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, 2024

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: 001-40304

Frontier Group Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**46-3681866**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

4545 Airport Way
Denver, CO 80239
(720) 374-4550

(Address of principal executive offices, including zip code, and Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.001 par value per share	ULCC	The Nasdaq Stock Market LLC

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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

The registrant had 224,483,246 shares of common stock, $0.001 par value per share, outstanding as of August 2, 2024.

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Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q should be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current expectations and beliefs with respect to certain current and future events and anticipated financial and operating performance. Words such as "may," "might," "will," "should," "could," "would," "expect," "intends," "plan," "anticipate," "believe," "estimate," "project," "targets," "predict," "potential" and similar expressions are intended to identify forward-looking statements. Additionally, forward-looking statements include statements that do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as our audited consolidated financial statements and related notes as disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as filed with the Securities and Exchange Commission (the "SEC") on February 20, 2024 (the "2023 Annual Report"). This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in Part I, Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations," Part II, Item 1A, "Risk Factors" and other factors set forth in other parts of this Quarterly Report on Form 10-Q, as well as those risks and uncertainties set forth from time to time under the sections captioned "Risk Factors" in our reports and other documents filed with the SEC, including our 2023 Annual Report. Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

PART I – FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FRONTIER GROUP HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(unaudited, in millions, except share data)

	June 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	$ 658	$ 609
Accounts receivable, net	95	93
Supplies, net	78	79
Other current assets	116	90
Total current assets	**947**	**871**
Property and equipment, net	350	309
Operating lease right-of-use assets	3,589	2,964
Pre-delivery deposits for flight equipment	392	407
Aircraft maintenance deposits	—	84
Intangible assets, net	27	28
Other assets	384	330
Total assets	**$ 5,689**	**$ 4,993**
Liabilities and stockholders' equity		
Accounts payable	$ 137	$ 134
Air traffic liability	323	253
Frequent flyer liability	12	10
Current maturities of long-term debt, net	263	251
Current maturities of operating leases	601	549
Other current liabilities	485	461
Total current liabilities	**1,821**	**1,658**
Long-term debt, net	189	219
Long-term operating leases	3,016	2,440
Long-term frequent flyer liability	33	35
Other long-term liabilities	110	134
Total liabilities	**5,169**	**4,486**
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Common stock, $0.001 par value per share, with 224,471,666 and 222,998,790 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	—	—
Additional paid-in capital	411	403
Retained earnings	116	111
Accumulated other comprehensive income (loss)	(7)	(7)
Total stockholders' equity	**520**	**507**
Total liabilities and stockholders' equity	**$ 5,689**	**$ 4,993**

See Notes to Condensed Consolidated Financial Statements

FRONTIER GROUP HOLDINGS, INC.
Condensed Consolidated Statements of Operations
(unaudited, in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Operating revenues:				
Passenger	$ 950	$ 945	$ 1,795	$ 1,775
Other	23	22	43	40
Total operating revenues	**973**	**967**	**1,838**	**1,815**
Operating expenses:				
Aircraft fuel	288	244	551	536
Salaries, wages and benefits	244	211	477	414
Aircraft rent	147	148	306	279
Station operations	163	124	300	248
Maintenance, materials and repairs	42	52	91	97
Sales and marketing	47	44	87	84
Depreciation and amortization	18	12	34	23
Other operating	(1)	53	(2)	80
Total operating expenses	**948**	**888**	**1,844**	**1,761**
Operating income (loss)	**25**	**79**	**(6)**	**54**
Other income (expense):				
Interest expense	(8)	(7)	(17)	(13)
Capitalized interest	7	6	16	12
Interest income and other	8	10	15	18
Total other income (expense)	**7**	**9**	**14**	**17**
Income (loss) before income taxes	32	88	8	71
Income tax expense (benefit)	1	17	3	13
Net income (loss)	**$ 31**	**$ 71**	**$ 5**	**$ 58**
Earnings (loss) per share:				
Basic	$ 0.14	$ 0.32	$ 0.02	$ 0.26
Diluted	$ 0.14	$ 0.31	$ 0.02	$ 0.26

See Notes to Condensed Consolidated Financial Statements

FRONTIER GROUP HOLDINGS, INC.
Condensed Consolidated Statements of Comprehensive Income (Loss)
(unaudited, in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	**2023**	**2024**	**2023**
Net income (loss)	**$ 31**	**$ 71**	**$ 5**	**$ 58**
Unrealized gains (losses) and amortization from cash flow hedges, net of adjustment for deferred tax benefit/(expense) of less than $(1) for each of the three and six months ended June 30, 2024 and $(1) and $1, for the three and six months ended June 30, 2023, respectively. (Note 4)	—	3	—	(4)
Other comprehensive income (loss)	**—**	**3**	**—**	**(4)**
Comprehensive income (loss)	**$ 31**	**$ 74**	**$ 5**	**$ 54**

See Notes to Condensed Consolidated Financial Statements

FRONTIER GROUP HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
(unaudited, in millions)

	Six Months Ended June 30,	
	2024	**2023**
Cash flows from operating activities:		
Net income	$ 5	$ 58
Deferred income taxes	3	13
Depreciation and amortization	34	23
Gains recognized on sale-leaseback transactions	(148)	(57)
Stock-based compensation	9	7
Amortization of cash flow hedges, net of tax	—	1
Changes in operating assets and liabilities:		
Accounts receivable, net	(1)	28
Supplies and other current assets	1	9
Aircraft maintenance deposits	82	(9)
Other long-term assets	(105)	(93)
Accounts payable	9	6
Air traffic liability	70	40
Other liabilities	28	(60)
Cash used in operating activities	**(13)**	**(34)**
Cash flows from investing activities:		
Capital expenditures	(48)	(23)
Pre-delivery deposits for flight equipment, net of refunds	15	(9)
Other	(1)	(1)
Cash used in investing activities	**(34)**	**(33)**
Cash flows from financing activities:		
Proceeds from issuance of debt, net of issuance costs	142	52
Principal repayments on debt	(161)	(51)
Proceeds from sale-leaseback transactions	116	89
Proceeds from the exercise of stock options	1	1
Tax withholdings on share-based awards	(2)	(5)
Cash provided by financing activities	**96**	**86**
Net increase in cash, cash equivalents and restricted cash	49	19
Cash, cash equivalents and restricted cash, beginning of period	609	761
Cash, cash equivalents and restricted cash, end of period	**$ 658**	**$ 780**

See Notes to Condensed Consolidated Financial Statements

FRONTIER GROUP HOLDINGS, INC.
Condensed Consolidated Statements of Stockholders' Equity
(unaudited, in millions, except share data)

	Common Stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
	Shares	Amount				
Balance at December 31, 2022	**217,875,890**	**$ —**	**$ 393**	**$ 122**	**$ (6)**	**$ 509**
Net income (loss)	—	—	—	(13)	—	(13)
Shares issued in connection with vesting of restricted stock units	976,916	—	—	—	—	—
Shares withheld to cover employee taxes on vested restricted stock units	(402,814)	—	(5)	—	—	(5)
Unrealized loss from cash flows hedges, net of tax	—	—	—	—	(7)	(7)
Stock option exercises	53,862	—	—	—	—	—
Stock-based compensation	—	—	4	—	—	4
Balance at March 31, 2023	**218,503,854**	**$ —**	**$ 392**	**$ 109**	**$ (13)**	**$ 488**
Net income (loss)	—	—	—	71	—	71
Shares issued in connection with vesting of restricted stock units	185,358	—	—	—	—	—
Shares withheld to cover employee taxes on vested restricted stock units	(15,080)	—	—	—	—	—
Amortization of cash flow hedges, net of tax	—	—	—	—	1	1
Unrealized gain from cash flows hedges, net of tax	—	—	—	—	2	2
Stock option exercises	2,003,261	—	1	—	—	1
Stock-based compensation	—	—	3	—	—	3
Balance at June 30, 2023	**220,677,393**	**$ —**	**$ 396**	**$ 180**	**$ (10)**	**$ 566**

See Notes to Condensed Consolidated Financial Statements

FRONTIER GROUP HOLDINGS, INC.
Condensed Consolidated Statements of Stockholders' Equity (Continued)
(unaudited, in millions, except share data)

	Common Stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
	Shares	Amount				
Balance at December 31, 2023	**222,998,790**	**$ —**	**$ 403**	**$ 111**	**$ (7)**	**$ 50**
Net income (loss)	—	—	—	(26)	—	(2
Shares issued in connection with vesting of restricted stock units	741,546	—	—	—	—	–
Shares withheld to cover employee taxes on vested restricted stock units	(252,094)	—	(2)	—	—	(
Stock option exercises	398,062	—	1	—	—	
Stock-based compensation	—	—	4	—	—	
Balance at March 31, 2024	**223,886,304**	**$ —**	**$ 406**	**$ 85**	**$ (7)**	**$ 48**
Net income (loss)	—	—	—	31	—	3
Shares issued in connection with vesting of restricted stock units	248,979	—	—	—	—	–
Shares withheld to cover employee taxes on vested restricted stock units	(23,772)	—	—	—	—	–
Stock option exercises	360,155	—	—	—	—	–
Stock-based compensation	—	—	5	—	—	
Balance at June 30, 2024	**224,471,666**	**$ —**	**$ 411**	**$ 116**	**$ (7)**	**$ 52**

See Notes to Condensed Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements have been prepared in accordance with the generally accepted accounting principles in the United States ("GAAP") and include the accounts of Frontier Group Holdings, Inc. ("FGHI" or the "Company") and its wholly-owned direct and indirect subsidiaries, including Frontier Airlines Holdings, Inc. ("FAH") and Frontier Airlines, Inc. ("Frontier"). All wholly-owned subsidiaries are consolidated, with all intercompany transactions and balances being eliminated.

The Company is an ultra low-cost, low-fare airline headquartered in Denver, Colorado that offers flights throughout the United States and to select international destinations in the Americas, serving approximately 100 airports.

The Company is managed as a single business unit that provides air transportation for passengers. Management has concluded there is only one reportable segment.

The accompanying condensed consolidated financial statements include the accounts of the Company and reflect all normal recurring adjustments which management believes are necessary to fairly present the financial position, results of operations and cash flows of the Company for the respective periods presented. Certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for Form 10-Q. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Company and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 20, 2024 (the "2023 Annual Report").

The interim results reflected in the unaudited condensed consolidated financial statements are not necessarily indicative of the results that may be expected for other interim periods or for the full year. The air transportation business is subject to significant seasonal fluctuations and is volatile and highly affected by economic cycles and trends.

Reclassifications

A reclassification of previously reported amounts has been made to conform to the current year's presentation in the Company's condensed consolidated statements of operations. The reclassification relates to the removal of transaction and merger-related costs and the reclassification of these costs into other operating expenses. This reclassification did not impact previously reported amounts on the Company's condensed consolidated balance sheets, condensed consolidated statements of comprehensive income (loss), condensed consolidated statements of cash flows or condensed consolidated statements of stockholders' equity.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Revenue Recognition

As of June 30, 2024 and December 31, 2023, the Company's air traffic liability balance was $325 million and $259 million, respectively, which includes amounts classified within other long-term liabilities on the Company's condensed consolidated balance sheets. During the six months ended June 30, 2024, 89% of the air traffic liability as of December 31, 2023 was recognized as passenger revenue within the Company's condensed consolidated statements of operations. Of the air traffic liability balances as of June 30, 2024 and December 31, 2023, $47 million and $60 million, respectively, was related to unearned membership fees.

During the three and six months ended June 30, 2024 and 2023, the Company recognized $10 million, $18 million, $10 million and $20 million, respectively, of revenue related to expected and actual expiration of customer rights to book future travel in passenger revenues within the Company's condensed consolidated statements of operations.

Operating revenues are comprised of passenger revenues, which includes fare and non-fare passenger revenues, and other revenues. Disaggregated operating revenues are as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Passenger revenues:				
Fare	$ 355	$ 361	$ 679	$ 664
Non-fare passenger revenues:				
Service fees	266	245	482	462
Baggage	233	232	437	453
Seat selection	67	74	131	146
Other	29	33	66	50
Total non-fare passenger revenue	595	584	1,116	1,111
Total passenger revenues	950	945	1,795	1,775
Other revenues	23	22	43	40
Total operating revenues	**$ 973**	**$ 967**	**$ 1,838**	**$ 1,815**

The Company is managed as a single business unit that provides air transportation for passengers. Operating revenues by principal geographic region, as defined by the U.S. Department of Transportation (the "DOT"), are as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Domestic	$ 904	$ 877	$ 1,706	$ 1,658
Latin America	69	90	132	157
Total operating revenues	**$ 973**	**$ 967**	**$ 1,838**	**$ 1,815**

The Company attributes operating revenues by geographic region based upon the origin and destination of each passenger flight segment. The Company's tangible assets consist primarily of flight equipment, which are mobile across geographic markets. Accordingly, assets are not allocated to specific geographic regions.

Frequent Flyer Program

The Company's *FRONTIER Miles* program provides frequent flyer travel awards to program members based on accumulated miles. Miles are generally accumulated as a result of travel, purchases using the co-branded credit card and purchases from other participating partners. The Company defers revenue for miles earned by passengers under its *FRONTIER Miles* program based on the equivalent ticket value a passenger receives by redeeming miles for a ticket rather than paying cash.

The Company has a credit card affinity agreement with its credit card partner, Barclays Bank Delaware (“Barclays”), through 2029, which provides for joint marketing, grants certain benefits to co-branded credit cardholders (“Cardholders”) and allows Barclays to market using the Company’s customer database. Cardholders earn miles under the *FRONTIER Miles* program and the Company sells miles at agreed-upon rates to Barclays and earns fees from Barclays for the acquisition, retention and use of the co-branded credit card by consumers.

3. Other Current Assets

Other current assets consist of the following (in millions):

	June 30, 2024	December 31, 2023
Supplier incentives	$ 72	$ 50
Prepaid expenses	18	21
Forgivable loans	17	13
Income tax and other taxes receivable	4	3
Other	5	3
Total other current assets	**$ 116**	**$ 90**

4. Financial Derivative Instruments and Risk Management

The Company may be exposed to interest rate risk through aircraft and spare engine lease contracts for the time period between agreement of terms and commencement of the lease, when portions of rental payments can be adjusted and become fixed based on the swap rate. As part of its risk management program, from time to time the Company enters into contracts in order to limit the exposure to fluctuations in interest rates. During each of the three and six months ended June 30, 2024 and 2023, the Company did not enter into any swaps and, therefore, paid no upfront premiums for options. As of June 30, 2024, the Company had no interest rate hedges outstanding.

Assets associated with the Company’s derivative instruments are presented on a gross basis and include upfront premiums paid. These assets are recorded as a component of other current assets on the Company’s condensed consolidated balance sheets. There were no assets outstanding as of June 30, 2024 and December 31, 2023, respectively.

The following table summarizes the effect of interest rate derivative instruments reflected in rent expense within the Company’s condensed consolidated statements of operations (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Derivatives designated as cash flow hedges				
Amortization of cash flow hedge gains (losses), net of tax	$ —	$ (1)	$ —	$ (1)

See Notes to Condensed Consolidated Financial Statements

The following table presents the net of tax impact of the overall effectiveness of derivative instruments designated as cash flow hedging instruments within the Company's condensed consolidated statements of comprehensive income (loss) (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Derivatives designated as cash flow hedges				
Amortization of cash flow hedges, net of tax	$ —	$ 1	$ —	$ 1
Interest rate derivative contract gains (losses), net of tax	—	2	—	(5)
Total	**$ —**	**$ 3**	**$ —**	**$ (4)**

As of June 30, 2024, $7 million was included in accumulated other comprehensive income (loss) related to interest rate hedging instruments that is expected to be reclassified into aircraft rent within the Company's condensed consolidated statements of operations over the aircraft or engine lease term.

5. Other Current Liabilities

Other current liabilities consist of the following (in millions):

	June 30, 2024	December 31, 2023
Passenger and other taxes and fees payable	$ 163	$ 125
Salaries, wages and benefits	107	107
Station obligations	73	69
Aircraft maintenance	43	76
Fuel liabilities	36	35
Leased aircraft return costs	22	1
Other current liabilities	41	48
Total other current liabilities	**$ 485**	**$ 461**

6. Debt

The Company's debt obligations are as follows (in millions):

	June 30, 2024	December 31, 2023
Secured debt:		
Pre-delivery credit facility[(a)]	$ 300	$ 312
Building note[(b)]	6	16
Unsecured debt:		
Affinity card advance purchase of miles[(c)]	83	80
PSP promissory notes[(d)]	66	66
Total debt	**455**	**474**
Less: current maturities of long-term debt, net	(263)	(251)
Less: total debt acquisition costs and other discounts, net	(3)	(4)
Long-term debt, net	**$ 189**	**$ 219**

(a) The Company, through an affiliate, entered into the pre-delivery deposit payment ("PDP") facility with Citibank, N.A., as facility agent, in December 2014 (as amended from time to time, the "PDP Financing Facility"). The PDP Financing Facility is collateralized by the Company's purchase agreement for Airbus A320neo family aircraft deliveries (see Note 9) through the term of the facility, which extends through December 2026. The total available capacity of the PDP Financing Facility is $365 million.

