

Aircraft Orderbook is a Major Asset which Facilitates Advantageous Sale Leaseback Financing

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FRONTIER



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Statistical Data, Estimates and Forecasts

This presentation contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that data nor do we undertake to update such data after the date of this presentation.

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Sale Leaseback vs. Debt Financing: A 12-year Ownership Illustrative Scenario

	SLB	Debt
Gain on Sale	☑	
Rent / Lease Return	☑	
Depreciation		☑
Interest Expense		☑
Loss/Gain on Disposition		☑
Net Income	Scenario expected to be similar over 12Y term ¹	
NPV ²	Higher	Lower

Expected gain on sale is realized at inception of transaction and is driven by strength of our orderbook

Sale and lease terms are individually at market as illustrated on subsequent slide

Higher NPV for SLB financing driven by upfront cash gain on sale

¹ Assumes 2023 new A320neo is sold at a \$5 million gain at current market pricing and monthly rent of \$350k; debt financing assumes 70% LTV at an ~8% interest rate and a market depreciation rate of 8%, with a 25-year useful life and 10% salvage value.

² Takes into consideration, among other items, the impact of any potential accelerated tax depreciation and equity investment required to fund LTV

Merits of Sale Leaseback Financing

✓ **Aligns with our business model**

- Youngest, most fuel-efficient fleet¹
- Supports high-utilization
- Access to latest technology
- Enables flexibility, e.g., opportunistic lease extensions

✓ **Provides optimal economics vs. debt financing in current macro environment**

- Minimizes residual value risk
- Limits upfront capital requirements
- Upfront cash gain
- Favorable market lease terms

¹Based on fuel efficiency as measured by available seat miles per fuel gallon consumed during the year ended December 31, 2023; compared to other major U.S. carriers.

Demonstrated Ability to *Consistently* Capture Favorable Market Lease Rates

\$MM	2023
Rent Expense	\$554
(-) Lease return cost & maint. reserves	18
= Adjusted Base Rent Expense ¹	\$536

