<p>Notwithstanding any other provision of the Plan or this Agreement, the Participant acknowledges and agrees that the Company may cancel, rescind, suspend, withhold, modify, amend or otherwise limit or restrict this Award (whether vested or not vested) at any time if the Participant is not in compliance with all applicable provisions of the Agreement and the Plan, or if the Participant engages in any Detrimental Activity (as the term is defined in the Plan). The Participant further acknowledges and agrees that, if the Participant engages in Detrimental Activity, as determined by the Committee in its sole discretion, whether during the Participant's employment or service with the Service Recipient or following Termination, the Committee may, in its sole discretion and to the extent permitted by Applicable Law, provide for the cancellation of any or all of the Participant's outstanding Awards and/or forfeiture by the Participant of any gains realized on the vesting or settlement of the Award, and repayment of any such gain promptly to the Company.</p> <p>The Participant agrees that the cancellation, rescission and recoupment provisions of this Agreement are reasonable and agrees not to challenge the reasonableness of such provisions, even where forfeiture of this Agreement and/or recoupment of any gain hereunder is the penalty for violation; provided that the Participant may challenge the reasonableness of any forfeiture and/or recoupment that occurs after a Change in Control.</p>
No Employment Rights	<p>The grant of the Award shall not be interpreted to form an employment contract between the Participant and the Company and/or the Service Recipient.</p>
Discretionary Nature of Award	<p>The Participant acknowledges and agrees that the Plan is discretionary in nature and may be amended, canceled or terminated by the Company, in its sole discretion, at any time. The grant of this Award under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs or any other forms of Awards permitted under the Plan or other benefits in lieu thereof in the future. Future grants, if any (and the terms thereof), will be at the sole discretion of the Company. Any amendment, modification or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment or service with the Service Recipient.</p>
Extraordinary Benefit	<p>The Participant's participation in the Plan is voluntary. The value of this Award and any other Awards granted under the Plan is an extraordinary item of compensation outside the scope of the Participant's employment (and the Participant's employment contract, if any). Any grant under the Plan, including the grant of the Award, is not part of the Participant's normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, holiday pay, pension, or retirement benefits or similar payments.</p>
Value of Benefit	<p>The future value of the Award is unknown and cannot be predicted with certainty. The Company shall not be liable for any foreign exchange rate fluctuation, where applicable, between the Participant's local currency and the United States dollar or any other event that may affect the value of the Award or of any amounts due to the Participant pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.</p>
No Public Offering	<p>The grant of this Award is not intended to be a public offering of securities. No employee of the Company or its Subsidiaries or Affiliates is permitted to advise the Participant on whether the Participant should acquire Shares under the Plan and provide the Participant with any legal, tax or financial advice with respect to the grant of this Award. The acquisition of Shares involves certain risks, and the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition and disposition of Shares under the Plan. Further, the Participant should carefully review all of the materials related to this Award and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisers for professional advice in relation to the Participant's personal circumstances.</p>

Insider Trading Laws

By participating in the Plan, the Participant expressly agrees to comply with the Company's insider trading policies and all Applicable Laws related to insider trading and fair dealing. Any restriction under Applicable Law is separate from and in addition to the restrictions imposed under Company policies. The Participant expressly acknowledges and agrees that it is the Participant's responsibility to comply with any applicable restrictions, and the Participant should consult the Participant's personal adviser for additional information on any trading restrictions that may apply to the Participant.

Recoupment

Notwithstanding any other provision of this Agreement, the Participant acknowledges and agrees that this Award, any Shares acquired pursuant thereto and/or any amount received with respect to any sale of such Shares are subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any recoupment policy that the Company, the Service Recipient, or any of their Subsidiaries or Affiliates may establish or adopt ("Recoupment Policy"), in each case as in effect and amended from time to time. The Participant agrees and consents to the Company's application, implementation and enforcement of (a) the Recoupment Policy, and (b) any provision of Applicable Law relating to cancellation, recoupment, rescission or payback of compensation and expressly agrees that the Company may take such actions as are necessary to effectuate the Recoupment Policy (as applicable to the Participant) or Applicable Law without further consent or action being required by the Participant. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant's Shares and other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company. To the extent that the terms of this Agreement and the Recoupment Policy conflict, the terms of the Recoupment Policy shall prevail. The provisions of this paragraph are in addition to, and not in lieu of, any provisions of this Agreement and/or the Plan relating to forfeiture and recoupment resulting from the Participant engaging in Detrimental Activity.

Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to the Award or other awards granted to the Participant under the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Data Privacy

The Company is located at New York, New York, United States of America and grants Awards under the Plan to employees of the Company and its Subsidiaries and Affiliates in its sole discretion. In conjunction with the Company's grant of the Awards under the Plan and its ongoing administration of such Awards, the Company is providing the following information about its data collection, processing and transfer practices. In accepting the grant of this Award, the Participant expressly and explicitly consents to the personal data activities as described herein.

(a) *Data Collection, Processing and Usage.* The Company collects, processes and uses the Participant's personal data, including the Participant's name, home address, email address, telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all Awards or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Service Recipient. In granting the Awards under the Plan, the Company will collect the Participant's personal data for purposes of allocating Shares in settlement of the Awards and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Participant's personal data is the Participant's consent.

(b) *Stock Plan Administration Service Provider.* The Company may transfer the Participant's personal data to an independent service provider in the United States of America to assist the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). The Stock Plan Administrator will open an account for the Participant to receive and trade Shares acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant's ability to participate in the Plan.

(c) *Voluntariness and Consequences of Consent Denial or Withdrawal.* The Participant's participation in the Plan and the Participant's grant of consent is purely voluntary. The Participant may deny or withdraw the Participant's consent at any time. If the Participant does not consent, or if the Participant later withdraws the Participant's consent, the Participant may be unable to participate in the Plan. This would not affect the Participant's existing employment or salary; instead, the Participant merely may forfeit the opportunities associated with the Plan.

Successors and Assigns

The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors and administrators.

Additional Requirements

The Company reserves the right to impose other requirements on the Award, any Shares acquired pursuant to the Award and the Participant's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

Severability

The invalidity or unenforceability of any provision of the Plan or this Agreement will not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement will be severable and enforceable to the extent permitted by law.

Interpretation and Construction

This Agreement and the Plan shall be construed and interpreted by the Committee, in its sole discretion. Any interpretation or other determination by the Committee (including, but not limited to, correction of any defect or omission and reconciliation of any inconsistency in the Agreement or the Plan) shall be binding and conclusive.

All determinations regarding enforcement, waiver or modification of the cancellation and rescission and other provisions of this Agreement (including the provisions relating to Termination) shall be made in the Committee's sole discretion. Determinations made under this Agreement and the Plan need not be uniform and may be made selectively among individuals, whether or not such individuals are similarly situated.

Section 409A of the Code

Although the Company does not guarantee the particular tax treatment of the RSUs granted under this Agreement, the grant of RSUs under this Agreement is intended to comply with, or be exempt from, the applicable requirements of Section 409A of the Code and this Agreement shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. To the extent any payment made under this Agreement constitutes "non-qualified deferred compensation" pursuant to Section 409A of the Code, the provisions of Section 12(t) of the Plan shall apply.

Entire Understanding

This Agreement and the terms of the Plan constitute the entire understanding between the Participant and the Company and its Subsidiaries and Affiliates regarding this Award. Any prior agreements, commitments, or negotiations concerning this Award are superseded.

Participant's Acknowledgement and Agreement

By accepting the grant of the Award, the Participant acknowledges that the Participant has read this Agreement and the Plan and the Participant specifically accepts and agrees to the provisions therein.

BLADE AIR MOBILITY, INC. 2021 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

BLADE AIR MOBILITY, INC., a Delaware corporation (the "Company"), hereby grants to the Participant named below an award (the "Award") of Restricted Stock Units ("RSUs"), payable in shares of the Company's Common Stock (the "Shares"). The terms and conditions of the Award are set forth in this Award Agreement (the "Agreement") and the Blade Air Mobility, Inc. 2021 Omnibus Incentive Plan, which is attached hereto as Exhibit A (as amended and in effect from time to time, the "Plan").

Date of Grant [DATE] **Participant's Name** [NAME]

Number of RSUs [X]

Vesting of RSUs Subject to the (i) terms of the Plan, (ii) the forfeiture, cancellation, and rescission provisions of this Agreement and (iii) Participant complying with all Company policies, the Confidential Information, Invention Assignment and Arbitration Agreement by and between the Participant and the Company and all other agreements with the Company, the RSUs shall become vested as follows (each such date, a "Vesting Date"):

[X]

Except as otherwise provided in the Plan or this Agreement, any portion of this Award that is not vested on the date of Participant's Termination shall be forfeited. Unless the Company or Committee provides otherwise in writing, the Participant shall not receive vesting credit for any period after the Participant provides notice of resignation.

Payment Date With respect to each Restricted Stock Unit that vests in accordance with this Agreement and the Plan, the Participant will be entitled to receive one Share in the calendar year in which the applicable Vesting Date occurs (each such date, a "Payment Date").

