

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 March 31, 2025

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
(State or other jurisdiction of
incorporation or organization)

46-3681866
(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 227,764,555 shares of common stock, \$0.001 par value per share, outstanding as of April 25, 2025.

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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, 2024, as filed with the Securities and Exchange Commission (the “SEC”) on February 18, 2025 (the “2024 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 2024 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)

	March 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 686	\$ 740
Accounts receivable, net	89	73
Supplies, net	81	79
Other current assets	97	98
Total current assets	953	990
Property and equipment, net	396	376
Operating lease right-of-use assets	4,242	3,930
Pre-delivery deposits for flight equipment	415	404
Intangible assets, net	27	27
Other assets	448	426
Total assets	\$ 6,481	\$ 6,153
Liabilities and stockholders' equity		
Accounts payable	\$ 120	\$ 115
Air traffic liability	358	294
Frequent flyer liability	18	18
Current maturities of long-term debt, net	263	261
Current maturities of operating leases	686	664
Other current liabilities	497	500
Total current liabilities	1,942	1,852
Long-term debt, net	244	241
Long-term operating leases	3,598	3,302
Long-term frequent flyer liability	32	31
Other long-term liabilities	95	123
Total liabilities	5,911	5,549
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock, \$0.001 par value per share, with 227,740,207 and 225,440,496 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	—	—
Additional paid-in capital	423	414
Retained earnings	153	196
Accumulated other comprehensive income (loss)	(6)	(6)
Total stockholders' equity	570	604
Total liabilities and stockholders' equity	\$ 6,481	\$ 6,153

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 March 31,	
	2025	2024
Operating revenues:		
Passenger	\$ 884	\$ 845
Other	28	20
Total operating revenues	912	865
Operating expenses:		
Aircraft fuel	238	263
Salaries, wages and benefits	249	233
Aircraft rent	161	159
Station operations	180	137
Maintenance, materials and repairs	51	49
Sales and marketing	41	40
Depreciation and amortization	20	16
Other operating	18	(1)
Total operating expenses	958	896
Operating income (loss)	(46)	(31)
Other income (expense):		
Interest expense	(9)	(9)
Capitalized interest	8	9
Interest income and other	7	7
Total other income (expense)	6	7
Income (loss) before income taxes	(40)	(24)
Income tax expense (benefit)	3	2
Net income (loss)	\$ (43)	\$ (26)
Earnings (loss) per share:		
Basic	\$ (0.19)	\$ (0.12)
Diluted	\$ (0.19)	\$ (0.12)

See Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended March 31,	
	2025	2024
Net income (loss)	\$ (43)	\$ (26)
Amortization from cash flow hedges, net of adjustment for deferred tax benefit/(expense) of less than \$(1) for each of the three months ended March 31, 2025 and 2024	—	—
Other comprehensive income (loss)	—	—
Comprehensive income (loss)	\$ (43)	\$ (26)

See Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (43)	\$ (26)
Adjustments to reconcile net loss to cash provided by (used in) operating activities:		
Deferred income taxes	3	2
Depreciation and amortization	20	16
Gains recognized on sale-leaseback transactions	(56)	(71)
Stock-based compensation	5	4
Changes in operating assets and liabilities:		
Accounts receivable, net	(16)	(4)
Supplies and other current assets	6	4
Aircraft maintenance deposits	—	(4)
Other long-term assets	(49)	(48)
Accounts payable	4	5
Air traffic liability	64	75
Other liabilities	(24)	25
Cash used in operating activities	(86)	(22)
Cash flows from investing activities:		
Capital expenditures	(18)	(17)
Pre-delivery deposits for flight equipment, net of refunds	(11)	13
Other	—	(3)
Cash used in investing activities	(29)	(7)
Cash flows from financing activities:		
Proceeds from issuance of debt, net of issuance costs	33	69
Principal repayments on debt	(28)	(74)
Proceeds from sale-leaseback transactions	52	48
Proceeds from the exercise of stock options	6	1
Tax withholdings on share-based awards	(2)	(2)
Cash provided by financing activities	61	42
Net increase (decrease) in cash, cash equivalents and restricted cash	(54)	13
Cash, cash equivalents and restricted cash, beginning of period	740	609
Cash, cash equivalents and restricted cash, end of period	\$ 686	\$ 622