Interest is paid every 90 days based on the Secured Overnight Financing Rate ("SOFR") plus a margin for each individual tranche. The PDP Financing Facility consists of separate loans for each PDP aircraft. Each separate loan matures upon the earlier of (i) delivery of that aircraft to the Company by Airbus, (ii) the date one month following the last day of the scheduled delivery month of such aircraft and (iii) if there is a delay in delivery of aircraft, depending on the cause of the delivery delay, up to six months following the last day of the scheduled delivery month of such aircraft. The PDP Financing Facility will be repaid periodically according to the preceding sentence, with the PDP Financing Facility maturing in December 2026.

(b) Represents a note with a commercial bank related to the Company's headquarters. In June 2024, the Company's previous note related to its headquarters reached maturity and a final payment of $16 million was made to cover all unpaid principal, accrued unpaid interest and other amounts due. Subsequent to this final payment, the Company entered into a new $6 million note with a different commercial bank maturing in June 2031. Under the terms of the new outstanding note, the Company is required to make regular monthly payments on principal and unpaid interest. On the maturity date, one final balloon payment will be made to cover all unpaid principal, accrued unpaid interest and other amounts due. Interest on the new note will accrue on the unpaid principal balance at a fixed annual rate of 6.79%.

(c) The Company entered into an agreement with Barclays in 2003 which, as amended, provides for joint marketing, grants certain benefits to Cardholders and allows Barclays to market using the Company's customer database, through 2029. Cardholders earn miles under the *FRONTIER Miles* program and the Company sells miles at agreed-upon rates to Barclays and earns fees from Barclays for the acquisition, retention and use of the co-branded credit card by Cardholders. In addition, Barclays will pre-purchase miles if the Company so requests and meets certain conditions precedent. The pre-purchased miles facility amount available to the Company is to be reset on January 15 of each calendar year through, and including, January 15, 2028, based on the aggregate amount of fees payable by Barclays to the Company on a calendar year basis and subject to certain other conditions, up to an aggregate maximum facility amount of $200 million. The Company pays interest on a monthly basis, which is based on a one-month Effective Federal Funds Rate ("EFFR") plus a margin. Beginning March 2028, the facility is scheduled to be repaid in 12 equal monthly installments.

(d) As a result of the Company's participation in the payroll support programs offered by the U.S. Department of the Treasury (the "Treasury"), the Company obtained a series of 10-year, low-interest loans from the Treasury (collectively, the "PSP Promissory Notes") that are due between 2030 and 2031. The PSP Promissory Notes include an annual interest rate of 1.00% for the first five years and the SOFR plus 2.00% in the final five years, with bi-annual interest payments. The loans can be prepaid at par at any time without incurring a penalty.

In connection with the term loan facility entered into with the Treasury on September 28, 2020, which was repaid in full on February 2, 2022, and the PSP Promissory Notes, the Company issued warrants to purchase 3,117,940 shares of FGHI common stock at a weighted-average price of $6.95 per share. These warrants will expire between May 2025 and June 2026. No warrants have been exercised as of June 30, 2024.

Cash payments for interest related to debt were $17 million and $12 million for the six months ended June 30, 2024 and 2023, respectively.

The Company has caused standby letters of credit and surety bonds to be issued to various airport authorities and vendors that are collateralized by a portion of the Company's property and equipment and, as of June 30, 2024 and December 31, 2023, the Company did not have any outstanding letters of credit that were drawn upon.

As of June 30, 2024, future maturities of debt are payable as follows (in millions):

	Total
Remainder of 2024	$ 141
2025	159
2026	—
2027	—
2028	69
Thereafter	86
Total debt principal payments	**$ 455**

The Company continues to monitor covenant compliance with various parties, including, but not limited to, its lenders and credit card processors, and as of June 30, 2024, the Company was in compliance with all of its covenants.

7. Operating Leases

Aircraft

As of June 30, 2024, the Company leased 148 aircraft with remaining terms ranging from 8 months to 12 years, all of which are under operating leases and are included within operating lease right-of-use assets and operating lease liabilities on the Company's condensed consolidated balance sheets. In addition, as of June 30, 2024, the Company leased 33 spare engines which are all under operating leases, with the remaining term ranging from one month to 12 years. As of June 30, 2024, the lease rates for 10 of the engines depend on usage-based metrics which are variable and, as such, these leases are not recorded on the Company's condensed consolidated balance sheets as operating lease right-of-use assets or as operating lease liabilities.

During the three and six months ended June 30, 2024 and 2023, the Company executed sale-leaseback transactions with third-party lessors for six, twelve, one and four new Airbus A320neo family aircraft, respectively. The Company did not enter into any direct leases during the three and six months ended June 30, 2024 and entered into two and five direct leases for new Airbus A320neo family aircraft during the three and six months ended June 30, 2023, respectively. Additionally, the Company completed sale-leaseback transactions for two, two, one and two engines during the three and six months ended June 30, 2024 and 2023, respectively. All of the leases from the sale-leaseback transactions are accounted for as operating leases. The Company recognized sale-leaseback gain transactions of $77 million, $148 million, $17 million and $57 million during the three and six months ended June 30, 2024 and 2023, respectively, which are included as a component of other operating expenses within the Company's condensed consolidated statements of operations.

Aircraft Rent Expense and Maintenance Obligations

During the three and six months ended June 30, 2024 and 2023, aircraft rent expense was $147 million, $306 million, $148 million and $279 million, respectively. Aircraft rent expense includes supplemental rent, which is made up of maintenance-related reserves and probable lease return condition obligations. Supplemental rent expense (benefit) for maintenance-related reserves was $(7) million for each of the three and six months ended June 30, 2024, and $(2) million for each of the three and six months ended June 30, 2023. The portion of supplemental rent expense related to probable lease return condition obligations was $1 million, $14 million, $22 million and $24 million for the three and six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and December 31, 2023, the Company's total leased aircraft return cost liability was $31 million and $26 million, respectively, which are reflected in other current liabilities and other long-term liabilities within the Company's condensed consolidated balance sheets.

During the three months ended June 30, 2024, the Company reached an agreement with one of its aircraft lessors which eliminated requirements to pay maintenance reserves held as collateral in advance of the Company's required performance of major maintenance activities on its aircraft leases. As a result of the agreement, the lessor disbursed back to the Company previously paid aircraft maintenance deposits of approximately $104 million, resulting in the Company no longer having any aircraft maintenance deposits with any of its lessors as of June 30, 2024.

During the three months ended June 30, 2024, the Company extended the term for certain aircraft operating leases that were slated to expire between 2025 and 2027. For the three and six months ended June 30, 2024, the Company recorded a benefit of $11 million and $14 million, respectively, to aircraft rent in the Company's condensed consolidated statements of operations related to previously accrued lease return costs that were variable in nature and associated with the anticipated utilization and condition of the airframes and engines at the original return date. Given the extension of these aircraft operating leases, such variable return costs are no longer probable of occurring.

During the six months ended June 30, 2023, the Company extended the term for certain aircraft operating leases that were slated to expire in the fourth quarter of 2023. For the six months ended June 30, 2023, the Company recorded an $18 million benefit to aircraft rent in the Company's condensed consolidated statement of operations related to previously accrued lease return costs that were variable in nature and associated with the anticipated utilization and condition of the airframes and engines at the original return date. Given the extension of these aircraft operating leases, such variable return costs are no longer probable of occurring.

Airport Facilities

The Company's facility leases are primarily for space at approximately 100 airports, primarily in the United States. These leases are classified as operating leases and reflect the use of airport terminals, ticket counters, office space and maintenance facilities. Generally, this space is leased from government agencies that control the use of the airport. The majority of these leases are short-term in nature and renew on an evergreen basis. For these leases, the contractual term is used as the lease term. As of June 30, 2024, the remaining lease terms vary from one month to 10 years. At the majority of the U.S. airports, the lease rates depend on airport operating costs or use of the facilities and are reset at least annually, and because of the variable nature of the rates, these leases are not recorded on the Company's condensed consolidated balance sheets as right-of-use assets and lease liabilities.

Other Ground Property and Equipment

The Company leases certain other assets such as flight training equipment, building space, and various other equipment. Certain of the Company's leases for other assets are deemed to contain fixed rental payments and, as such, are classified as operating leases and are recorded on the Company's condensed consolidated balance sheets as a right-of-use asset and liability. The remaining lease terms ranged from one month to eight years as of June 30, 2024.

Lease Costs

The table below presents certain information related to lease costs for operating leases during the three and six months ended June 30, 2024 and 2023 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating lease cost[(a)]	$ 155	$ 131	$ 302	$ 258
Variable lease cost[(a)]	94	70	173	144
Total lease costs	**$ 249**	**$ 201**	**$ 475**	**$ 402**

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(a) Expenses are included within aircraft rent, station operations, maintenance, materials and repairs and other operating within the Company's condensed consolidated statements of operations.

During the three and six months ended June 30, 2024 and 2023, the Company acquired, through new or modified operating leases, operating lease assets totaling $571 million, $826 million, $107 million and $338 million, respectively, which are included in operating lease right-of-use assets on the Company's condensed consolidated balance sheets. During the three and six months ended June 30, 2024 and 2023, the Company paid cash of $155 million, $302 million, $130 million and $257 million, respectively, for amounts included in the measurement of lease liabilities.

8. Stock-Based Compensation

During the three and six months ended June 30, 2024 and 2023, the Company recognized $5 million, $9 million, $3 million and $7 million, respectively, in stock-based compensation expense, which is included as a component of salaries, wages and benefits within the Company's condensed consolidated statements of operations.

Stock Options and Restricted Stock Units

During the six months ended June 30, 2024, no stock options were granted and 758,217 vested stock options were exercised with a weighted-average exercise price of $1.25 per share. As of June 30, 2024, the weighted-average exercise price of outstanding stock options was $5.26 per share.

During the six months ended June 30, 2024, 1,409,000 restricted stock units were issued with a weighted-average grant date fair value of $5.53 per share. During the six months ended June 30, 2024, 990,525 restricted stock units vested, of which 275,866 restricted stock units were withheld to cover employees' tax withholding obligations, with a weighted-average grant date fair value of $11.79 and $12.68 per share, respectively.

Stockholders' Equity

As of June 30, 2024 and December 31, 2023, the Company had authorized common stock (voting), common stock (non-voting) and preferred stock of 750,000,000, 150,000,000 and 10,000,000 shares, respectively, of which only common stock (voting) were issued and outstanding. All classes of equity have a par value of $0.001 per share.

9. Commitments and Contingencies

Flight Equipment Commitments

As of June 30, 2024, the Company's firm aircraft and engine purchase orders consisted of the following:

	A320neo	A321neo	Total Aircraft[(a)]	Engines
Year Ending				
Remainder of 2024	—	11	11	1
2025	14	23	37	4
2026	19	24	43	4
2027	14	21	35	3
2028	2	38	40	2
Thereafter	—	32	32	—
Total	**49**	**149**	**198**	**14**

(a) While the schedule presented reflects the contractual delivery dates as of June 30, 2024, the Company has recently experienced delays in the deliveries of Airbus aircraft which may persist in future periods.

The Company is party to certain aircraft purchase agreements with Airbus (as amended from time to time, the "Airbus Purchase Agreements") pursuant to which, as of June 30, 2024, the Company had commitments to purchase an aggregate of 49 A320neo and 149 A321neo aircraft, with deliveries expected through 2029 per the latest delivery schedule. In June 2024, the Company provided notice to Airbus as permitted in the Airbus Purchase Agreements that it will not purchase any A321XLR aircraft and will convert 18 A320neo to A321neo aircraft. This conversion has been reflected in the table above.

The Airbus Purchase Agreements also provide for, among other things, varying purchase incentives for each aircraft type (e.g., A320neo versus A321neo), which are allocated proportionally by aircraft type over the remaining aircraft to be delivered so that each aircraft's capitalized cost upon induction would be equal. Therefore, as cash paid for deliveries is greater than the capitalized cost due to the allocation of these purchase incentives, a deferred purchase incentive is recognized, which will ultimately be offset by future deliveries of aircraft with lower cash payments than their associated capitalized cost. As of June 30, 2024 and December 31, 2023, the Company had $88 million and $78 million, respectively, of deferred purchase incentives recognized within other assets on the Company's condensed consolidated balance sheets.

As of June 30, 2024, purchase commitments for these aircraft and engines, including estimated amounts for contractual price escalations and PDPs, consisted of the following (in millions):

		Total
Year Ending		
Remainder of 2024	$	668
2025		2,224
2026		2,477
2027		2,066
2028		2,467
Thereafter		2,002
Total	**$**	**11,904**

Litigation and Other Contingencies

The Company is subject to commercial litigation claims and to administrative and regulatory proceedings and reviews that may be asserted or maintained from time to time. During 2023, the DOT sent the Company a request for information to assist in its investigation into whether the Company cared for its customers as required by law during Winter Storm Elliott, which caused significant operational disruptions and spanned from December 21, 2022 to January 2, 2023, including providing adequate customer service assistance, prompt flight status notifications, and proper and timely refunds. The Company is fully cooperating with the DOT request.

The Company regularly evaluates the status of such matters to assess whether a loss is probable and reasonably estimable in determining whether an accrual is appropriate. Furthermore, in determining whether disclosure is appropriate, the Company evaluates each matter to assess if there is at least a reasonable possibility that a loss or additional losses may have been incurred and whether an estimate of possible loss or range of loss can be made.

The ultimate outcome of legal actions is unpredictable and can be subject to significant uncertainties, and it is difficult to determine whether any loss is probable or even possible. Additionally, it is also difficult to estimate the amount of loss and there may be matters for which a loss is probable or reasonably possible but not currently estimable. Thus, actual losses may be in excess of any recorded liability or the range of reasonably possible loss. The Company believes the ultimate outcome of any potential lawsuits, proceedings and reviews will likely not, individually or in the aggregate, have a material adverse effect on its condensed consolidated financial position, liquidity or results of operations and that the Company's current accruals cover matters where loss is deemed probable and can be reasonably estimated.

In situations where the Company may be a plaintiff and receives, or expects to receive, a favorable ruling related to litigation, the Company follows the accounting standards codification guidance for gain contingencies. The Company does not recognize a gain contingency within its condensed consolidated financial statements prior to the settlement of the underlying events or contingencies associated with the gain contingency. As a result, the consideration related to a gain contingency is recorded in the condensed consolidated financial statements during the period in which all underlying events or contingencies are resolved and the gain is realized. During the three months ended June 30, 2024, the Company received a favorable ruling in the U.S District Court for the Southern District of New York regarding a breach of contract action against a former aircraft lessor in which the Company was awarded

$50 million in damages plus post-judgement interest. Given that the judgment has been appealed to the Unites States Court of Appeals for the Second Circuit, the Company has not recorded any amounts within the condensed consolidated financial statements as of June 30, 2024.

Employees

The Company has seven union-represented employee groups that together represented approximately 88% of all employees as of June 30, 2024. The table below sets forth the Company's employee groups and status of the collective bargaining agreements as of June 30, 2024:

Employee Group	Representative	Amendable Date[a]	Percentage of Workforce June 30, 2024
Pilots	Air Line Pilots Association (ALPA)	January 2024[b]	26%
Flight Attendants	Association of Flight Attendants (AFA-CWA)	May 2024[c]	53%
Aircraft Technicians	International Brotherhood of Teamsters (IBT)	May 2025	6%
Aircraft Appearance Agents	IBT	October 2023[d]	1%
Dispatchers	Transport Workers Union (TWU)	August 2028	1%
Material Specialists	IBT	March 2022[d]	1%
Maintenance Controllers	IBT	October 2023[d]	<1%

(a) Subject to standard early opener provisions.

(b) ALPA filed for mediation through the National Mediation Board in January 2024, and the parties are meeting regularly as part of the mediation process.

(c) In November 2023, AFA-CWA exercised their contractual right to open negotiations early. Negotiations are currently ongoing.

(d) The Company's collective bargaining agreements with its aircraft appearance agents, material specialists, and maintenance controllers, each represented by IBT, were still amendable as of June 30, 2024, and pursuant to the Railway Labor Act the parties continue to be bound by the existing agreements as negotiations continue.

The Company is self-insured for health care claims, subject to a stop-loss policy, for eligible participating employees and qualified dependent medical and dental claims, subject to deductibles and limitations. The Company's liabilities for claims incurred but not reported are determined based on an estimate of the ultimate aggregate liability for claims incurred. The estimate is calculated from actual claim rates and adjusted periodically as necessary. The Company had accrued $6 million and $5 million for health care claims estimated to be incurred but not yet paid, as of June 30, 2024 and December 31, 2023, respectively, which are included as a component of other current liabilities on the Company's condensed consolidated balance sheets.

General Indemnifications

The Company has various leases with respect to real property as well as various agreements among airlines relating to fuel consortia or fuel farms at airports. Under some of these contracts, the Company is party to joint and several liability regarding environmental damages. Under others, where the Company is a member of an LLC or other entity that contracts directly with the airport operator, liabilities are borne through the fuel consortia structure.

The Company's aircraft, services, equipment lease and sale and financing agreements typically contain provisions requiring the Company, as the lessee, obligor or recipient of services, to indemnify the other parties to those agreements, including certain of those parties' related persons, against virtually any liabilities that might arise from the use or operation of the aircraft or such other equipment. The Company believes that its insurance would cover most of its exposure to liabilities and related indemnities associated with the commercial real estate leases and aircraft, services, equipment lease and sale and financing agreements described above.