The provisions of the Plan are incorporated herein by reference. All capitalized terms that are not defined in this Agreement have the meanings set forth in the Plan. Except as otherwise expressly provided in this Agreement, in case of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

Please (i) review the rest of this Agreement, the Plan document, and (ii) execute this Agreement. By executing this Agreement, you agree to be bound by the terms and conditions of this Agreement (including the terms under "Forfeiture of Award" and "Cancellation and Rescission").

BLADE AIR MOBILITY, INC. **PARTICIPANT**

Robert S. Wiesenthal Name: _____
Chief Executive Officer Date: _____

**BLADE AIR MOBILITY, INC. 2021 OMNIBUS INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

The following additional terms and conditions supplement the terms of the Plan and govern this Award of Restricted Stock Units:

Amount of RSU Payment

The vested RSUs shall be settled in Shares at the time set forth in the cover page, with each vested RSU (before withholding) equal to one Share.

Tax Withholding

The Award is subject to withholding for taxes at the time and in the amount determined by the Company and/or Service Recipient. Regardless of the amount withheld or reported, the Participant acknowledges that the Participant is responsible for all taxes in respect of the Award (other than the employer's share of employment taxes) and such taxes may exceed the amount withheld, if any. None of the Company, the Service Recipient, or any of their Affiliates or Subsidiaries: (a) make any representations or undertakings regarding taxes in respect of the Award, including the grant of the Award, the vesting or settlement of the Award, the subsequent sale of any Shares acquired pursuant to the Award and the receipt of any dividends or dividend equivalents; or (b) commit to structure the terms of the grant or any aspect of the Award to reduce or eliminate the Participant's liability for taxes.

The Participant hereby acknowledges and agrees that, as a condition of the grant of the Award (and notwithstanding any provision of the Plan that permits an alternative method of payment of such withholding taxes), the Participant affirmatively elects to satisfy the Participant's obligation to pay any income, employment, and/or other applicable taxes that are statutorily required to be withheld in respect of the Award (the "withholding taxes") by authorizing the Company's transfer agent, E*TRADE or such other agent appointed by the Company (together with any other party the Company determines to be necessary to execute the sale of Shares pursuant to this paragraph, the "Agent") to (1) with respect to each applicable vesting date, sell on the Participant's behalf that number of Shares as may be necessary to satisfy the withholding taxes with respect to the Award, and (2) allow the Agent to remit the net cash proceeds of such sale(s) directly to the Company or the Service Recipient to satisfy the withholding taxes on the Participant's behalf. The Participant understands that the sale of Shares pursuant to this paragraph will be made by the Agent at prevailing market prices at such times as the withholding taxes are required to be withheld (or paid) and will be subject to all of such Agent's standard brokerage commissions or fees. Notwithstanding the foregoing, the Company may (but is not obligated to), in its sole discretion, permit or require the Participant to satisfy all or any portion of the withholding taxes through any alternative manner permitted by the Plan.

If the Participant relocates to another jurisdiction, the Participant is responsible for notifying the Company of such relocation and is responsible for compliance with all applicable tax requirements. If the Participant is subject to taxation in more than one jurisdiction, the Participant acknowledges that the Company or the Service Recipient may be required to withhold or account for Tax-Related Items in more than one jurisdiction. By accepting this Award, the Participant expressly consents to withholding in multiple jurisdictions, in the amounts and in the manner as the Company determines to be required by Applicable Law and the Plan.

Dividend Equivalents

The Participant shall be entitled to accrue dividend equivalents with respect to the Shares underlying the RSUs. For each Share, the Participant shall accrue a right to receive cash or share dividends for which the record date is after the Date of Grant and before the Award is settled. Such amounts shall be subject to the same forfeiture and vesting conditions as the underlying Shares, and shall be paid (if at all) at the same time as the RSUs are settled, applying the same vesting percentage as applies for the Shares.