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, 2023	222,998,790	\$ —	\$ 403	\$ 111	\$ (7)	\$ 507
Net income (loss)	—	—	—	(26)	—	(26)
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)	—	—	(2)
Stock option exercises	398,062	—	1	—	—	1
Stock-based compensation	—	—	4	—	—	4
Balance at March 31, 2024	223,886,304	\$ —	\$ 406	\$ 85	\$ (7)	\$ 484
Balance at December 31, 2024	225,440,496	\$ —	\$ 414	\$ 196	\$ (6)	\$ 604
Net income (loss)	—	—	—	(43)	—	(43)
Shares issued in connection with vesting of restricted stock units	732,422	—	—	—	—	—
Shares withheld to cover employee taxes on vested restricted stock units	(224,187)	—	(2)	—	—	(2)
Shares issued in connection with warrant exercises, net	248,893	—	—	—	—	—
Stock option exercises	1,542,583	—	6	—	—	6
Stock-based compensation	—	—	5	—	—	5
Balance at March 31, 2025	227,740,207	\$ —	\$ 423	\$ 153	\$ (6)	\$ 570

See Notes to Condensed Consolidated Financial Statements

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements
(unaudited)

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 110 airports.

The Company is managed as a single business unit that provides air transportation for passengers and management has concluded there is only one reportable segment. The Company has identified net income (loss) as the primary measurement of the segment’s profit or loss. Please see the Company’s “Condensed Consolidated Statements of Operations” for net income (loss), as well as other significant revenue and expense components of profit or loss, for the three months ended March 31, 2025 and 2024. The Company has identified total assets as the primary measurement of the segment’s assets. Please see the Company’s “Condensed Consolidated Balance Sheets” for total assets as of March 31, 2025 and December 31, 2024.

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, 2024, which was filed with the SEC on February 18, 2025 (the “2024 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.

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 March 31, 2025 and December 31, 2024, the Company’s air traffic liability balance was \$362 million and \$303 million, respectively, which includes amounts classified as other long-term liabilities on the Company’s condensed consolidated balance sheets. During the three months ended March 31, 2025, 78% of the air traffic liability as of December 31, 2024 was recognized as passenger revenue within the Company’s condensed

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

consolidated statements of operations. Of the air traffic liability balances as of March 31, 2025 and December 31, 2024, \$51 million and \$56 million, respectively, was related to unearned membership fees.

During the three months ended March 31, 2025 and 2024, the Company recognized \$18 million and \$8 million of revenue related to expected and actual expiration of customer rights to book future travel, respectively, 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 March 31,	
	2025	2024
Passenger revenues:		
Fare	\$ 350	\$ 324
Non-fare passenger revenues:		
Service fees	234	216
Baggage	205	204
Seat selection	69	64
Other	26	37
Total non-fare passenger revenue	534	521
Total passenger revenues	884	845
Other revenues	28	20
Total operating revenues	\$ 912	\$ 865

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 March 31,	
	2025	2024
Domestic	\$ 868	\$ 802
Latin America	44	63
Total operating revenues	\$ 912	\$ 865

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.

3. Other Current Assets

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

	March 31, 2025	December 31, 2024
Supplier incentives	\$ 53	\$ 56
Prepaid expenses	22	18
Forgivable loans	16	16
Income tax and other taxes receivable	3	4
Other	3	4
Total other current assets	\$ 97	\$ 98

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

4. Other Current Liabilities

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

	March 31, 2025	December 31, 2024
Passenger and other taxes and fees payable	\$ 161	\$ 141
Salaries, wages and benefits	115	120
Station obligations	79	80
Aircraft maintenance	51	51
Fuel liabilities	30	39
Leased aircraft return costs	15	20
Other current liabilities	46	49
Total other current liabilities	\$ 497	\$ 500

5. Debt

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

	March 31, 2025	December 31, 2024
Secured debt:		
Pre-delivery Credit Facilities ^(a)	\$ 333	\$ 329
Building notes ^(b)	12	12
Revolving loan facility ^(c)	—	—
Unsecured debt:		
Affinity card advance purchase of miles ^(d)	101	100
PSP promissory notes ^(e)	66	66
Total debt	512	507
Less: current maturities of long-term debt, net	(263)	(261)
Less: total debt acquisition costs and other discounts, net	(5)	(5)
Long-term debt, net	\$ 244	\$ 241