Certain of the Company's aircraft and other financing transactions include provisions that require payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these financing transactions and other agreements, the Company also bears the risk of certain changes in tax laws that would subject payments to non-U.S. entities to withholding taxes.

Certain of these indemnities survive the length of the related financing or lease. The Company cannot reasonably estimate the potential future payments under the indemnities and related provisions described above because it cannot predict (i) when and under what circumstances these provisions may be triggered, and (ii) the amount that would be payable if the provisions were triggered because the amounts would be based on facts and circumstances existing at such time.

10. Earnings (Loss) per Share

Basic and diluted earnings (loss) per share are computed pursuant to the two-class method. Under the two-class method, the Company attributes net income to common stock and other participating rights (including those with vested share-based awards). Basic earnings per share is calculated by taking net income, less earnings allocated to participating rights, divided by the basic weighted-average common stock outstanding. In accordance with the two-class method, diluted earnings per share is calculated using the more dilutive impact of the treasury-stock method or from reducing net income for the earnings allocated to participating rights.

The following table sets forth the computation of earnings (loss) per share on a basic and diluted basis pursuant to the two-class method for the periods indicated (in millions, except for share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Basic:				
Net income (loss)	$ 31	$ 71	$ 5	$ 58
Less: net income attributable to participating rights	—	(2)	—	(2)
Net income (loss) attributable to common stockholders	**$ 31**	**$ 69**	**$ 5**	**$ 56**
Weighted-average common shares outstanding, basic	224,214,030	219,402,647	223,822,565	218,792,850
Earnings (loss) per share, basic	**$ 0.14**	**$ 0.32**	**$ 0.02**	**$ 0.26**
Diluted:				
Net income (loss)	$ 31	$ 71	$ 5	$ 58
Less: net income attributable to participating rights	—	(2)	—	(2)
Net income (loss) attributable to common stockholders	**$ 31**	**$ 69**	**$ 5**	**$ 56**
Weighted-average common shares outstanding, basic	224,214,030	219,402,647	223,822,565	218,792,850
Effect of dilutive potential common shares	2,389,768	1,023,012	2,380,811	1,430,423
Weighted-average common shares outstanding, diluted	226,603,798	220,425,659	226,203,376	220,223,273
Earnings (loss) per share, diluted	**$ 0.14**	**$ 0.31**	**$ 0.02**	**$ 0.26**

Approximately 5,007,745 and 5,154,621 shares were excluded from the computation of diluted weighted-average shares for the three and six months ended June 30, 2024, respectively, due to anti-dilutive effects. Approximately 2,886,151 and 2,264,024 shares were excluded from the computation of diluted weighted-average shares for the three and six months ended 2023, respectively, due to anti-dilutive effects.

11. Income Taxes

The Company's provision for income taxes during interim reporting periods has historically been calculated by applying an estimate of the annual effective tax rate for the full fiscal year to pretax income (loss) excluding unusual or infrequently occurring discrete items for the reporting period. When a reliable estimate cannot be made, the Company computes the interim provision based on the actual effective tax rate for the year-to-date period by applying the discrete method. The Company determined that given small changes in estimated ordinary income would result in significant variation in the estimated annual effective tax rate for the current year and the resulting uncertainty of the impact on the valuation allowance, the discrete method represents the best estimate of the actual effective tax rate and the Company has calculated its effective tax using the discrete method for the three and six months ended June 30, 2024. The Company's effective tax rate for the three and six months ended June 30, 2024 was an expense of 3.1% and 37.5%, respectively, on pre-tax income, compared to an expense of 19.3% and 18.3%, respectively, on pre-tax income for the three and six months ended June 30, 2023. The effective tax rate for the three months ended June 30, 2024 was lower than the statutory rate primarily related to a decrease in the Company's valuation allowance relating to U.S. federal and state net operating losses. The effective tax rate for the six months ended June 30, 2024 was higher than the statutory rate primarily due to the non-deductibility of certain executive compensation costs and other employee benefits, as well as shortfalls related to the vesting and exercise of the Company's share-based awards offset by a decrease in the valuation allowance. The Company's effective tax rate for the three and six months ended June 30, 2023 was lower than the statutory rate primarily due to excess tax benefits associated with the Company's stock-based compensation arrangements.

The Company accounts for income taxes using the asset and liability method. Deferred income taxes are recognized for the tax consequences of temporary differences between the tax and financial statement reporting bases of assets and liabilities. Quarterly, the Company assesses whether it is more likely than not that sufficient taxable income will be generated to realize deferred income tax assets, and a valuation allowance is recorded when it is more likely than not that some portion, or all, of the Company's deferred tax assets, will not be realized. The Company considers sources of taxable income from prior period carryback periods, future reversals of existing taxable temporary differences, tax planning strategies and future projected taxable income when assessing the future realization of deferred tax assets.

In assessing the sources of taxable income and the need for a valuation allowance, the Company considers all available positive and negative evidence, which includes a recent history of cumulative losses. As of June 30, 2024, the Company remains in a historical three-year cumulative loss position, which is significant objective negative evidence in considering whether deferred tax assets are realizable. Such objective negative evidence outweighs other subjective positive evidence, such as the projection of future taxable income. As a result, as of June 30, 2024, the Company has a valuation allowance of $35 million against its deferred tax assets for U.S. federal and state net operating loss carryforwards, which includes reductions in the Company's valuation allowance of $7 million and $2 million, respectively, recorded during the three and six months ended June 30, 2024.

12. Fair Value Measurements

Under ASC 820, *Fair Value Measurements and Disclosures*, disclosures relating to how fair value is determined for assets and liabilities are required, and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs, as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes several valuation techniques in order to assess the fair value of its financial assets and liabilities.

Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents and restricted cash are comprised of liquid money market funds, time deposits and cash, and are categorized as Level 1 instruments. The Company maintains cash with various high-quality financial institutions and holds restricted cash to secure medical claims paid. Cash, cash equivalents and restricted cash are carried at cost, which management believes approximates fair value. As of June 30, 2024 and December 31, 2023, the Company had less than $1 million of restricted cash.

Debt

The estimated fair value of the Company's debt agreements has been determined to be Level 3 measurement, as certain inputs used to determine the fair value of these agreements are unobservable. The Company utilizes a discounted cash flow method to estimate the fair value of the Level 3 debt.

The carrying amounts and estimated fair values of the Company's debt are as follows (in millions):

	June 30, 2024		December 31, 2023	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Secured debt:				
Pre-delivery credit facility	$ 300	$ 304	$ 312	$ 316
Building note	6	6	16	16
Unsecured debt:				
Affinity card advance purchase of miles	83	81	80	76
PSP promissory notes	66	60	66	57
Total debt	**$ 455**	**$ 451**	**$ 474**	**$ 465**

The tables below present disclosures about the fair value of assets and liabilities measured at fair value on a recurring basis on the Company's condensed consolidated balance sheets (in millions):

		Fair Value Measurements as of June 30, 2024			
Description	Balance Sheet Classification	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	Cash and cash equivalents	$ 658	$ 658	$ —	$ —

		Fair Value Measurements as of December 31, 2023			
Description	Balance Sheet Classification	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	Cash and cash equivalents	$ 609	$ 609	$ —	$ —

The Company had no transfers of assets or liabilities between fair value hierarchy levels between December 31, 2023 and June 30, 2024.

13. Related Parties

Management Services

Indigo Partners LLC (“Indigo Partners”) managed an investment fund, Indigo Frontier Holdings Company, LLC (“Indigo Frontier”), that was the controlling stockholder of the Company until April 2024, when Indigo Frontier distributed all of its shares held to its members on a pro rata basis, in-kind and without consideration. Certain affiliates of Indigo Partners continue to be substantial stockholders of the Company. Indigo Partners continues to provide management services to the Company, for which the Company is assessed a quarterly fee. The Company recorded $1 million for each of the three and six months ended June 30, 2024 and 2023 for these fees, which are included as other operating expenses within the Company’s condensed consolidated statements of operations.

Codeshare Arrangement

The Company entered into a codeshare agreement with Controladora Vuela Compañía de Aviación, S.A.B. de C.V. (an airline based in Mexico doing business as “Volaris”) during 2018. Two of the Company’s directors are members of the board of directors of Volaris and one is an honorary director.

In August 2018, the Company and Volaris began operating scheduled codeshare flights. Each party bears its own costs and expenses of performance under the codeshare agreement. The codeshare agreement is subject to automatic renewals and may be terminated by either party at any time upon the satisfaction of certain conditions.

14. Subsequent Events

Flight Equipment Commitments

In August 2024, the Company and Airbus entered into a binding term sheet, subject to execution of customary closing documentation, to, among other things, update the remaining firm aircraft purchase order delivery schedule, which defers previously scheduled firm aircraft delivery dates from 2025 through 2028 to later years. These changes are reflected in the table below and reflect scheduled aircraft received in July 2024:

	A320neo	A321neo	Total Aircraft	Engines
Year Ending				
Remainder of 2024	—	9	9	1
2025	8	13	21	4
2026	7	15	22	4
2027	8	26	34	3
2028	4	30	34	2
Thereafter	—	76	76	—
Total	**27**	**169**	**196**	**14**

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

General

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q, as well as Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Part II, Item 8. "Financial Statements and Supplementary Data" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 20, 2024 (the "2023 Annual Report"). This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the "Risk Factors" section of our 2023 Annual Report and other factors set forth in other parts of this Quarterly Report on Form 10-Q and our other reports and documents filed with the SEC from time to time.

Overview

Frontier Airlines, Inc. ("Frontier") is an ultra low-cost carrier whose business strategy is focused on *Low Fares Done Right.* We are headquartered in Denver, Colorado and offer flights throughout the United States and to select international destinations in the Americas. Our unique strategy is underpinned by our low-cost structure and superior low-fare brand.

The following table provides select financial and operational information for the three and six months ended June 30, 2024 and 2023, respectively (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total operating revenues	$ 973	$ 967	$ 1,838	$ 1,815
Total operating expenses	$ 948	$ 888	$ 1,844	$ 1,761
Income (loss) before income taxes	$ 32	$ 88	$ 8	$ 71
Available seat miles ("ASMs")	10,552	9,337	19,998	18,112

Total operating revenues for the three and six months ended June 30, 2024 totaled $973 million and $1,838 million, respectively, an increase of 1% compared to each of the three and six months ended June 30, 2023, respectively. This was primarily due to an increase in capacity, as measured by ASMs, partially offset by a reduction in revenue per available seat mile ("RASM") for the three and six months ended June 30, 2024 as compared to the corresponding prior year periods.

Total operating expenses during the three and six months ended June 30, 2024 totaled $948 million and $1,844 million, respectively, resulting in a cost per available seat mile ("CASM") of 8.98¢ and 9.22¢, compared to 9.51¢ and 9.72¢ for the three and six months ended June 30, 2023, respectively. Fuel expense was 18% and 3% higher, respectively, as compared to the corresponding prior year periods. The $44 million increase in fuel expense for the three months ended June 30, 2024 as compared to the corresponding prior year period was primarily driven by a 13% increase in fuel gallons consumed as a result of our 13% capacity increase and a 6% increase in fuel cost per gallon. The $15 million increase in fuel expense for the six months ended June 30, 2024 as compared to the corresponding prior year period was primarily driven by a 9% increase in fuel gallons consumed as a result of our 10% increase in capacity partially offset by a 6% reduction in fuel cost per gallon.

Our non-fuel expenses increased by 2% and 6% during the three and six months ended June 30, 2024, respectively, as compared to the corresponding prior year periods, driven primarily by higher capacity and larger fleet size and the resulting increase in operations during the same periods partially offset by increased sale-leaseback gains, lower lease return costs and lower maintenance, materials and repairs costs. While non-fuel expenses increased by $16 million and $68 million, CASM (excluding fuel), a non-GAAP measure, decreased by 10% and 5% to 6.24¢ and 6.46¢ for the three and six months ended June 30, 2024, respectively. The decrease in CASM (excluding fuel) on increased ASMs of 13% and 10% for the three and six months ended June 30, 2024, respectively, as compared to the corresponding prior year periods, was due to an increase in sale-leaseback gains compared to the corresponding prior year periods as well as a decrease in aircraft rent expense due to lease extension events and a decrease in maintenance, materials and repairs primarily due to lower contract labor costs partially offset by an increase in station costs due to a lower stage length on higher departures. Additionally, for the six months ended June 30, 2024, CASM (excluding fuel) was unfavorably impacted by higher crew costs including other benefits and increased salaried support staff expenses. For the reconciliation to corresponding GAAP measures, see "Results of Operations—Reconciliation of CASM to CASM (excluding fuel), Adjusted CASM (excluding fuel), Adjusted CASM, Adjusted CASM including net interest and CASM including net interest."

We generated net income of $31 million and $5 million during the three and six months ended June 30, 2024, respectively, compared to net income of $71 million and $58 million for the three and six months ended June 30, 2023, respectively.

As of June 30, 2024, our total available liquidity was $658 million, made up of cash and cash equivalents.

Results of Operations

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

Operating Revenues

	Three Months Ended June 30,			
	2024	2023	Change	
Operating revenues ($ in millions):				
Passenger	$ 950	$ 945	$ 5	1 %
Other	23	22	1	5 %
Total operating revenues	**$ 973**	**$ 967**	**$ 6**	1 %
Operating statistics:				
ASMs (millions)	10,552	9,337	1,215	13 %
Revenue passenger miles ("RPMs") (millions)	8,238	7,964	274	3 %
Average stage length (miles)	899	1,038	(139)	(13)%
Load factor	78.1 %	85.3 %	(7.2) pts	N/A
RASM (¢)	9.21	10.35	(1.14)	(11)%
Total ancillary revenue per passenger ($)	69.34	79.64	(10.30)	(13)%
Total revenue per passenger ($)	109.25	127.23	(17.98)	(14)%
Passengers (thousands)	8,899	7,596	1,303	17 %

Total operating revenue increased $6 million, or 1%, during the three months ended June 30, 2024 as compared to the three months ended June 30, 2023. While capacity grew by 13%, as measured by ASMs, revenue was unfavorably impacted by the 11% reduction in RASM due to a 14% decline in total revenue per passenger as well as a 7.2 point reduction in load factor. Revenue per passenger reflected weak domestic pricing as seat growth outpaced seasonal demand and the above-average concentration of capacity allocated to new markets which also led to lower load factors. The increase in capacity was driven by an 18% increase in average aircraft in service during the three months ended June 30, 2024, as compared to the three months ended June 30, 2023, partially offset by a 13% decrease in average stage length to 899 miles compared to 1,038 miles for the corresponding prior year period.

Operating Expenses

	Three Months Ended June 30,		Change		Cost per ASM		Change
	2024	2023			2024	2023	
Operating expenses ($ in millions):[(a)]							
Aircraft fuel	$ 288	$ 244	$ 44	18 %	2.74 ¢	2.61 ¢	5 %
Salaries, wages and benefits	244	211	33	16 %	2.31	2.26	2 %
Aircraft rent	147	148	(1)	(1)%	1.39	1.59	(13)%
Station operations	163	124	39	31 %	1.54	1.33	16 %
Maintenance, materials and repairs	42	52	(10)	(19)%	0.40	0.56	(29)%
Sales and marketing	47	44	3	7 %	0.45	0.47	(4)%
Depreciation and amortization	18	12	6	50 %	0.17	0.13	31 %
Other operating	(1)	53	(54)	N/M	(0.02)	0.56	N/M
Total operating expenses	**$ 948**	**$ 888**	**$ 60**	7 %	**8.98 ¢**	**9.51 ¢**	(6)%
Operating statistics:							
ASMs (millions)	10,552	9,337	1,215	13 %			
Average stage length (miles)	899	1,038	(139)	(13)%			
Passengers (thousands)	8,899	7,596	1,303	17 %			
Departures	57,176	45,408	11,768	26 %			
CASM (excluding fuel) (¢)[(b)]	6.24	6.90	(0.66)	(10)%			
Fuel cost per gallon ($)	2.84	2.69	0.15	6 %			
Fuel gallons consumed (thousands)	101,690	90,379	11,311	13 %			

N/M = Not meaningful

(a) Cost per ASM figures may not recalculate due to rounding.

(b) This metric is not calculated in accordance with GAAP. See the reconciliation to the corresponding GAAP measure provided below.

Reconciliation of CASM to CASM (excluding fuel), Adjusted CASM (excluding fuel), Adjusted CASM, Adjusted CASM including net interest and CASM including net interest

	Three Months Ended June 30,			
	2024		2023	
	($ in millions)	Per ASM (¢)	($ in millions)	Per ASM (¢)
Non-GAAP financial data:[(a)]				
CASM		**8.98**		**9.51**
Aircraft fuel	(288)	(2.74)	(244)	(2.61)
CASM (excluding fuel)[(b)]		**6.24**		**6.90**
Adjusted CASM (excluding fuel)[(b)]		**6.24**		**6.90**
Aircraft fuel	288	2.74	244	2.61
Adjusted CASM[(c)]		**8.98**		**9.51**
Net interest expense (income)	(7)	(0.08)	(9)	(0.10)
Adjusted CASM + net interest[(d)]		**8.90**		**9.41**
CASM		**8.98**		**9.51**
Net interest expense (income)	(7)	(0.08)	(9)	(0.10)
CASM + net interest[(d)]		**8.90**		**9.41**

(a) Cost per ASM figures may not recalculate due to rounding. During the three months ended June 30, 2024 and 2023, there were no non-GAAP adjustments.