Implied Aircraft and Spare Engine Market Rent (\$MM)²



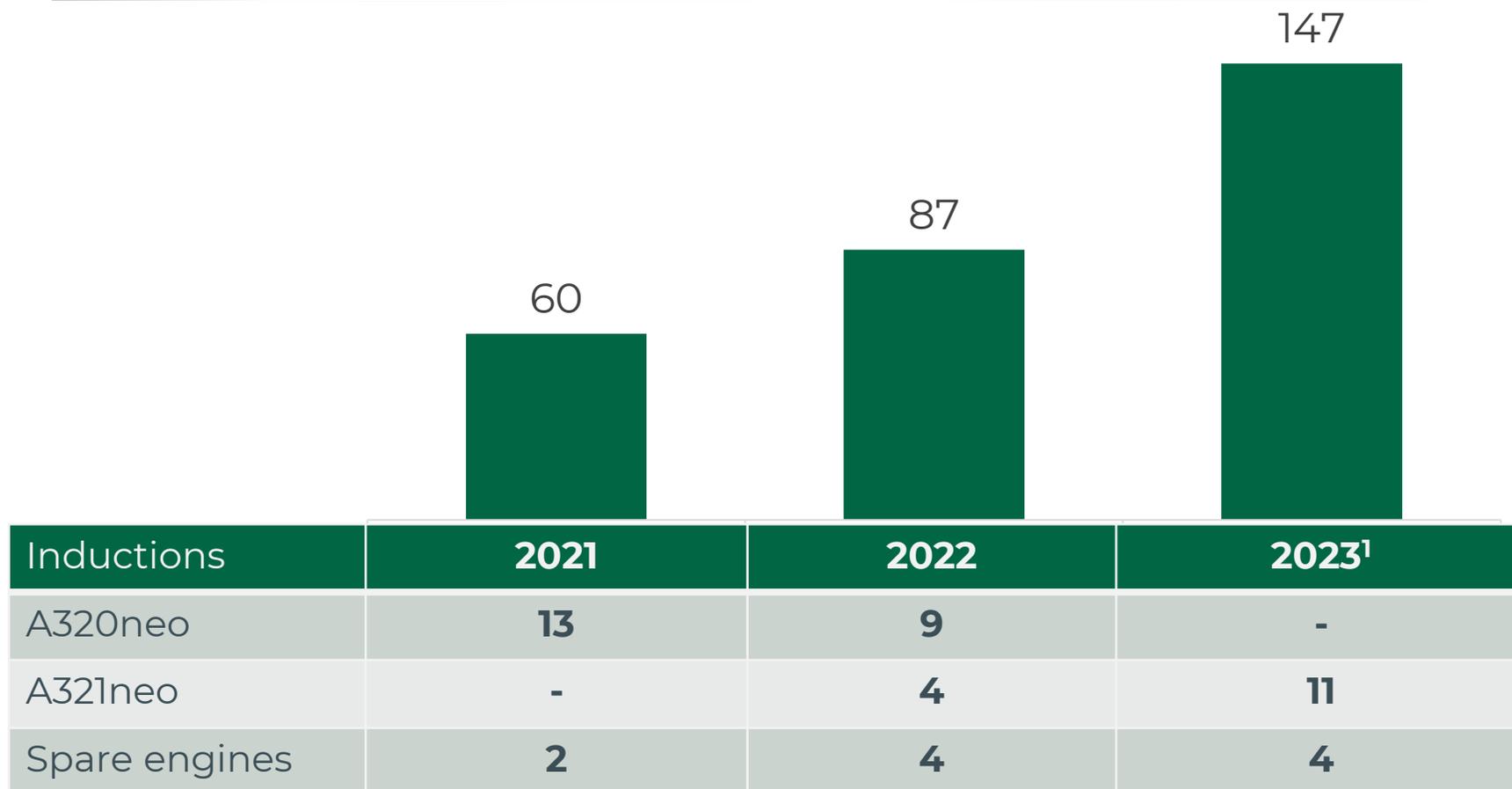
**~\$525
to \$625**

We enjoy favorable lease terms given the strength and sustainability of our business model through all economic cycles

¹Includes aircraft and spare engine rent, the latter of which historically approximates 5% of adjusted rent expense. ²According to a publicly available report issued by IBA, an aviation consultant, on September 20, 2023; reflects market lease rate ranges for A321neo and A320neo aircraft from 2017 through 2023 (excluding 2020 and 2021 due to COVID-related distortions). Implied annual rent includes a spare engine rent burden of ~ 5%.

Track Record of Generating *Recurring* Gains – Core Component of Our Ongoing Operating Strategy

Sale Leaseback Gain in \$MM



Sale leaseback gains are reflected in operating expenses as these transactions have been a core part of our ongoing operating strategy

We intend to continue to finance deliveries with sale-leaseback transactions for the foreseeable future

¹Excludes 10 A321neo deliveries financed with direct leases not in our orderbook

Sale Leaseback Accounting Treatment

- Our orderbook has been entirely financed with sale leaseback transactions
 - Sale leaseback gains are reflected in operating expenses for GAAP and non-GAAP purposes as these transactions have been a *recurring* and core part of our ongoing operating strategy
- Other U.S. public airlines have also reflected sale leaseback gains in operating expenses

Frontier Has an Enviably Orderbook

210 Airbus aircraft on order through the end of the decade¹

Future Deliveries

 161
A321neo²

 49
A320neo

- ✓ A320neo family is one of the most in-demand fleet types on the market
- ✓ Supports Frontier's ability to sustain our industry leading cost position
- ✓ Real asset to Frontier while others are eager to secure orders with Airbus
- ✓ Attractive asset for future sale leaseback or debt financing

¹ As of December 31, 2023

² Assumes we exercise the option to convert 18 A320neo aircraft to A321XLR aircraft

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