Cancellation and Rescission for Detrimental Activity	<p>Notwithstanding any other provision of the Plan or this Agreement, the Participant acknowledges and agrees that the Company may cancel, rescind, suspend, withhold, modify, amend or otherwise limit or restrict this Award (whether vested or not vested) at any time if the Participant is not in compliance with all applicable provisions of the Agreement and the Plan, or if the Participant engages in any Detrimental Activity (as the term is defined in the Plan). The Participant further acknowledges and agrees that, if the Participant engages in Detrimental Activity, as determined by the Committee in its sole discretion, whether during the Participant's employment or service with the Service Recipient or following Termination, the Committee may, in its sole discretion and to the extent permitted by Applicable Law, provide for the cancellation of any or all of the Participant's outstanding Awards and/or forfeiture by the Participant of any gains realized on the vesting or settlement of the Award, and repayment of any such gain promptly to the Company.</p> <p>The Participant agrees that the cancellation, rescission and recoupment provisions of this Agreement are reasonable and agrees not to challenge the reasonableness of such provisions, even where forfeiture of this Agreement and/or recoupment of any gain hereunder is the penalty for violation; provided that the Participant may challenge the reasonableness of any forfeiture and/or recoupment that occurs after a Change in Control.</p>
No Employment Rights	<p>The grant of the Award shall not be interpreted to form an employment contract between the Participant and the Company and/or the Service Recipient.</p>
Discretionary Nature of Award	<p>The Participant acknowledges and agrees that the Plan is discretionary in nature and may be amended, canceled or terminated by the Company, in its sole discretion, at any time. The grant of this Award under the Plan is a one-time benefit and does not create any contractual or other right to receive a grant of RSUs or any other forms of Awards permitted under the Plan or other benefits in lieu thereof in the future. Future grants, if any (and the terms thereof), will be at the sole discretion of the Company. Any amendment, modification or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment or service with the Service Recipient.</p>
Extraordinary Benefit	<p>The Participant's participation in the Plan is voluntary. The value of this Award and any other Awards granted under the Plan is an extraordinary item of compensation outside the scope of the Participant's employment (and the Participant's employment contract, if any). Any grant under the Plan, including the grant of the Award, is not part of the Participant's normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, holiday pay, pension, or retirement benefits or similar payments.</p>
Value of Benefit	<p>The future value of the Award is unknown and cannot be predicted with certainty. The Company shall not be liable for any foreign exchange rate fluctuation, where applicable, between the Participant's local currency and the United States dollar or any other event that may affect the value of the Award or of any amounts due to the Participant pursuant to the settlement of the Award or the subsequent sale of any Shares acquired upon settlement.</p>
No Public Offering	<p>The grant of this Award is not intended to be a public offering of securities. No employee of the Company or its Subsidiaries or Affiliates is permitted to advise the Participant on whether the Participant should acquire Shares under the Plan and provide the Participant with any legal, tax or financial advice with respect to the grant of this Award. The acquisition of Shares involves certain risks, and the Participant should carefully consider all risk factors and tax considerations relevant to the acquisition and disposition of Shares under the Plan. Further, the Participant should carefully review all of the materials related to this Award and the Plan, and the Participant should consult with the Participant's personal legal, tax and financial advisers for professional advice in relation to the Participant's personal circumstances.</p>

Insider Trading Laws

By participating in the Plan, the Participant expressly agrees to comply with the Company's insider trading policies and all Applicable Laws related to insider trading and fair dealing. Any restriction under Applicable Law is separate from and in addition to the restrictions imposed under Company policies. The Participant expressly acknowledges and agrees that it is the Participant's responsibility to comply with any applicable restrictions, and the Participant should consult the Participant's personal adviser for additional information on any trading restrictions that may apply to the Participant.

Recoupment

Notwithstanding any other provision of this Agreement, the Participant acknowledges and agrees that this Award, any Shares acquired pursuant thereto and/or any amount received with respect to any sale of such Shares are subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any recoupment policy that the Company, the Service Recipient, or any of their Subsidiaries or Affiliates may establish or adopt ("Recoupment Policy"), in each case as in effect and amended from time to time. The Participant agrees and consents to the Company's application, implementation and enforcement of (a) the Recoupment Policy, and (b) any provision of Applicable Law relating to cancellation, recoupment, rescission or payback of compensation and expressly agrees that the Company may take such actions as are necessary to effectuate the Recoupment Policy (as applicable to the Participant) or Applicable Law without further consent or action being required by the Participant. For purposes of the foregoing, the Participant expressly and explicitly authorizes the Company to issue instructions, on the Participant's behalf, to any brokerage firm and/or third party administrator engaged by the Company to hold the Participant's Shares and other amounts acquired under the Plan to re-convey, transfer or otherwise return such Shares and/or other amounts to the Company. To the extent that the terms of this Agreement and the Recoupment Policy conflict, the terms of the Recoupment Policy shall prevail. The provisions of this paragraph are in addition to, and not in lieu of, any provisions of this Agreement and/or the Plan relating to forfeiture and recoupment resulting from the Participant engaging in Detrimental Activity.