(b) CASM (excluding fuel) and Adjusted CASM (excluding fuel) are included as supplemental disclosures because we believe that excluding aircraft fuel is useful to investors as it provides an additional measure of management's performance excluding the effects of a significant cost item over which management has limited influence. The price of fuel, over which we have limited control, impacts the comparability of period-to-period financial performance, and excluding the price of fuel allows management an additional tool to understand and analyze our non-fuel costs and core operating performance, and increases comparability with other airlines that also provide a similar metric. CASM (excluding fuel) and Adjusted CASM (excluding fuel) are not determined in accordance with GAAP and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

(c) Adjusted CASM is included as supplemental disclosure because we believe it is a useful metric to properly compare our cost management and performance to other peers, as derivations of Adjusted CASM are well-recognized performance measurements in the airline industry that are frequently used by our management, as well as by investors, securities analysts and other interested parties in comparing the operating performance of companies in the airline industry. Additionally, we believe this metric is useful because it removes certain items that may not be indicative of base operating performance or future results. Adjusted CASM is not determined in accordance with GAAP, may not be comparable across all carriers and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

(d) Adjusted CASM including net interest and CASM including net interest are included as supplemental disclosures because we believe they are useful metrics to properly compare our cost management and performance to other peers that may have different capital structures and financing strategies, particularly as it relates to financing primary operating assets such as aircraft and engines. Additionally, we believe these metrics are useful because they remove certain items that may not be indicative of base operating performance or future results. Adjusted CASM including net interest and CASM including net interest are not determined in accordance with GAAP, may not be comparable across all carriers and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

Aircraft Fuel. Aircraft fuel expense increased by $44 million, or 18%, during the three months ended June 30, 2024, as compared to the three months ended June 30, 2023. The increase was primarily due to an increase of 13% in fuel gallons consumed due to higher capacity and a 6% growth in fuel cost per gallon.

Salaries, Wages and Benefits. Salaries, wages and benefits expense increased by $33 million, or 16%, during the three months ended June 30, 2024, as compared to the three months ended June 30, 2023. The increase was primarily due to higher crew costs, driven by elevated credit hours on higher capacity and other benefit costs, as well as increased headcount of salaried support staff, as compared to the corresponding prior year period.

Aircraft Rent. Aircraft rent expense decreased by $1 million, or 1%, during the three months ended June 30, 2024, as compared to the three months ended June 30, 2023, primarily due a decrease in lease return costs caused by aircraft lease extension events that occurred in the current period as well as the ongoing benefit from extensions in prior periods, which was mostly offset by a larger fleet.

Station Operations. Station operations expense increased by $39 million, or 31%, during the three months ended June 30, 2024, as compared to the three months ended June 30, 2023, primarily due to increased airport operations as a result of the 26% increase in departures and 17% increase in passengers.

Maintenance, Materials and Repairs. Maintenance, materials and repair expense decreased by $10 million, or 19%, during the three months ended June 30, 2024, as compared to the three months ended June 30, 2023. This decrease was primarily due to lower contract labor costs, partially offset by the 18% increase in average aircraft in service, resulting in higher aircraft maintenance costs.

Sales and Marketing. Sales and marketing expense increased by $3 million, or 7%, during the three months ended June 30, 2024, as compared to the three months ended June 30, 2023, primarily due an increase in customer reservation system fees and paid media advertising. The following table presents our distribution channel mix:

	Three Months Ended June 30,		
Distribution Channel	**2024**	**2023**	**Change**
Our website, mobile app and other direct channels	72 %	71 %	1 pts
Third-party channels	28 %	29 %	(1) pts

Depreciation and Amortization. Depreciation and amortization expense increased by $6 million, or 50%, during the three months ended June 30, 2024, as compared to the three months ended June 30, 2023, primarily due to an increase in capitalized maintenance depreciation due to the increase in fleet size as well as a gain on asset disposal during the comparable prior year period.

Other Operating. Other operating resulted in a net gain of $1 million during the three months ended June 30, 2024, as compared to an expense of $53 million during the three months ended June 30, 2023. This movement was primarily driven by the increase in sale-leaseback gains compared to the corresponding prior year period, as a result of six aircraft inductions and two engine inductions subject to sale-leaseback transactions in the current period compared to one aircraft induction and one engine induction subject to sale-leaseback transactions in the corresponding prior year period.

Other Income (Expense). Other income decreased by $2 million, or 22%, during the three months ended June 30, 2024, as compared the three months ended June 30, 2023. The decrease was primarily due to lower interest income from lower balances in interest-bearing cash accounts and increased interest expense, driven mainly by higher interest rates and higher principal balances on our debt, partially offset by greater capitalized interest due to higher interest rates.

Income Taxes. Our effective tax rate for the three months ended June 30, 2024 was an expense of 3.1%, compared to an expense of 19.3% for the three months ended June 30, 2023, on pre-tax net income for both periods. The primary difference between the effective tax rate and the federal statutory rate is related to a decrease in our valuation allowance relating to federal and state net operating losses. Please refer to “Notes to Condensed Consolidated Financial Statements—11. Income Taxes” for additional information.

Results of Operations

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Operating Revenues

	Six Months Ended June 30,		Change	
	2024	2023		
Operating revenues ($ in millions):				
Passenger	$ 1,795	$ 1,775	$ 20	1 %
Other	43	40	3	8 %
Total operating revenues	**$ 1,838**	**$ 1,815**	**$ 23**	1 %
Operating statistics:				
ASMs (millions)	19,998	18,112	1,886	10 %
RPMs (millions)	15,107	15,226	(119)	(1)%
Average stage length (miles)	925	1,045	(120)	(11)%
Load factor	75.5%	84.1%	(8.6) pts	N/A
RASM (¢)	9.19	10.02	(0.83)	(8)%
Total ancillary revenue per passenger ($)	72.86	79.78	(6.92)	(9)%
Total revenue per passenger ($)	115.54	125.83	(10.29)	(8)%
Passengers (thousands)	15,904	14,422	1,482	10 %

Total operating revenue increased $23 million, or 1%, during the six months ended June 30, 2024 compared to the six months ended June 30, 2023. While capacity grew by 10%, as measured by ASMs, revenue was unfavorably impacted by the 8% reduction in RASM due to decreased total revenue per passenger as well as lower load factor. Revenue performance reflected weak domestic industry pricing and the above-average concentration of capacity allocated to new markets. The increase in capacity was driven by a 16% increase in average aircraft in service during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, partially offset by an 11% decrease in average stage length to 925 miles compared to 1,045 miles for the corresponding prior year period as well as a 4% decrease in average daily aircraft utilization to 10.9 hours per day compared to 11.4 hours per day for the corresponding prior year period.

Operating Expenses

	Six Months Ended June 30,		Change		Cost per ASM		Change
	2024	2023			2024	2023	
Operating expenses ($ in millions):[a]							
Aircraft fuel	$ 551	$ 536	$ 15	3 %	2.76 ¢	2.96 ¢	(7)%
Salaries, wages and benefits	477	414	63	15 %	2.39	2.29	4 %
Aircraft rent	306	279	27	10 %	1.53	1.54	(1)%
Station operations	300	248	52	21 %	1.50	1.37	9 %
Maintenance, materials and repairs	91	97	(6)	(6)%	0.46	0.54	(15)%
Sales and marketing	87	84	3	4 %	0.44	0.46	(4)%
Depreciation and amortization	34	23	11	48 %	0.17	0.13	31 %
Other operating	(2)	80	(82)	N/M	(0.03)	0.43	N/M
Total operating expenses	**$ 1,844**	**$ 1,761**	**$ 83**	5 %	**9.22 ¢**	**9.72 ¢**	(5)%
Operating statistics:							
ASMs (millions)	19,998	18,112	1,886	10 %			
Average stage length (miles)	925	1,045	(120)	(11)%			
Passengers (thousands)	15,904	14,422	1,482	10 %			
Departures	105,842	88,120	17,722	20 %			
CASM (excluding fuel) (¢) [b]	6.46	6.77	(0.31)	(5)%			
Adjusted CASM (excluding fuel) (¢) [b]	6.46	6.76	(0.30)	(4)%			
Fuel cost per gallon ($)	2.88	3.06	(0.18)	(6)%			
Fuel gallons consumed (thousands)	191,347	174,966	16,381	9 %			

N/M = Not meaningful

(a) Cost per ASM figures may not recalculate due to rounding.

(b) These metrics are not calculated in accordance with GAAP. See the reconciliation to corresponding GAAP measures provided below.

Reconciliation of CASM to CASM (excluding fuel), Adjusted CASM (excluding fuel), Adjusted CASM, Adjusted CASM including net interest and CASM including net interest

	Six Months Ended June 30,			
	2024		2023	
	($ in millions)	Per ASM (¢)	($ in millions)	Per ASM (¢)
Non-GAAP financial data:[(a)]				
CASM		**9.22**		**9.72**
Aircraft fuel	(551)	(2.76)	(536)	(2.95)
CASM (excluding fuel)[(b)]		**6.46**		**6.77**
Transaction and merger-related costs[(c)]	—	—	(1)	(0.01)
Adjusted CASM (excluding fuel)[(b)]		**6.46**		**6.76**
Aircraft fuel	551	2.76	536	2.95
Adjusted CASM[(d)]		**9.22**		**9.71**
Net interest expense (income)	(14)	(0.07)	(17)	(0.09)
Adjusted CASM + net interest[(e)]		**9.15**		**9.62**
CASM		**9.22**		**9.72**
Net interest expense (income)	(14)	(0.07)	(17)	(0.09)
CASM + net interest[(e)]		**9.15**		**9.63**

(a) Cost per ASM figures may not recalculate due to rounding. During the six months ended June 30, 2024, there were no non-GAAP adjustments.

(b) CASM (excluding fuel) and Adjusted CASM (excluding fuel) are included as supplemental disclosures because we believe that excluding aircraft fuel is useful to investors as it provides an additional measure of management's performance excluding the effects of a significant cost item over which management has limited influence. The price of fuel, over which we have limited control, impacts the comparability of period-to-period financial performance, and excluding the price of fuel allows management an additional tool to understand and analyze our non-fuel costs and core operating performance, and increases comparability with other airlines that also provide a similar metric. CASM (excluding fuel) and Adjusted CASM (excluding fuel) are not determined in accordance with GAAP and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

(c) Represents $1 million in employee retention costs incurred in connection with the terminated merger with Spirit Airlines, Inc., for the six months ended June 30, 2023.

(d) Adjusted CASM is included as supplemental disclosure because we believe it is a useful metric to properly compare our cost management and performance to other peers, as derivations of Adjusted CASM are well-recognized performance measurements in the airline industry that are frequently used by our management, as well as by investors, securities analysts and other interested parties in comparing the operating performance of companies in the airline industry. Additionally, we believe this metric is useful because it removes certain items that may not be indicative of base operating performance or future results. Adjusted CASM is not determined in accordance with GAAP, may not be comparable across all carriers and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

(e) Adjusted CASM including net interest and CASM including net interest are included as supplemental disclosures because we believe they are useful metrics to properly compare our cost management and performance to other peers that may have different capital structures and financing strategies, particularly as it relates to financing primary operating assets such as aircraft and engines. Additionally, we believe these metrics are useful because they remove certain items that may not be indicative of base operating performance or future results. Adjusted CASM including net interest and CASM including net interest are not determined in accordance with GAAP, may not be comparable across all carriers and should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

Aircraft Fuel. Aircraft fuel expense increased by $15 million, or 3%, during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023. The increase was primarily due to a 9% increase in fuel gallons consumed, driven by higher capacity, partially offset by a 6% reduction in fuel cost per gallon.

Salaries, Wages and Benefits. Salaries, wages and benefits expense increased by $63 million, or 15%, during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023. The increase was due to higher crew costs, driven primarily by elevated credit hours on higher capacity, an increased headcount of salaried support staff and increased other benefits for the six months ended June 30, 2024, as compared to the corresponding prior year period.

Aircraft Rent. Aircraft rent expense increased by $27 million, or 10%, during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, primarily due to a larger fleet, partially offset by a decrease in lease return costs.

Station Operations. Station operations expense increased by $52 million, or 21%, during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, primarily due to increased airport operations as a result of the 20% increase in departures and 10% increase in passengers, partially offset by an increase in airport revenue sharing arrangements.

Maintenance, Materials and Repairs. Maintenance, materials and repair expense decreased by $6 million, or 6%, during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023. This was primarily due to lower contract labor costs, partially offset by a 16% increase in average aircraft in service, which resulted in higher aircraft maintenance costs.

Sales and Marketing. Sales and marketing expense increased by $3 million, or 4%, during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, primarily due to an increase in customer reservation system fees and paid media advertising, partially offset by less contract labor costs. The following table presents our distribution channel mix:

	Six Months Ended June 30,		
Distribution Channel	**2024**	**2023**	**Change**
Our website, mobile app and other direct channels	72 %	71 %	1 pt
Third-party channels	28 %	29 %	(1) pt

Depreciation and Amortization. Depreciation and amortization expense increased by $11 million, or 48%, during the six months ended June 30, 2024, as compared to the six months ended June 30, 2023, primarily due to an increase in capitalized maintenance depreciation due to our growing fleet.

Other Operating. Other operating resulted in a net gain of $2 million during the six months ended June 30, 2024, compared to an expense of $80 million during the six months ended June 30, 2023. This movement was primarily driven by the increase in sale-leaseback gains compared to the corresponding prior year period as a result of twelve aircraft inductions and two engine inductions subject to sale-leaseback transactions in the current period compared to four aircraft inductions and two engine inductions subject to sale-leaseback transactions in the corresponding prior year period.

Other Income (Expense). Other income decreased by $3 million or 18% during the six months ended June 30, 2024, as compared the six months ended June 30, 2023. The decrease was primarily due to increased interest expense, driven mainly by higher interest rates and higher principal balances on our debt as well as lower interest income from lower balances in interest-bearing cash accounts, partially offset by greater capitalized interest due to higher interest rates.

Income Taxes. Our effective tax rate for the six months ended June 30, 2024 was an expense of 37.5%, compared to an expense of 18.3% for the six months ended June 30, 2023, on pre-tax net income for both periods. The primary difference between the effective tax rate and the federal statutory rate for the six months ended June 30, 2024 is related to the impact of non-deductibility of certain executive compensation costs and other employee benefits in addition to net shortfalls related to the vesting and exercise of our share-based awards. Please refer to “Notes to Condensed Consolidated Financial Statements—11. Income Taxes” for additional information.

Reconciliation of Net Income (Loss) to Adjusted Net Income (Loss), Pre-Tax Income (Loss) to Adjusted Pre-Tax Income (Loss), and Net Income (Loss) to EBITDA, EBITDAR, Adjusted EBITDA, and Adjusted EBITDAR

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
Non-GAAP financial data (unaudited):				
Adjusted pre-tax income (loss)[(a)]	$ 32	$ 88	$ 8	$ 72
Adjusted net income (loss)[(a)]	$ 31	$ 71	$ 10	$ 59
EBITDA[(a)]	$ 43	$ 91	$ 28	$ 77
EBITDAR[(b)]	$ 190	$ 239	$ 334	$ 356
Adjusted EBITDA[(a)]	$ 43	$ 91	$ 28	$ 78
Adjusted EBITDAR[(b)]	$ 190	$ 239	$ 334	$ 357

(a) Adjusted pre-tax income (loss), adjusted net income (loss), EBITDA and adjusted EBITDA are included as supplemental disclosures because we believe they are useful indicators of our operating performance. Derivations of pre-tax income (loss), net income (loss) and EBITDA are well-recognized performance measurements in the airline industry that are frequently used by our management, as well as by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry.

Adjusted pre-tax income (loss), adjusted net income (loss), EBITDA and adjusted EBITDA have limitations as analytical tools. Some of the limitations applicable to these measures include: adjusted pre-tax income (loss), adjusted net income (loss), EBITDA and adjusted EBITDA do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; adjusted pre-tax income (loss), adjusted net income (loss), EBITDA and adjusted EBITDA do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; EBITDA and adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; EBITDA, and adjusted EBITDA do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our indebtedness or possible cash requirements related to our warrants; although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA and adjusted EBITDA do not reflect any cash requirements for such replacements; and other companies in our industry may calculate adjusted pre-tax income (loss), adjusted net income (loss), EBITDA and adjusted EBITDA differently than we do, limiting their usefulness as comparative measures. Because of these limitations, adjusted pre-tax income (loss), adjusted net income (loss), EBITDA and adjusted EBITDA should not be considered in isolation from or as a substitute for performance measures calculated in accordance with GAAP. In addition, because derivations of adjusted pre-tax income (loss), adjusted net income (loss), EBITDA and adjusted EBITDA are not determined in accordance with GAAP, such measures are susceptible to varying calculations and not all companies calculate the measures in the same manner. As a result, derivations of pre-tax income (loss), net income (loss) and EBITDA, including adjusted pre-tax income (loss), adjusted net income (loss) and adjusted EBITDA, as presented may not be directly comparable to similarly titled measures presented by other companies.

For the foregoing reasons, each of adjusted pre-tax income (loss), adjusted net income (loss), EBITDA and adjusted EBITDA has significant limitations which affect its use as an indicator of our profitability. Accordingly, you are cautioned not to place undue reliance on this information.

(b) EBITDAR and adjusted EBITDAR are included as a supplemental disclosure because we believe them to be useful solely as valuation metrics for airlines as their calculations isolate the effects of financing in general, the accounting effects of capital spending and acquisitions (primarily aircraft, which may be acquired directly, directly subject to acquisition debt, by capital lease or by operating lease, each of which is presented differently for accounting purposes), and income taxes, which may vary significantly between periods and for different airlines for reasons unrelated to the underlying value of a particular airline. However, EBITDAR and adjusted EBITDAR are not determined in accordance with GAAP, are susceptible to varying calculations and not all companies calculate the measure in the same manner. As a result, EBITDAR and adjusted EBITDAR, as presented, may not be directly comparable to similarly titled measures presented by other companies. In addition, EBITDAR and adjusted EBITDAR should not be viewed as a measure of overall performance since they exclude aircraft rent, which is a normal, recurring cash operating expense that is necessary to operate our business. Accordingly, you are cautioned not to place undue reliance on this information.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)		(in millions)	
Adjusted net income (loss) reconciliation (unaudited):				
Net income (loss)	$ 31	$ 71	$ 5	$ 58
Non-GAAP Adjustments[a]:				
Transaction and merger-related costs	—	—	—	1
Pre-tax impact	—	—	—	**1**
Tax benefit (expense), related to non-GAAP adjustments	—	—	—	—
Valuation allowance[b]	—	—	5	—
Net income (loss) impact	**$ —**	**$ —**	**$ 5**	**$ 1**
Adjusted net income (loss)	**$ 31**	**$ 71**	**$ 10**	**$ 59**
Adjusted pre-tax income (loss) reconciliation (unaudited):				
Income (loss) before income taxes	$ 32	$ 88	$ 8	$ 71
Pre-tax impact	—	—	—	1
Adjusted pre-tax income (loss)	**$ 32**	**$ 88**	**$ 8**	**$ 72**
EBITDA, EBITDAR, Adjusted EBITDA and Adjusted EBITDAR reconciliation (unaudited):				
Net income (loss)	$ 31	$ 71	$ 5	$ 58
Plus (minus):				
Interest expense	8	7	17	13
Capitalized interest	(7)	(6)	(16)	(12)
Interest income and other	(8)	(10)	(15)	(18)
Income tax expense (benefit)	1	17	3	13
Depreciation and amortization	18	12	34	23
EBITDA	**43**	**91**	**28**	**77**
Plus: Aircraft rent	147	148	306	279
EBITDAR	**$ 190**	**$ 239**	**$ 334**	**$ 356**
EBITDA	**$ 43**	**$ 91**	**$ 28**	**$ 77**
Plus (minus)[a]				
Transaction and merger-related costs	—	—	—	1
Adjusted EBITDA	**43**	**91**	**28**	**78**
Plus: Aircraft rent	147	148	306	279
Adjusted EBITDAR	**$ 190**	**$ 239**	**$ 334**	**$ 357**

(a) See "Reconciliation of CASM to CASM (excluding fuel), Adjusted CASM (excluding fuel), Adjusted CASM, Adjusted CASM including net interest and CASM including net interest" above for discussion on adjusting items.

(b) During the six months ended June 30, 2024, we recorded a $5 million non-cash valuation allowance against our U.S. federal and state net operating loss deferred tax assets, which largely do not expire, mainly as a result of being in a three-year historical cumulative pre-tax loss position and due to the loss generated during the three months ended March 31, 2024, which has no impact on cash taxes and is not reflective of our effective tax rate for deductible net operating losses generated or actual cash tax obligations created. Please refer to "Notes to Condensed Consolidated Financial Statements—11. Income Taxes" for additional information.

Comparative Operating Statistics

The following table sets forth our operating statistics for the three and six months ended June 30, 2024 and 2023. These operating statistics are provided because they are commonly used in the airline industry and, as such, allow readers to compare our performance against our results for the corresponding prior year period, as well as against the performance of our peers.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Change	2024	2023	Change
Operating statistics (unaudited)[(a)]						
Available seat miles (“ASMs”) (millions)	10,552	9,337	13 %	19,998	18,112	10 %
Departures	57,176	45,408	26 %	105,842	88,120	20 %
Average stage length (miles)	899	1,038	(13) %	925	1,045	(11) %
Block hours	147,506	128,854	14 %	279,563	251,824	11 %
Average aircraft in service	145	123	18 %	141	122	16 %
Aircraft – end of period	148	126	17 %	148	126	17 %
Average daily aircraft utilization (hours)	11.2	11.5	(3) %	10.9	11.4	(4) %
Passengers (thousands)	8,899	7,596	17 %	15,904	14,422	10 %
Average seats per departure	204	198	3 %	203	197	3 %
Revenue passenger miles (“RPMs”) (millions)	8,238	7,964	3 %	15,107	15,226	(1) %
Load Factor	78.1 %	85.3 %	(7.2) pts	75.5 %	84.1 %	(8.6) pts
Fare revenue per passenger ($)	39.91	47.59	(16) %	42.68	46.05	(7) %
Non-fare passenger revenue per passenger ($)	66.80	76.89	(13) %	70.15	77.06	(9) %
Other revenue per passenger ($)	2.54	2.75	(8) %	2.71	2.72	— %
Total ancillary revenue per passenger ($)	69.34	79.64	(13) %	72.86	79.78	(9) %
Total revenue per passenger ($)	109.25	127.23	(14) %	115.54	125.83	(8) %
Total revenue per available seat mile (“RASM”) (¢)	9.21	10.35	(11) %	9.19	10.02	(8) %
Cost per available seat mile (“CASM”) (¢)	8.98	9.51	(6) %	9.22	9.72	(5) %
CASM (excluding fuel) (¢) [(b)]	6.24	6.90	(10) %	6.46	6.77	(5) %
CASM + net interest (¢) [(b)]	8.90	9.41	(5) %	9.15	9.63	(5) %
Adjusted CASM (¢) [(b)]	8.98	9.51	(6) %	9.22	9.71	(5) %
Adjusted CASM (excluding fuel) (¢) [(b)]	6.24	6.90	(10) %	6.46	6.76	(4) %
Adjusted CASM (excluding fuel), stage-length adjusted to 1,000 miles (¢) [(b)(c)]	5.92	7.03	(16) %	6.21	6.91	(10) %
Adjusted CASM + net interest (¢) [(b)]	8.90	9.41	(5) %	9.15	9.62	(5) %
Fuel cost per gallon ($)	2.84	2.69	6 %	2.88	3.06	(6) %
Fuel gallons consumed (thousands)	101,690	90,379	13 %	191,347	174,966	9 %
Full-time equivalent employees	8,100	6,692	21 %	8,100	6,692	21 %

(a) Figures may not recalculate due to rounding. See “Glossary of Airline Terms” for definitions of terms used in this table.

(b) These metrics are not calculated in accordance with GAAP. For the reconciliation to corresponding GAAP measures, see “Results of Operations—Reconciliation of CASM to CASM (excluding fuel), Adjusted CASM (excluding fuel), Adjusted CASM, Adjusted CASM including net interest and CASM including net interest.”

(c) Stage-length adjusted to 1,000 miles: Adjusted CASM (excluding fuel) * Square root (stage length / 1,000).

Liquidity, Capital Resources and Financial Position

Overview

As of June 30, 2024, we had $658 million in total available liquidity, made up of cash and cash equivalents. We had $452 million of total debt, net, of which $263 million is short-term and consists primarily of amounts outstanding under our pre-delivery deposit payment (“PDP”) facility (as amended from time to time, the “PDP Financing Facility”). Our total debt, net is comprised of $300 million outstanding under our PDP Financing Facility, $83 million outstanding under our pre-purchased miles facility with Barclays Bank Delaware (“Barclays”), $66 million in 10-year, low-interest loans from the U.S. Department of the Treasury (the “Treasury,” and such loans, the “PSP Promissory Notes”) and $6 million in secured indebtedness for our headquarters building, partially offset by $3 million in deferred debt acquisition costs and other discounts.

The previous note related to our headquarters had a maturity date in June 2024 and we repaid the remaining outstanding balance, inclusive of any unpaid principal, interest, and other amounts, during the three months ended June 30, 2024. Subsequent to the payoff of the loan, we entered into a loan agreement in the amount of $6 million, with a maturity date in June 2031, which was outstanding on our condensed consolidated balance sheet as of June 30, 2024. Please refer to “Notes to Condensed Consolidated Financial Statements—6. Debt” for additional information.

In connection with the PSP Promissory Notes and the term loan facility entered into with the Treasury on September 28, 2020, which was repaid in full on February 2, 2022, we issued warrants to purchase 3,117,940 shares of our common stock at a weighted-average price of $6.95 per share. We have the intent and ability to settle the warrants issued in common shares and we have classified the warrant liability to additional paid-in-capital on our condensed consolidated balance sheet. These warrants will expire between May 2025 and June 2026. No warrants have been exercised as of June 30, 2024.

We continue to monitor our covenant compliance with various parties, including, but not limited to, our lenders and credit card processors. As of the date of this report, we are in compliance with all of our covenants.

The following table presents the major indicators of our financial condition and liquidity as of:

	June 30, 2024	December 31, 2023
	($ in millions)	
Cash and cash equivalents	$ 658	$ 609
Total current assets, excluding cash and cash equivalents	$ 289	$ 262
Total current liabilities, excluding current maturities of long-term debt, net and operating leases	$ 957	$ 858
Current maturities of long-term debt, net	$ 263	$ 251
Long-term debt, net	$ 189	$ 219
Stockholders’ equity	$ 520	$ 507
Debt to capital ratio	47 %	48 %
Debt to capital ratio, including operating lease obligations	89 %	87 %

Use of Cash and Future Obligations

We expect to meet our cash requirements for the next twelve months through use of our available cash and cash equivalents, our PDP Financing Facility and cash flows from operating activities. We expect to meet our long-term cash requirements with cash flows from operating and financing activities, including, but not limited to, potential future borrowings under the PDP Financing Facility and/or potential issuances of debt or equity. We also have unencumbered loyalty and brand related assets, which we believe could generate significant additional liquidity, if desired. Our primary uses of cash are for working capital, aircraft PDPs, debt repayments and capital expenditures.

Our single largest capital commitment relates to the acquisition of aircraft. As of June 30, 2024, we operated all of our 148 aircraft under operating leases. PDPs relating to future deliveries under our agreement with Airbus are required at various times prior to each aircraft's delivery date. As of June 30, 2024, we had $392 million of PDPs held by Airbus which have been partially financed by our PDP Financing Facility. As of June 30, 2024, our PDP Financing Facility, which allows us to draw up to an aggregate of $365 million, had $300 million outstanding. As of June 30, 2024, we had a firm obligation to purchase 198 A320neo family aircraft and 14 additional spare engines to be delivered by 2029. Of our aircraft commitments, 13 had committed operating leases for 2024 and 2025 deliveries, and 15 were subject to non-binding letters of intent to provide operating lease financing for 2025 and 2026 deliveries. We intend to evaluate financing options for the remaining aircraft.

During the three months ended June 30, 2024, we reached an agreement with one of our aircraft lessors which eliminated requirements to pay maintenance reserves held as collateral in advance of our required performance of major maintenance activities on its aircraft leases. As a result of the agreement, the lessor disbursed back to us previously paid aircraft maintenance deposits of approximately $104 million, resulting in us no longer having any aircraft maintenance deposits with any of our lessors as of June 30, 2024.

The following table summarizes current and long-term material cash requirements as of June 30, 2024, which we expect to fund primarily with operating and financing cash flows (in millions):

	Material Cash Requirements						
	Remainder of 2024	2025	2026	2027	2028	Thereafter	Total
Debt obligations[(a)]	$ 141	$ 159	$ —	$ —	$ 69	$ 86	$ 455
Interest commitments[(b)]	13	12	10	10	9	8	62
Operating lease obligations[(c)]	307	622	595	566	490	2,180	4,760
Flight equipment purchase obligations[(d)]	668	2,224	2,477	2,066	2,467	2,002	11,904
Total	**$ 1,129**	**$ 3,017**	**$ 3,082**	**$ 2,642**	**$ 3,035**	**$ 4,276**	**$ 17,181**

(a) Includes principal commitments only associated with our PDP Financing Facility with borrowings as of June 30, 2024 pertaining to aircraft with deliveries through 2025, our affinity card unsecured debt due through 2029, our building note through June 2031 and the PSP Promissory Notes due through 2031. See "Notes to Condensed Consolidated Financial Statements — 6. Debt".

(b) Represents interest on debt obligations.

(c) Represents gross cash payments related to our operating lease obligations that are not subject to discount as compared to the obligations measured on our condensed consolidated balance sheets. See "Notes to Condensed Consolidated Financial Statements — 7. Operating Leases".

(d) Represents purchase commitments for aircraft and engines. In August 2024, Airbus agreed to an amended delivery schedule which delays previously scheduled firm aircraft delivery dates from 2025 through 2028 to later years. The table above reflects our commitments as of June 30, 2024 and does not reflect our aircraft purchase commitments after giving effect to this revised delivery schedule. See "Notes to Condensed Consolidated Financial Statements — 9. Commitments and Contingencies" and "Notes to Condensed Consolidated Financial Statements — 14. Subsequent Events" for further detail.

Cash Flows

The following table presents information regarding our cash flows in the six months ended June 30, 2024 and 2023 (in millions):

	Six Months Ended June 30,	
	2024	**2023**
Net cash used in operating activities	$ (13)	$ (34)
Net cash used in investing activities	(34)	(33)
Net cash provided by financing activities	96	86
Net increase in cash, cash equivalents and restricted cash	**49**	**19**
Cash, cash equivalents and restricted cash at beginning of period	609	761
Cash, cash equivalents and restricted cash at end of period	**$ 658**	**$ 780**

Operating Activities

During the six months ended June 30, 2024, net cash used in operating activities totaled $13 million, which was driven by non-cash adjustments of $102 million partially offset by $5 million of net income and $84 million of inflows from changes in operating assets and liabilities.

The $84 million of inflows from changes in operating assets and liabilities included:

- $82 million in decreases in our capitalized aircraft maintenance deposits;
- $70 million in increases in our air traffic liability driven by increased bookings;
- $28 million in increases in other liabilities driven primarily by passenger taxes payable;
- $9 million in increases in accounts payable; and
- $1 million in decreases in supplies and other current assets; partially offset by
- $105 million in increases in other long-term assets primarily driven by increases in prepaid maintenance, capitalized maintenance, and supplier incentives; and
- $1 million in increases in accounts receivable.

Our net income of $5 million was also adjusted by the following non-cash items to arrive at cash used in operating activities:

- $148 million in gains recognized on sale-leaseback transactions; partially offset by
- $34 million in depreciation and amortization;
- $9 million in stock-based compensation expense; and
- $3 million in deferred income tax expense.

During the six months ended June 30, 2023, net cash used in operating activities totaled $34 million, which was driven by $79 million of outflows from changes in operating assets and liabilities and non-cash adjustments totaling $13 million, partially offset by $58 million of net income.

The $79 million of outflows from changes in operating assets and liabilities included:

- $93 million in increases in other long-term assets driven by increases in capitalized maintenance, prepaid maintenance, prepaid bonuses and capitalized interest;
- $60 million in decreases in other liabilities driven primarily by leased aircraft return payments and decreased return costs, and other related accruals; and
- $9 million in increases in aircraft maintenance deposits; partially offset by
- $40 million in increases in our air traffic liability;
- $28 million in decreases in accounts receivable due to station and credit card receivables;
- $9 million in decreases in supplies and other current assets; and
- $6 million in increases in accounts payable.

Our net income of $58 million was also adjusted by the following non-cash items to arrive at cash used in operating activities:

- $57 million in gains recognized on sale-leaseback transactions; partially offset by
- $23 million in depreciation and amortization;
- $13 million in deferred tax expense;
- $7 million in stock-based compensation expense; and
- $1 million in amortization of cash flow hedges, net of tax.

As of June 30, 2024, we did not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our results of operations, financial condition or cash flows.

Investing Activities

During the six months ended June 30, 2024, net cash used in investing activities totaled $34 million, driven by:

- $48 million in cash outflows for capital expenditures; and
- $1 million in cash outflows relating to other investing activity; partially offset by
- $15 million in net proceeds for PDP activity.

During the six months ended June 30, 2023, net cash used in investing activities totaled $33 million, driven by:

- $23 million in cash outflows for capital expenditures;
- $9 million in net outflows for PDP activity; and
- $1 million in cash proceeds relating to other investing activity.

Financing Activities

During the six months ended June 30, 2024, net cash provided by financing activities was $96 million, driven by:

- $142 million in cash proceeds from debt issuances, consisting of $133 million drawn on our PDP Financing Facility, $6 million in new borrowing on our building note and a $3 million draw on our Barclays facility;
- $116 million in net proceeds received from sale-leaseback transactions; and
- $1 million in proceeds from the exercise of stock options; partially offset by
- $161 million in cash outflows from principal repayments on debt, which includes $145 million on our PDP Financing Facility and $16 million on our building note that reached maturity; and
- $2 million in cash outflows for payments related to tax withholdings of share-based awards.