Electronic Delivery

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Data Privacy

The Company is located at New York, New York, United States of America and grants Awards under the Plan to employees of the Company and its Subsidiaries and Affiliates in its sole discretion. In conjunction with the Company's grant of the Awards under the Plan and its ongoing administration of such Awards, the Company is providing the following information about its data collection, processing and transfer practices. In accepting the grant of this Award, the Participant expressly and explicitly consents to the personal data activities as described herein.

(a) *Data Collection, Processing and Usage.* The Company collects, processes and uses the Participant's personal data, including the Participant's name, home address, email address, telephone number, date of birth, social insurance number or other identification number, salary, citizenship, job title, any Shares or directorships held in the Company, and details of all Awards or any other equity compensation awards granted, canceled, exercised, vested, or outstanding in the Participant's favor, which the Company receives from the Participant or the Service Recipient. In granting the Awards under the Plan, the Company will collect the Participant's personal data for purposes of allocating Shares in settlement of the Awards and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing and usage of the Participant's personal data is the Participant's consent.

(b) *Stock Plan Administration Service Provider.* The Company may transfer the Participant's personal data to an independent service provider in the United States of America to assist the Company with the implementation, administration and management of the Plan (the "Stock Plan Administrator"). The Stock Plan Administrator will open an account for the Participant to receive and trade Shares acquired under the Plan. The Participant will be asked to agree on separate terms and data processing practices with the Stock Plan Administrator, which is a condition to the Participant's ability to participate in the Plan.

(c) *Voluntariness and Consequences of Consent Denial or Withdrawal.* The Participant's participation in the Plan and the Participant's grant of consent is purely voluntary. The Participant may deny or withdraw the Participant's consent at any time. If the Participant does not consent, or if the Participant later withdraws the Participant's consent, the Participant may be unable to participate in the Plan. This would not affect the Participant's existing employment or salary; instead, the Participant merely may forfeit the opportunities associated with the Plan.

Successors and Assigns

The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors and administrators.

Additional Requirements

The Company reserves the right to impose other requirements on the Award, any Shares acquired pursuant to the Award and the Participant's participation in the Plan to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law or to facilitate the operation and administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring the Participant to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

Severability

The invalidity or unenforceability of any provision of the Plan or this Agreement will not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement will be severable and enforceable to the extent permitted by law.

Interpretation and Construction

This Agreement and the Plan shall be construed and interpreted by the Committee, in its sole discretion. Any interpretation or other determination by the Committee (including, but not limited to, correction of any defect or omission and reconciliation of any inconsistency in the Agreement or the Plan) shall be binding and conclusive.

All determinations regarding enforcement, waiver or modification of the cancellation and rescission and other provisions of this Agreement (including the provisions relating to Termination) shall be made in the Committee's sole discretion. Determinations made under this Agreement and the Plan need not be uniform and may be made selectively among individuals, whether or not such individuals are similarly situated.

Section 409A of the Code

Although the Company does not guarantee the particular tax treatment of the RSUs granted under this Agreement, the grant of RSUs under this Agreement is intended to comply with, or be exempt from, the applicable requirements of Section 409A of the Code and this Agreement shall be limited, construed and interpreted in accordance with such intent. In no event whatsoever shall the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on the Participant by Section 409A of the Code or any damages for failing to comply with Section 409A of the Code. To the extent any payment made under this Agreement constitutes "non-qualified deferred compensation" pursuant to Section 409A of the Code, the provisions of Section 12(t) of the Plan shall apply.

Entire Understanding

This Agreement and the terms of the Plan constitute the entire understanding between the Participant and the Company and its Subsidiaries and Affiliates regarding this Award. Any prior agreements, commitments, or negotiations concerning this Award are superseded.

Participant's Acknowledgement and Agreement

By accepting the grant of the Award, the Participant acknowledges that the Participant has read this Agreement and the Plan and the Participant specifically accepts and agrees to the provisions therein.

**CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Robert S. Wiesenthal, certify that:

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

Date: August 9, 2022

By: /s/ Robert S. Wiesenthal

Name: Robert S. Wiesenthal

Title: Chief Executive Officer (Principal Executive Officer)

**CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, William A. Heyburn, certify that:

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

Date: August 9, 2022

By: /s/ William A. Heyburn

Name: William A. Heyburn

Title: Chief Financial Officer (Principal Financial Officer)

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

In connection with the Quarterly Report of Blade Air Mobility, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2022, as filed with the Securities and Exchange Commission (the "Report"), I, William A. Heyburn, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as added by §906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: August 9, 2022

By: /s/ William A. Heyburn
Name: William A. Heyburn
Title: Chief Financial Officer
(Principal Financial Officer)