During the six months ended June 30, 2023, net cash provided by financing activities was $86 million, primarily driven by:

- $89 million in cash inflows from sale-leaseback transactions and spare engines delivered during the six months ended June 30, 2023; and
- $52 million in cash proceeds from debt issuances, consisting of $44 million in draws on our PDP Financing Facility and $9 million in draws on our Barclays facility, net of issuance costs; partially offset by
- $51 million in cash outflows from principal repayments on our PDP Financing Facility; and
- $5 million in cash outflows for payments related to tax withholdings of share-based awards.

Critical Accounting Policies and Estimates

There have been no material changes in our critical accounting policies and estimates during the six months ended June 30, 2024. For information regarding our critical accounting policies and estimates, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" included in Part II, Item 7 of our 2023 Annual Report.

Recently Adopted Accounting Pronouncements

See "Notes to Consolidated Financial Statements —1. Summary of Significant Accounting Policies" included in Part II, Item 8 of our 2023 Annual Report for a discussion of recent accounting pronouncements.

GLOSSARY OF AIRLINE TERMS

Set forth below is a glossary of industry terms:

"A320neo family" means, collectively, the Airbus series of single-aisle aircraft that feature the new engine option, including the A320neo and A321neo aircraft.

"Adjusted CASM" is a non-GAAP measure and means operating expenses, excluding special items, divided by ASMs. For a discussion of such special items and a reconciliation of CASM to CASM (excluding fuel), Adjusted CASM (excluding fuel), Adjusted CASM, Adjusted CASM including net interest and CASM including net interest, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

"Adjusted CASM including net interest" or "Adjusted CASM + net interest" is a non-GAAP measure and means the sum of Adjusted CASM and net interest expense (income) excluding special items divided by ASMs. For a discussion of such special items and a reconciliation of CASM to CASM (excluding fuel), Adjusted CASM (excluding fuel), Adjusted CASM, Adjusted CASM including net interest and CASM including net interest, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

"Adjusted CASM (excluding fuel)" is a non-GAAP measure and means operating expenses less aircraft fuel expense, excluding special items, divided by ASMs. For a discussion of such special items and a reconciliation of CASM to CASM (excluding fuel), Adjusted CASM (excluding fuel), Adjusted CASM, Adjusted CASM including net interest and CASM including net interest, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

"Air traffic liability" means the value of tickets, unearned membership fees and other related fees sold in advance of travel.

"Ancillary revenue" means the sum of non-fare passenger revenue and other revenue.

"Available seat miles" or "ASMs" means seats (empty or full) multiplied by miles the seats are flown.

"Average aircraft in service" means the average number of aircraft used in flight operations, as calculated on a daily basis.

"Average daily aircraft utilization" means block hours divided by number of days in the period divided by average aircraft in service.

"Average stage length" means the average number of miles flown per flight segment.

"Block hours" means the number of hours during which the aircraft is in revenue service, measured from the time of gate departure before take-off until the time of gate arrival at the destination.

"CASM" or "unit costs" means operating expenses divided by ASMs.

"CASM (excluding fuel)" is a non-GAAP measure and means operating expenses less aircraft fuel expense, divided by ASMs.

"CASM including net interest" or "CASM + net interest" is a non-GAAP measure and means the sum of CASM and net interest expense (income) divided by ASMs.

"DOT" means the United States Department of Transportation.

“Fare revenue” consists of base fares for air travel, including miles redeemed under our frequent flyer program, unused and expired passenger credits, other redeemed or expired travel credits and revenue derived from charter flights.

“Fare revenue per passenger” means fare revenue divided by passengers.

“Load factor” means the percentage of aircraft seat miles actually occupied on a flight (RPMs divided by ASMs).

“Net interest expenses (income)” means interest expense, capitalized interest, interest income and other.

“Non-fare passenger revenue” consists of fees related to certain ancillary items such as baggage, service fees, seat selection, and other passenger-related revenue that is not included as part of base fares for travel.

“Non-fare passenger revenue per passenger” means non-fare passenger revenue divided by passengers.

“Other revenue” consists primarily of services not directly related to providing transportation, such as the advertising, marketing and brand elements of the *FRONTIER Miles* affinity credit card program and commissions revenue from the sale of items such as rental cars and hotels.

“Other revenue per passenger” means other revenue divided by passengers.

“Passengers” means the total number of passengers flown on all flight segments.

“Passenger revenue” consists of fare revenue and non-fare passenger revenue.

“PDP” means pre-delivery deposit payments, which are payments required by aircraft manufacturers in advance of delivery of the aircraft.

“RASM” or “unit revenue” means total revenue divided by ASMs.

“Revenue passenger miles” or “RPMs” means the number of miles flown by passengers.

“Total ancillary revenue per passenger” means ancillary revenue divided by passengers.

“Total revenue per passenger” means the sum of fare revenue, non-fare passenger revenue, and other revenue (collectively, “Total Revenue”) divided by passengers.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are subject to market risks in the ordinary course of our business. These risks include commodity price risk, with respect to aircraft fuel, as well as interest rate risk, specifically with respect to our floating rate obligations and aircraft lease contracts. The adverse effects of changes in these markets could pose a potential loss as discussed below. The sensitivity analysis provided does not consider the effects that such adverse changes may have on overall economic activity, nor does it consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Aircraft Fuel. Our results of operations can vary materially due to changes in the price and availability of aircraft fuel and are also impacted by the number of aircraft in use and the number of flights we operate. Aircraft fuel represented approximately 30%, 30%, 27% and 30% of total operating expenses for the three and six months ended June 30, 2024 and 2023, respectively. Unexpected changes in the pricing of aircraft fuel or a shortage or disruption in the supply could have a material adverse effect on our business, results of operations and financial condition. Based on our fuel consumption for the 12 months ended June 30, 2024, a hypothetical 10% increase in the average price per gallon of aircraft fuel would have increased aircraft fuel expense by approximately $114 million.

Interest Rates. We are subject to market risk associated with changing interest rates, due to Secured Overnight Financing Rate (“SOFR”) based interest rates on our PDP Financing Facility and Effective Federal Funds Rate (“EFFR”) based interest rates on our affinity card advance purchase of miles. During the six months ended June 30, 2024, as applied to our average debt balances, a hypothetical increase of 100 basis points in average annual interest rates on our variable-rate debt would have increased the annual interest expense by $4 million.

We are also exposed to interest rate risk through aircraft lease contracts for the time period between agreement of terms and commencement of the lease, where portions of the rental payments are adjusted and become fixed based on swap rates. As part of our risk management program, we have historically entered into contracts in order to limit the exposure to fluctuations in interest rates. During each of the three and six months ended June 30, 2024 and 2023, we did not enter into any swaps and, therefore, paid no upfront premiums for interest rate hedges. As of June 30, 2024, we had no interest rate hedges outstanding.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, refers to the controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on such evaluation, our principal executive officer and principal financial officer concluded that, as of June 30, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

During the three months ended June 30, 2024, there were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we have been and will continue to be subject to commercial litigation claims and to administrative and regulatory proceedings and reviews that may be asserted or maintained. We believe the ultimate outcome of such lawsuits, proceedings and reviews is not reasonably likely, individually or in the aggregate, to have a material adverse effect on our business, results of operations and financial condition.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors disclosed in Item 1A "Risk Factors" contained in our 2023 Annual Report, other than the risk factors disclosed in Item 1A "Risk Factors" contained in our Quarterly Report for the quarter ended March 31, 2024. Investors are urged to review all such risk factors carefully.

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

Unregistered Sales of Equity Securities

None.

Use of Proceeds

None.

Issuer Purchases of Equity Securities

We do not have a share repurchase program and no shares were repurchased during the second quarter of 2024.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Flight Equipment Commitments

On August 7, 2024, the Company and Airbus entered into a binding term sheet, subject to execution of customary closing documentation, to, among other things, update the remaining firm aircraft purchase order delivery schedule, which defers previously scheduled firm aircraft delivery dates from 2025 through 2028 to later years. These changes are reflected in the table below and reflect scheduled aircraft received in July 2024:

	A320neo	A321neo	Total Aircraft	Engines
Year Ending				
Remainder of 2024	—	9	9	1
2025	8	13	21	4
2026	7	15	22	4
2027	8	26	34	3
2028	4	30	34	2
Thereafter	—	76	76	—
Total	**27**	**169**	**196**	**14**

The foregoing information is included for the purpose of providing the disclosures required under “Item 1.01 – Entry Into a Material Definitive Agreement” of Form 8-K.

Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements

During the fiscal quarter ended June 30, 2024, none of our directors or officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any other “non-Rule 10b5-1 trading arrangement” except as follows:

On May 19, 2024, Steve Schuller, our Senior Vice President of Human Resources, adopted a Rule 10b5-1(c) trading arrangement intended to satisfy the affirmative defense of Rule 10b5-1(c) for the sale of up to 40,000 shares of our common stock until May 16, 2026.

ITEM 6. EXHIBITS

		Incorporated by Reference				Filed Herewith
Exhibit Number	**Exhibit Description**	**Form**	**File Number**	**Date**	**Number**	
3.1	Amended and Restated Certificate of Incorporation of Frontier Group Holdings, Inc.	8-K	001-40304	4/6/2021	3.1	
3.2	Amended and Restated Bylaws of Frontier Group Holdings, Inc.	8-K	001-40304	7/25/2024	3.1	
4.1	Form of Common Stock Certificate.	S-1	333-254004	3/8/2021	4.2	
4.2	Form of Common Stock Warrant					X
10.1†	Amendment No. One to Codeshare Agreement, dated as of May 22, 2018, by and between Frontier Airlines, Inc. and Concesionaria Vuela Compania Aviacion S.A.P.I. de C.V.					X
10.2	Amendment No. Two to Codeshare Agreement, dated as of February 14, 2019, by and between Frontier Airlines, Inc. and Concesionaria Vuela Compania Aviacion S.A.P.I. de C.V.					X
10.3	Amendment No. Three to Codeshare Agreement, dated as of April 12, 2024, by and between Frontier Airlines, Inc. and Concesionaria Vuela Compania Aviacion S.A.P.I. de C.V.					X
31.1	Certification of the Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of the Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document – The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).					X

* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, irrespective of any general incorporation language contained in such filing.

† Certain portions of this document that constitute confidential information have been redacted in accordance with Regulation S-K, Item 601(b)(10).

SIGNATURE

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.

FRONTIER GROUP HOLDINGS, INC.

Date: August 8, 2024

By: /s/ Mark C. Mitchell
Mark C. Mitchell
Senior Vice President and Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

Exhibit 4.2

Warrant No. CS-[__]

FORM OF WARRANT TO PURCHASE COMMON STOCK

WARRANT
to purchase

____

Shares of Common Stock

of Frontier Group Holdings, Inc.

Issue Date: [____]

1. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meanings indicated.

"*Affiliate*" means, with respect to any person, any person directly or indirectly controlling, controlled by or under common control with, such other person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") when used with respect to any person, means the possession, directly or indirectly, of the power to cause the direction of management and/or policies of such person, whether through the ownership of voting securities by contract or otherwise.

"*Aggregate Net Cash Settlement Amount*" has the meaning ascribed thereto in Section 2(i).

"*Aggregate Net Share Settlement Amount*" has the meaning ascribed thereto in Section 2(ii).

"*Appraisal Procedure*" means a procedure whereby two independent appraisers, one chosen by the Company and one by the Original Warrantholder, shall mutually agree upon the determinations then the subject of appraisal. Each party shall deliver a notice to the other appointing its appraiser within 10 days after the Appraisal Procedure is invoked. If within 30 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 10 days thereafter by the mutual consent of such first two appraisers. The decision of the third appraiser so appointed and chosen shall be given within 30 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Original Warrantholder; otherwise, the average of all three determinations shall be binding upon the Company and the Original Warrantholder. The costs of conducting any Appraisal Procedure shall be borne by the Company.

"*Average Market Price*" means, with respect to any security, the arithmetic average of the Market Price of such security for the 15 consecutive trading day period ending on and including the trading day immediately preceding the determination date.

"*Board of Directors*" means the board of directors of the Company, including any duly authorized committee thereof.

"*Business Combination*" means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Company's stockholders.

"*Business Day*" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close; *provided* that banks shall be deemed to be generally open for business in the event of a "shelter in place" or similar closure of physical branch locations at the direction of any governmental entity if such banks' electronic funds transfer system (including wire transfers) are open for use by customers on such day.

"*Capital Stock*" means (A) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (B) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

"*Charter*" means, with respect to any Person, its certificate or articles of incorporation, articles of association, or similar organizational document.

"*Common Stock*" means common stock of the Company, par value $0.001 subject to adjustment as provided in Section 13(E).

"*Company*" means the Person whose name, corporate or other organizational form and jurisdiction of organization is set forth in Item 1 of Schedule A hereto.

"*conversion*" has the meaning set forth in Section 13(B).

"*convertible securities*" has the meaning set forth in Section 13(B).

"*Depositary*" means The Depositary Trust Company, its nominees and their respective successors.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Exercise Date*" means each date a Notice of Exercise substantially in the form annexed hereto is delivered to the Company in accordance with Section 2 hereof.

"*Exercise Price*" means the amount set forth in Item 2 of Schedule A hereto, subject to adjustment as contemplated herein.

"*Fair Market Value*" means, with respect to any security or other property, the fair market value of such security or other property as determined by the Board of Directors, acting in good faith in reliance on an opinion of a nationally recognized independent investment banking firm retained by the Company for this purpose. For so long as the Original Warrantholder holds this Warrant or any portion thereof, it may object in writing to the Board of Director's calculation of fair market value within 10 days of receipt of written notice thereof. If the Original Warrantholder and the Company are unable to agree on fair market value during the 10-day period following the delivery of the Original Warrantholder's objection, the Appraisal Procedure may be invoked by either party to determine Fair Market Value by delivering written notification thereof not later than the 30th day after delivery of the Original Warrantholder's objection.

"*Initial Number*" has the meaning set forth in Section 13(B).

"Issue Date" means the date set forth in Item 3 of Schedule A hereto.

"*Market Price*" means, with respect to a particular security, on any given day, the last reported sale price regular way or, in case no such reported sale takes place on such day, the average of the last closing bid and ask prices regular way, in either case on the principal national securities exchange on which the applicable securities are listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, the average of the closing bid and ask prices as furnished by two members of the Financial Industry Regulatory Authority, Inc. selected from time to time by the Company for that purpose. "Market Price" shall be determined without reference to after hours or extended hours trading. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price of such security shall be deemed to be (i) in the event that any portion of the Warrant is held by the Original Warrantholder, the fair market value per share of such security as determined in good faith by the Original Warrantholder or (ii) in all other circumstances, the fair market value per share of such security as determined in good faith by the Board of Directors in reliance on an opinion of a nationally recognized independent investment banking corporation retained by the Company for this purpose and certified in a resolution to the Warrantholder.

"*Original Warrantholder*" means the United States Department of the Treasury. Any actions specified to be taken by the Original Warrantholder hereunder may only be taken by such Person and not by any other Warrantholder.

"*Permitted Transactions*" has the meaning set forth in Section 13(B).

"*Per Share Net Cash Settlement Amount*" means the Average Market Price of a share of Common Stock determined as of the relevant Exercise Date less the then applicable Exercise Price.

"*Per Share Net Share Settlement Amount*" means the quotient of (i) the Average Market Price of a share of Common Stock determined as of the relevant Exercise Date less the then applicable Exercise Price *divided by* (ii) the Average Market Price of a share of Common Stock determined as of the relevant Exercise Date.

"*Person*" has the meaning given to it in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

"*Per Share Fair Market Value*" has the meaning set forth in Section 13(C).

"*Pro Rata Repurchases*" means any purchase of shares of Common Stock by the Company or any Affiliate thereof pursuant to (A) any tender offer or exchange offer subject to Section 13(e) or 14(e) of the Exchange Act or Regulation 14E promulgated thereunder or (B) any other offer available to substantially all holders of Common Stock, in the case of both (A) or (B), whether for cash, shares of Capital Stock of the Company, other securities of the Company, evidences of indebtedness of the Company or any other Person or any other property (including, without limitation, shares of Capital Stock, other securities or evidences of indebtedness of a subsidiary), or any combination thereof, effected while this Warrant is outstanding. The "*Effective Date*" of a Pro Rata Repurchase shall mean the date of acceptance of shares for purchase or exchange by the Company under any tender or exchange offer which is a Pro Rata Repurchase or the date of purchase with respect to any Pro Rata Repurchase that is not a tender or exchange offer.

"*Regulatory Approvals*" with respect to the Warrantholder, means, to the extent applicable and required to permit the Warrantholder to exercise this Warrant for shares of Common Stock and to own such Common Stock without the Warrantholder being in violation of applicable law, rule or regulation, the receipt of any necessary approvals and authorizations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"trading day" means (A) if the shares of Common Stock are not traded on any national or regional securities exchange or association or over-the-counter market, a Business Day or (B) if the shares of Common Stock are traded on any national or regional securities exchange or association or over-the-counter market, a Business Day on which such relevant exchange or quotation system is scheduled to be open for business and on which the shares of Common Stock (i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market for any period or periods aggregating one half hour or longer; and (ii) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the shares of Common Stock.

"*U.S. GAAP*" means United States generally accepted accounting principles.

"*Warrant*" means this Warrant, issued pursuant to the Warrant Agreement.

"*Warrant Agreement*" means the Warrant Agreement, dated as of the date set forth in Item 4 of Schedule A hereto, as amended from time to time, between the Company and the United States Department of the Treasury.

"*Warrantholder*" has the meaning set forth in Section 2.

"*Warrant Shares*" has the meaning set forth in Section 2.

2. Number of Warrant Shares; Net Exercise. This certifies that, for value received, the United States Department of the Treasury or its permitted assigns (the "*Warrantholder*") is entitled, upon the terms and subject to the conditions hereinafter set forth, to acquire from the Company, in whole or in part, after the receipt of all applicable Regulatory Approvals, if any, up to an aggregate of the number of fully paid and nonassessable shares of Common Stock set forth in Item 5 of Schedule A hereto. The number of shares of Common Stock (the "*Warrant Shares*") issuable upon exercise of this Warrant and the Exercise Price are subject to adjustment as provided herein, and all references to "Common Stock," "Warrant Shares" and "Exercise Price" herein shall be deemed to include any such adjustment or series of adjustments.

Upon exercise of the Warrant in accordance with Section 3 hereof, the Company shall elect to pay or deliver, as the case may be, to the exercising Warrantholder (a) cash ("*Net Cash Settlement*") or (b) Warrant Shares together with cash, if applicable, in lieu of delivering any fractional shares in accordance with Section 5 of this Warrant ("*Net Share Settlement*"). The Company will notify the exercising Warrantholder of its election of a settlement method within one Business Day after the relevant Exercise Date and if it fails to deliver a timely notice shall be deemed to have elected Net Share Settlement.

(i) *Net Cash Settlement.* If the Company elects Net Cash Settlement, it shall pay to the Warrantholder cash equal to the Per Share Net Cash Settlement Amount multiplied by the number of Warrant Shares as to which the Warrant has been exercised as indicated in the Notice of Exercise (the "*Aggregate Net Cash Settlement Amount*").

(ii) *Net Share Settlement*. If the Company elects Net Share Settlement, it shall deliver to the Warrantholder a number of shares of Common Stock equal to the Per Share Net Share Settlement Amount multiplied by the number of Warrant Shares as to which the Warrant has been exercised as indicated in the Notice of Exercise (the "*Aggregate Net Share Settlement Amount*").

3. Term; Method of Exercise. Subject to Section 2, to the extent permitted by applicable laws and regulations, this Warrant is exercisable, in whole or in part by the Warrantholder, at any time or from time to time after the execution and delivery of this Warrant by the Company on the date hereof, but in no event later than 5:00 p.m., New York City time on the fifth anniversary of the Issue Date of this Warrant, by the surrender of this Warrant and delivery of the Notice of Exercise annexed hereto, duly completed and executed on behalf of the Warrantholder, at the principal executive office of the Company located at the address set forth in Item 6 of Schedule A hereto (or such other office or agency of the Company in the United States as it may designate by notice in writing to the Warrantholder at the address of the Warrantholder appearing on the books of the Company).

If the Warrantholder does not exercise this Warrant in its entirety, the Warrantholder will be entitled to receive from the Company within a reasonable time after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant, and in any event not exceeding three Business Days after the date thereof, a new warrant in substantially identical form for the purchase of that number of Warrant Shares equal to the difference between the number of Warrant Shares subject to this Warrant and the number of Warrant Shares as to which this Warrant is so exercised. Notwithstanding anything in this Warrant to the contrary, the Warrantholder hereby acknowledges and agrees that its exercise of this Warrant for Warrant Shares is subject to the condition that the Warrantholder will have first received any applicable Regulatory Approvals.

4. Method of Settlement.

(i) *Net Cash Settlement*. If the Company elects Net Cash Settlement, the Company shall, within a reasonable time, not to exceed five Business Days after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant, pay to the exercising Warrantholder the Aggregate Net Cash Settlement Amount.

(ii) *Net Share Settlement*. If the Company elects Net Share Settlement, shares of Common Stock equal to the Aggregate Net Share Settlement Amount shall be (x) issued in such name or names as the exercising Warrantholder may designate and (y) delivered by the Company or the Company's transfer agent to such Warrantholder or its nominee or nominees (i) if the shares are then able to be so delivered, via book-entry transfer crediting the account of such Warrantholder (or the relevant agent member for the benefit of such Warrantholder) through the Depositary's DWAC system (if the Company's transfer agent participates in such system), or (ii) otherwise in certificated form by physical delivery to the address specified by the Warrantholder in the Notice of Exercise, within a reasonable time, not to exceed three Business Days after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant. The Company hereby represents and warrants that any Warrant Shares issued upon the exercise of this Warrant in accordance with the provisions of Section 3 will be duly and validly authorized and issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by the Warrantholder, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith). The Company agrees that the Warrant Shares so issued will be deemed to have been issued to the Warrantholder as of the close of business on the date on which this Warrant and payment of the Exercise Price are delivered to the Company in accordance with the terms of this Warrant, notwithstanding that the stock transfer books of the Company may then be closed or certificates representing such Warrant Shares may not be actually delivered on such date. The Company will at all times reserve and keep available, out of its authorized but unissued Common Stock, solely for the purpose of providing for the exercise of this Warrant, the aggregate number of shares of Common Stock then issuable upon exercise of this Warrant at any time. The Company will (A) procure, at its sole expense, the listing of the Warrant Shares issuable upon exercise of this Warrant at any time, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Warrant Shares at all times after issuance. The Company will use reasonable best efforts to ensure that the Warrant Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Warrant Shares are listed or traded.

5. No Fractional Warrant Shares or Scrip. No fractional Warrant Shares or scrip representing fractional Warrant Shares shall be issued upon any exercise of this Warrant. In lieu of any fractional Share to which the Warrantholder would otherwise be entitled, the Warrantholder shall be entitled to receive a cash payment equal to the Average Market Price of the Common Stock determined as of the Exercise Date multiplied by such fraction of a share, less the pro-rated Exercise Price for such fractional share.

6. No Rights as Stockholders; Transfer Books. This Warrant does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the date of exercise hereof. The Company will at no time close its transfer books against transfer of this Warrant in any manner which interferes with the timely exercise of this Warrant.

7. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares to the Warrantholder upon the exercise of this Warrant shall be made without charge to the Warrantholder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; *provided*, *however*, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate, or any certificates or other securities in a name other than that of the registered holder of the Warrant surrendered upon exercise of the Warrant.

8. Transfer/Assignment.

(A) Subject to compliance with clause (B) of this Section 8, this Warrant and all rights hereunder are transferable, in whole or in part, upon the books of the Company by the registered holder hereof in person or by duly authorized attorney, and a new warrant shall be made and delivered by the Company, of the same tenor and date as this Warrant but registered in the name of one or more transferees, upon surrender of this Warrant, duly endorsed, to the office or agency of the Company described in Section 3. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new warrants pursuant to this Section 8 shall be paid by the Company.

(B) If and for so long as required by the Warrant Agreement, this Warrant shall contain the legend as set forth in Sections 4.2(a) of the Warrant Agreement.

9. Exchange and Registry of Warrant. This Warrant is exchangeable, upon the surrender hereof by the Warrantholder to the Company, for a new warrant or warrants of like tenor and representing the right to purchase the same aggregate number of Warrant Shares. The Company shall maintain a registry showing the name and address of the Warrantholder as the registered holder of this Warrant. This Warrant may be surrendered for exchange or exercise in accordance with its terms, at the office of the Company, and the Company shall be entitled to rely in all respects, prior to written notice to the contrary, upon such registry.

10. Loss, Theft, Destruction or Mutilation of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in the case of any such loss, theft or destruction, upon receipt of a bond, indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon

surrender and cancellation of this Warrant, the Company shall make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same aggregate number of Warrant Shares as provided for in such lost, stolen, destroyed or mutilated Warrant.

11. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding day that is a Business Day.

12. Information. With a view to making available to Warrantholders the benefits of certain rules and regulations of the SEC which may permit the sale of the Warrants and Warrant Shares to the public without registration, the Company agrees to use its reasonable best efforts to:

(A) make and keep adequate public information available, as those terms are understood and defined in Rule 144(c) or any similar or analogous rule promulgated under the Securities Act, at all times after the date hereof;

(B) (x) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Securities Act and the Exchange Act, and (y) if at any time the Company is not required to file such reports, make available, upon the request of any Warrantholder, such information necessary to permit sales pursuant to Rule 144A (including the information required by Rule 144A(d)(4) under the Securities Act);

(C) furnish to any holder of Warrants or Warrant Shares forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of the Exchange Act and Rule 144(c)(1); a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as the Warrantholder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities to the public without registration; and

(D) take such further action as any Warrantholder may reasonably request, all to the extent required from time to time to enable such Warantholder to sell Warrants or Warrant Shares without registration under the Securities Act.

13. Adjustments and Other Rights. The Exercise Price and the number of Warrant Shares issuable upon exercise of the Warrant shall be subject to adjustment from time to time as follows; *provided*, that if more than one subsection of this Section 13 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 13 so as to result in duplication:

(A) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Company shall (i) declare and pay a dividend or make a distribution on its Common Stock in shares of Common Stock, (ii) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify the outstanding shares of Common Stock into a smaller number of shares, the number of Warrant Shares issuable upon exercise of this

Warrant at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the Warrantholder after such date shall be entitled to acquire the number of shares of Common Stock which such holder would have owned or been entitled to receive in respect of the shares of Common Stock subject to this Warrant after such date had this Warrant been exercised immediately prior to such date. In such event, the Exercise Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of Warrant Shares issuable upon the exercise of this Warrant before such adjustment and (2) the Exercise Price in effect immediately prior to the record or effective date, as the case may be, for the dividend, distribution, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of Warrant Shares issuable upon exercise of the Warrant determined pursuant to the immediately preceding sentence.

(B) Certain Issuances of Common Stock or Convertible Securities. If the Company shall issue shares of Common Stock (or rights or warrants or other securities exercisable or convertible into or exchangeable (collectively, a "*conversion*") for shares of Common Stock) (collectively, "*convertible securities*") (other than in Permitted Transactions (as defined below) or a transaction to which subsection (A) of this Section 13 is applicable) without consideration or at a consideration per share (or having a conversion price per share) that is less than 90% of the Average Market Price determined as of the date of the agreement on pricing such shares (or such convertible securities) then, in such event:

(A) the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to the date of the agreement on pricing of such shares (or of such convertible securities) (the "*Initial Number*") shall be increased to the number obtained by multiplying the Initial Number by a fraction (A) the numerator of which shall be the sum of (x) the number of shares of Common Stock of the Company outstanding on such date and (y) the number of additional shares of Common Stock issued (or into which convertible securities may be exercised or convert) and (B) the denominator of which shall be the sum of (I) the number of shares of Common Stock outstanding on such date and (II) the number of shares of Common Stock which the aggregate consideration receivable by the Company for the total number of shares of Common Stock so issued (or into which convertible securities may be exercised or convert) would purchase at the Average Market Price determined as of the date of the agreement on pricing such shares (or such convertible securities); and

(B) the Exercise Price payable upon exercise of the Warrant shall be adjusted by multiplying such Exercise Price in effect immediately prior to the date of the agreement on pricing of such shares (or of such convertible securities) by a fraction, the numerator of which shall be the number of shares of Common Stock issuable upon exercise of this Warrant prior to such date and the denominator of which shall be the number of shares of Common Stock issuable upon exercise of this Warrant immediately after the adjustment described in clause (A) above.

For purposes of the foregoing, the aggregate consideration receivable by the Company in connection with the issuance of such shares of Common Stock or convertible securities shall be deemed to be equal to the sum of the net offering price (including the Fair Market Value of any non-cash consideration and after deduction of any related expenses payable to third parties) of all such securities plus the minimum aggregate amount, if any, payable upon exercise or conversion of any such convertible securities into shares of Common Stock; and "*Permitted Transactions*" shall mean issuances (i) as consideration for or to fund the acquisition of businesses and/or related assets, (ii) in connection with employee benefit plans and compensation related arrangements in the ordinary course and consistent with past practice approved by the Board of Directors, (iii) in connection with a public or broadly marketed offering and sale of Common Stock or convertible securities for cash conducted by the Company or its affiliates pursuant to registration under the Securities Act or Rule 144A thereunder on a basis consistent with capital raising transactions by comparable institutions and (iv) in connection with the exercise of preemptive rights on terms existing as of the Issue Date. Any adjustment made pursuant to this Section 13(B) shall become effective immediately upon the date of such issuance.

(C) Other Distributions. In case the Company shall fix a record date for the making of a distribution to all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights or warrants (excluding dividends of its Common Stock and other dividends or distributions referred to in Section 13(A)), in each such case, the Exercise Price in effect prior to such record date shall be reduced immediately thereafter to the price determined by multiplying the Exercise Price in effect immediately prior to the reduction by the quotient of (x) the Average Market Price of the Common Stock determined as of the first date on which the Common Stock trades regular way on the principal national securities exchange on which the Common Stock is listed or admitted to trading without the right to receive such distribution, minus the amount of cash and/or the Fair Market Value of the securities, evidences of indebtedness, assets, rights or warrants to be so distributed in respect of one share of Common Stock (such amount and/or Fair Market Value, the "*Per Share Fair Market Value*") divided by (y) the Average Market Price specified in clause (x); such adjustment shall be made successively whenever such a record date is fixed. In such event, the number of Warrant Shares issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Warrant Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the distribution giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. In the event that such distribution is not so made, the Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant then in effect shall be readjusted, effective as of the date when the Board of Directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash or warrants, as the case may be, to the Exercise Price that would then be in effect and the number of Warrant Shares that would then be issuable upon exercise of this Warrant if such record date had not been fixed.

(D) Certain Repurchases of Common Stock. In case the Company effects a Pro Rata Repurchase of Common Stock, then the Exercise Price shall be reduced to the price determined by multiplying the Exercise Price in effect immediately prior to the Effective Date of such Pro Rata Repurchase by a fraction of which the numerator shall be (i) the product of (x) the number of shares of Common Stock outstanding immediately before such Pro Rata Repurchase and (y) the Average Market Price of a share of Common Stock determined as of the date of the first public announcement by the Company or any of its Affiliates of the intent to effect such Pro Rata Repurchase, minus (ii) the aggregate purchase price of the Pro Rata Repurchase, and of which the denominator shall be the product of (i) the number of shares of Common Stock outstanding immediately prior to such Pro Rata Repurchase minus the number of shares of Common Stock so repurchased and (ii) the Average Market Price per share of Common Stock determined as of the date of the first public announcement by the Company or any of its Affiliates of the intent to effect such Pro Rata Repurchase. In such event, the number of shares of Common Stock issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Warrant Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the Pro Rata Repurchase giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. For the avoidance of doubt, no increase to the Exercise Price or decrease in the number of Warrant Shares issuable upon exercise of this Warrant shall be made pursuant to this Section 13(D).

(E) Business Combinations. In case of any Business Combination or reclassification of Common Stock (other than a reclassification of Common Stock referred to in Section 13(A)), the Warrantholder's right to receive Warrant Shares upon exercise of this Warrant shall be converted into the right to exercise this Warrant to acquire the number of shares of stock or other securities or property (including cash) which the Common Stock issuable (at the time of such Business Combination or reclassification) upon exercise of this Warrant immediately prior to such Business Combination or reclassification would have been entitled to receive upon consummation of such Business Combination or reclassification; and in any such case, if necessary, the provisions set forth herein with respect to the rights and interests thereafter of the Warrantholder shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to the Warrantholder's right to exercise this Warrant in exchange for any shares of stock or other securities or property pursuant to this paragraph. In determining the kind and amount of stock, securities or the property receivable upon exercise of this Warrant following the consummation of such Business Combination, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such Business Combination, then the consideration that the Warrantholder shall be entitled to receive upon exercise shall be deemed to be the types and amounts of consideration received by the majority of all holders of the shares of common stock that affirmatively make an election (or of all such holders if none make an election).

(F) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 13 shall be made to the nearest one-tenth (1/10th) of a cent or to the nearest one-hundredth (1/100th) of a share, as the case may be. Any provision of this Section 13 to the contrary notwithstanding, no adjustment in the Exercise Price or the number of Warrant Shares shall be made if the amount of such adjustment would be less than $0.01 or one-tenth (1/10th) of a share of Common Stock, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate $0.01 or 1/10th of a share of Common Stock, or more.

(G) Timing of Issuance of Additional Common Stock Upon Certain Adjustments. In any case in which the provisions of this Section 13 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the Warrantholder of this Warrant exercised after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such Warrantholder any amount of cash in lieu of a fractional share of Common Stock; *provided*, *however*, that the Company upon request shall deliver to such Warrantholder a due bill or other appropriate instrument evidencing such Warrantholder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

(H) Other Events. For so long as the Original Warrantholder holds this Warrant or any portion thereof, if any event occurs as to which the provisions of this Section 13 are not strictly applicable or, if strictly applicable, would not, in the good faith judgment of the Board of Directors of the Company, fairly and adequately protect the purchase rights of the Warrants in accordance with the essential intent and principles of such provisions, then the Board of Directors shall make such adjustments in the application of such provisions, in accordance with such essential intent and principles, as shall be reasonably necessary, in the good faith opinion of the Board of Directors, to protect such purchase rights as aforesaid. The Exercise Price or the number of Warrant Shares shall not be adjusted in the event of a change in the par value of the Common Stock or a change in the jurisdiction of incorporation of the Company.

(I) Statement Regarding Adjustments. Whenever the Exercise Price or the number of Warrant Shares shall be adjusted as provided in Section 13, the Company shall forthwith file at the principal office of the Company a statement showing in reasonable detail the facts requiring such adjustment and the Exercise Price that shall be in effect and the number of Warrant Shares after such adjustment, and the Company shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each Warrantholder at the address appearing in the Company's records.

(J) Notice of Adjustment Event. In the event that the Company shall propose to take any action of the type described in this Section 13 (but only if the action of the type described in this Section 13 would result in an adjustment in the Exercise Price or the number of Warrant Shares or a change in the type of securities or property to be delivered upon exercise of this Warrant), the Company shall give notice to the Warrantholder, in the manner set forth in Section 13(J), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth the facts with respect thereto as shall be reasonably necessary to indicate the effect on the Exercise Price and the number, kind or class of shares or other securities or property which shall be deliverable upon exercise of this Warrant. In the case of any action which would require the fixing of a record date, such notice shall be given at least 10 days prior to the date so fixed, and in case of all other action, such notice shall be given at least 15 days prior to the taking of such proposed action. Failure to give such notice, or any defect therein, shall not affect the legality or validity of any such action.

(K) Proceedings Prior to Any Action Requiring Adjustment. As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 13, the

Company shall take any action which may be necessary, including obtaining regulatory, New York Stock Exchange, NASDAQ Stock Market or other applicable national securities exchange or stockholder approvals or exemptions, as applicable, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all shares of Common Stock that the Warrantholder is entitled to receive upon exercise of this Warrant pursuant to this Section 13.

(L) Adjustment Rules. Any adjustments pursuant to this Section 13 shall be made successively whenever an event referred to herein shall occur. If an adjustment in Exercise Price made hereunder would reduce the Exercise Price to an amount below par value of the Common Stock, then such adjustment in Exercise Price made hereunder shall reduce the Exercise Price to the par value of the Common Stock.

14. No Impairment. The Company will not, by amendment of its Charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in taking of all such action as may be necessary or appropriate in order to protect the rights of the Warrantholder.

15. Governing Law. **This Warrant will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the Company and the Warrantholder agrees (a) to submit to the exclusive jurisdiction and venue of the United States District Court for the District of Columbia for any civil action, suit or proceeding arising out of or relating to this Warrant or the transactions contemplated hereby, and (b) that notice may be served upon the Company at the address in Section 19 below and upon the Warrantholder at the address for the Warrantholder set forth in the registry maintained by the Company pursuant to Section 9 hereof. To the extent permitted by applicable law, each of the Company and the Warrantholder hereby unconditionally waives trial by jury in any civil legal action or proceeding relating to the Warrant or the transactions contemplated hereby or thereby.**

16. Binding Effect. This Warrant shall be binding upon any successors or assigns of the Company.

17. Amendments. This Warrant may be amended and the observance of any term of this Warrant may be waived only with the written consent of the Company and the Warrantholder.

18. Prohibited Actions. The Company agrees that it will not take any action which would entitle the Warrantholder to an adjustment of the Exercise Price if the total number of shares of Common Stock issuable after such action upon exercise of this Warrant, together with all shares of Common Stock then outstanding and all shares of Common Stock then issuable upon the exercise of all outstanding options, warrants, conversion and other rights, would exceed the total number of shares of Common Stock then authorized by its Charter.

19. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, or (b) on the second Business Day following the date of dispatch if delivered by a recognized next day courier service. All notices hereunder shall be delivered as set forth in Item 7 of Schedule A hereto, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

20. Entire Agreement. This Warrant, the forms attached hereto and Schedule A hereto (the terms of which are incorporated by reference herein), and the Warrant Agreement (including all documents incorporated therein), contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.

[Remainder of page intentionally left blank]

[Form of Notice of Exercise]
Date:___________

TO: **Frontier Group Holdings, Inc.**

RE: Exercise of Warrant

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby notifies the Company of its intention to exercise its option with respect to the number of shares of the Common Stock set forth below covered by such Warrant. Pursuant to Section 4 of the Warrant, the undersigned acknowledges that the Company may settle this exercise in net cash or shares. Cash to be paid pursuant to a Net Cash Settlement or payment of fractional shares in connection with a Net Share Settlement should be deposited to the account of the Warrantholder set forth below. Common Stock to be delivered pursuant to a Net Share Settlement shall be delivered to the Warrantholder as indicated below. A new warrant evidencing the remaining shares of Common Stock covered by such Warrant, but not yet subscribed for and purchased, if any, should be issued in the name set forth below.

Number of Warrant Shares:________________________________

Aggregate Exercise Price: ________________________

Address for Delivery of Warrant Shares: _____________________

Wire Instructions:

Proceeds to be delivered: **$**
Name of Bank:
City/ State of Bank:
ABA Number of Bank
SWIFT #
Name of Account:
Account Number at Bank:

Securities to be issued to:

If in book-entry form through the Depositary:

Depositary Account Number: ________________________________

Name of Agent Member: ________________________________

If in certificated form:

Social Security Number or Other Identifying Number: ________________________________

Name: ______________________________

Street Address: ______________________________

City, State and Zip Code: ______________________________

Any unexercised Warrants evidenced by the exercising Warrantholder's interest in the Warrant:

Social Security Number or Other Identifying Number: ______________________________

Name: ______________________________

Street Address: ______________________________

City, State and Zip Code: ______________________________

Holder: ______________________________
By: ______________________________
Name: ______________________________
Title: ______________________________

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by a duly authorized officer.

Dated: _____

COMPANY: FRONTIER GROUP HOLDINGS, INC.

By: ___________________________
Name: Howard Diamond
Title: Executive Vice President, Legal and Corporate Affairs

Attest:

By: ___________________________
Name: Mark Mitchell
Title: Senior Vice President, Chief Financial Officer

[Signature Page to Warrant]

SCHEDULE A

Item 1
Name: Frontier Group Holdings, Inc.
Corporate or other organizational form: Corporation
Jurisdiction of organization: Delaware

Item 2
Exercise Price: $[ ]

Item 3
Issue Date: [ ]

Item 4
Date of Warrant Agreement between the Company and the United States Department of the Treasury: [ ]

Item 5
Number of shares of Common Stock: [ ]

Item 6
Company's address: 4545 Airport Way, Denver, CO 80239

Item 7
Notice information:

Frontier Group Holdings, Inc.
4545 Airport Way
Denver CO, 80239
Attention of Executive Vice President, Legal and Corporate Affairs
Telephone No. ###-###-####
Email: ###

With copies to (which shall not constitute notice):
Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94025
Attention: Tony Richmond
Facsimile: ###-###-####
Email: ###

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

Exhibit 10.1

FINAL

AMENDMENT NO. ONE TO CODESHARE AGREEMENT

THIS AMENDMENT NUMBER ONE TO THE CODESHARE AGREEMENT (the "Amendment One"), dated as of May 22, 2018, is between Frontier Airlines, Inc. ("Frontier"), a corporation organized under the laws of Colorado, having its principal place of business at 4545 Airport Way, Denver, Colorado, 80239 United States of America, and Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V. ("Volaris"), a company organized under the laws of Mexico having its principal office at Antonio Dovalí Jaime No. 70, Torre B, Pisa 13, Colonia Zedec Santa Fe, 01210, Álvaro Obregón, Ciudad de México, México, each of Frontier or Volaris may be referred to as a "Party" and may collectively be referred to as the "Parties" or as the "Carriers".

WHEREAS, the Carriers have entered into that certain codeshare agreement dated January 16th , 2018 (the "Codeshare Agreement") with respect to scheduled passenger air transportation services operated over one or more city pair routes served by the Carriers.

WHEREAS, the Carriers have agreed, subject to the terms and conditions hereof, to amend the Codeshare Agreement to include the marketing of routes served by either Carrier, and certain other modifications, as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises in this Agreement, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Frontier and Volaris hereby agree as follows:

1. DEFINITIONS.

Terms defined in the Codeshare Agreement shall have the same meanings herein unless otherwise defined herein or unless the context clearly requires otherwise.

2. AMENDMENTS TO THE CODESHARE AGREEMENT

2.1 Codeshare Agreement Article 2.

Section 2.1 of the Codeshare Agreement is hereby amended by inserting the following new paragraph at the end of said Section 2.1:

"A full list of the Codeshare Routes, as of the date hereof, is detailed in Schedule G to this Agreement."

2.2 Codeshare Agreement Article 7.

Section 7.9 of the Codeshare Agreement is hereby amended by deleting said Section 7.9 in its entirety and replacing it with the following:

"7.9 Reconciliation of already flown segments shall be made during the [***] after the Revenue Accounting system has been closed for the appropriate fly month. If either of the Parties sell a Codeshare Flight in a different currency than United States of America dollars, the Carrier will use the exchange rate of the [***] as published by [***], in order to pay to the other party in United States of America dollars."

2.3 Codeshare Agreement Schedule G.

The following new Schedule G (Codeshare Routes) shall be added to the Codeshare Agreement, as set forth in Annex A hereto.

3. EFFECTIVE DATE.

This Amendment One shall become effective on the date written above ("Effective Date").

4. Except as modified by this Amendment One, all other terms and conditions set forth in the Codeshare Agreement shall remain in full force and effect and are hereby reaffirmed. In the event of any conflict or discrepancy between the Codeshare Agreement and this Amendment One, the terms and conditions of this Amendment One shall prevail.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment Two as of the date first written above.

Frontier Airlines, Inc.

By: /s/ Howard Diamond

Title: General Counsel & Secretary

Date: 5/23/18

Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V.

By: /s/ Carlos A. Gonzalez

Title: Corporate Control & Compliance Director

Date: 05/22/2018

By: /s/ José Luis Suárez Durán

Title: Sr. Vice President and COO

Date: 05/22/2018

[Signature page for Amendment One to the Codeshare Agreement between Frontier Airlines, Inc. and Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V.]

FINAL

ANNEX A
TO
AMENDMENT ONE TO THE CODESHARE AGREEMENT

SCHEDULE G
CODESHARE ROUTES

Exhibit 10.2

AMENDMENT NO. TWO TO CODESHARE AGREEMENT

THIS AMENDMENT NUMBER TWO TO THE CODESHARE AGREEMENT ("Amendment Two"), dated as of the date of last signature below, is between Frontier Airlines, Inc. ("Frontier"), a corporation organized under the laws of Colorado, having its principal place of business at 4545 Airport Way, Denver, Colorado, 80239 United States of America, and Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V. ("Volaris"), a company organized under the laws of Mexico having its principal office at Antonio Dovalí Jaime No. 70, Torre B, Pisa 13, Colonia Zedec Santa Fe, 01210, Álvaro Obregón, Ciudad de México, México, each of Frontier or Volaris may be referred to as a "Party" and may collectively be referred to as the "Parties" or as the "Carriers".

WHEREAS, the Carriers have entered into that certain codeshare agreement dated January 16th, 2018 with respect to scheduled passenger air transportation services operated over one or more city pair routes served by the Carriers, which was amended by the Parties by Amendment No. One dated May 22, 2018 (as amended, the "Codeshare Agreement").

WHEREAS, the Carriers have agreed, subject to the terms and conditions hereof, to further amend the Codeshare Agreement to include the marketing of routes served by either Carrier, as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises in this Agreement, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Frontier and Volaris hereby agree as follows:

1. DEFINITIONS.

   Terms defined in the Codeshare Agreement shall have the same meanings herein unless otherwise defined herein or unless the context clearly requires otherwise.

2. AMENDMENTS TO THE CODESHARE AGREEMENT

   2.1 Codeshare Agreement Schedule G. Schedule G (Codeshare Routes) shall be amended to add Annex A-1 to the routes currently set forth in Annex A to the Codeshare Agreement.

3. EFFECTIVE DATE.

   This Amendment Two shall become effective as of the date of last signature below.

4. Except as modified by this Amendment Two, all other terms and conditions set forth in the Codeshare Agreement shall remain in full force and effect and are hereby reaffirmed. In the event of any conflict or discrepancy between the Codeshare Agreement and this Amendment Two, the terms and conditions of this Amendment Two shall prevail.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment Two as of the date first written above.

Frontier Airlines, Inc.

By: /s/ Howard Diamond

Title: General Counsel & Secretary

Date: 2-14-19

Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V.

By: /s/ María Elena Rodríguez Asiain

Title: María Elena Rodríguez Asiain
Corporate Finance Director

Date:

By: /s/ Mario Geyne Pliego

Title: Mario Geyne Pliego
Fleet Director

Date:

[Signature page for Amendment Two to the Codeshare Agreement between Frontier Airlines, Inc. and Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V.]

ANNEXA-1
TO
AMENDMENT TWO TO THE CODESHARE AGREEMENT

SCHEDULEG
CODESHARE ROUTES

Exhibit 10.3

AMENDMENT NO. THREE TO CODESHARE AGREEMENT

THIS AMENDMENT NUMBER THREE TO THE CODESHARE AGREEMENT ("Amendment Three"), dated as of the date of last signature below, is between Frontier Airlines, Inc. ("Frontier"), a corporation organized under the laws of Colorado, having its principal place of business at 4545 Airport Way, Denver, Colorado, 80239 United States of America, and Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V. ("Volaris"), a company organized under the laws of Mexico having its principal office at Antonio Dovalí Jaime No. 70, Torre B, Piso 13, Colonia Zedec Santa Fe, 01210, Álvaro Obregón, Ciudad de México, México, each of Frontier or Volaris may be referred to as a "Party" and may collectively be referred to as the "Parties" or as the "Carriers".

WHEREAS, the Carriers have entered into that certain codeshare agreement dated January 16th, 2018 with respect to scheduled passenger air transportation services operated over one or more city pair routes served by the Carriers, which was amended by the Parties by Amendment No. One dated May 22, 2018, and on February 2th, 2019 the parties executed Amendment two (as amended, the "Codeshare Agreement").

WHEREAS, the Carriers have agreed, subject to the terms and conditions hereof, to further amend the Codeshare Agreement to include the marketing of routes served by either Carrier, as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises in this Agreement, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Frontier and Volaris hereby agree as follows:

1. <u>DEFINITIONS.</u>

Terms defined in the Codeshare Agreement shall have the same meanings herein unless otherwise defined herein or unless the context clearly requires otherwise.

2. <u>AMENDMENTS TO THE CODESHARE AGREEMENT</u>

2.1 The name and address set forth in Section 19.5 shall be deleted in its entirety and replaced by the following:

Director, Treasury
4545 Airport Way
Denver, Colorado 80239 U.S.A.

2.2 The name for notice to Frontier as set forth in Section 30 shall be deleted in its entirety and replaced by the following:

General Counsel

2.3 <u>Codeshare Agreement Schedule G</u>. Schedule G (Codeshare Routes) shall be deleted in its entirety and replaced with Annex 1 attached hereto.

2.4 Delete the email addresses in Section 11.1 and replace them with the following: ### and ###.

3. EFFECTIVE DATE.

This Amendment Three-shall become effective as of the date of last signature below.

4. Except as modified by this Amendment Three, all other terms and conditions set forth in the Codeshare Agreement shall remain in full force and effect and are hereby reaffirmed. In the event of any conflict or discrepancy between the Codeshare Agreement and this Amendment Three, the terms and conditions of this Amendment Three shall prevail.

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this Amendment Three as of the date first written above.

Frontier Airlines, Inc.

By: /s/ Howard Diamond

Title: EVP, Legal & Corporate Affairs & Secretary

Date: 4/12/2024

Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V.

/s/ Holger Blankenstein
By: Holger Blankenstein

Title: Executive Vice-President Airline Commercial and Operations

Date: 4/12/2024

/s/ Jaime Esteban Pous Fernández
By: Jaime Esteban Pous Fernández

Title: Chief Financial Officer

[Signature page for Amendment Three to the Codeshare Agreement between Frontier Airlines, Inc. and Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V.]

ANNEX 1
TO
AMENDMENT THREETO THE CODESHARE AGREEMENT

SCHEDULE G
CODESHARE ROUTES

Exhibit 31.1

CERTIFICATION

I, Barry L. Biffle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Frontier Group Holdings, 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 8, 2024

/s/ Barry L. Biffle
Barry L. Biffle
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Mark C. Mitchell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Frontier Group Holdings, 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 8, 2024	/s/ Mark C. Mitchell
	Mark C. Mitchell
	Senior Vice President and Chief Financial Officer
	(Principal Financial Officer)

Exhibit 32.1

Certification of Chief Executive Officer Pursuant to 18 U.S.C. § 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Frontier Group Holdings, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

/s/ Barry L. Biffle

Barry L. Biffle
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of Chief Financial Officer Pursuant to 18 U.S.C. § 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Frontier Group Holdings, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(1) The Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2024 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

/s/ Mark C. Mitchell
Mark C. Mitchell
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)