(a) The Company has multiple pre-delivery credit facilities which consists of the PDP Financing Facility, the Second PDP Financing Facility and the Third PDP Financing Facility, all as defined below (together, the "Pre-delivery Credit Facilities"). The Pre-delivery Credit Facilities are for the financing of pre-delivery deposit payments ("PDPs") for the Company's A320neo family aircraft purchase agreement. Each facility is collateralized by the Company's purchase agreement for the associated A320neo family aircraft deliveries through the term of the respective facilities. Total capacity (drawn or undrawn) under the Pre-delivery Credit Facilities is \$478 million. See Note 8 for the Company's commitment schedule regarding its A320neo family orderbook.

The Company, through an affiliate, entered into a PDP facility in December 2014 (as amended from time to time, the "PDP Financing Facility") for the financing of certain aircraft PDPs. The facility consists of separate loans for each PDP aircraft. Interest is paid every 90 days based on the Secured Overnight Financing Rate ("SOFR") plus a margin for each separate loan. 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 facility maturing in December 2026.

In September 2024, the Company, through an affiliate, entered into a PDP facility (the "Second PDP Financing Facility") with a lender not otherwise party to the PDP Financing Facility or Third PDP Financing Facility in connection with the financing of PDPs for certain aircraft deliveries not associated with either the PDP Financing Facility or the Third PDP Financing Facility. Interest is paid quarterly based on SOFR plus an applicable margin. Additionally, the Second PDP Financing Facility requires a commitment fee based on the level of the outstanding loan amounts compared to the committed amount. The Second PDP Financing Facility will be repaid when the facility matures in September 2027.

In September 2024, the Company entered into another PDP facility (the "Third PDP Financing Facility") with a lender not otherwise party to the PDP Financing Facility or Second PDP Financing Facility in connection with the financing of PDPs for certain aircraft deliveries not associated with either the PDP Financing Facility or the Second PDP Financing Facility. The Third PDP Financing Facility requires

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

commitment fees to be paid, on a quarterly basis, on each individual aircraft delivery once PDP funding begins, based on the reference amount for that aircraft at a fixed annual rate of the two-year U.S. Treasury Rate plus an applicable margin. The facility consists of separate loans for each PDP aircraft. Each separate loan matures upon the delivery of that aircraft to the Company. The Third PDP Financing Facility will be repaid periodically according to the preceding sentence, with the facility maturing in August 2026.

- (b) Represents notes with a commercial bank related to the Company's headquarters. In June 2024, the Company entered into a \$6 million note maturing in June 2031 and then entered into a second agreement in September 2024 with the same lender to fund an additional \$6 million bringing the total indebtedness to \$12 million, with the second \$6 million note maturing in September 2031. The Company is required to make regular monthly payments on principal and unpaid interest. Interest on the new notes will accrue on the unpaid principal balance at a fixed annual rate of the seven-year U.S. Treasury Rate plus an applicable margin. On the maturity date, one final balloon payment will be made to cover all unpaid principal, accrued unpaid interest and any other amounts due.
- (c) In September 2024, the Company entered into a revolving line of credit available for general corporate purposes (the "Revolving Loan Facility"). The Revolving Loan Facility was undrawn at closing and provided \$205 million of commitments secured by the Company's loyalty programs and brand-related assets. The Revolving Loan Facility will bear interest at a rate of SOFR plus an applicable margin, payable in quarterly installments, on any outstanding balance as well as a quarterly commitment fee at an applicable margin on the undrawn amounts. The Revolving Loan Facility matures in September 2027.
- (d) The Company entered into an agreement with Barclays in 2003, as amended from time to time, which 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 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 December 2028, the facility is scheduled to be repaid in 12 equal monthly installments.
- (e) 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 in September 2020, which was repaid in full in February 2022, and the PSP Promissory Notes, the Company issued warrants to purchase 3,117,940 shares of FGH common stock at a weighted-average price of \$6.95 per share. These warrants will expire between May 2025 and June 2026. During the three months ended March 31, 2025, 1,244,608 warrants were exercised. The Company settled the exercises through a net share settlement of 248,893 shares of common stock and cash of less than \$1 million. As of March 31, 2025, warrants to purchase 1,873,332 shares of FGH common stock were outstanding.

As of March 31, 2025, the Company had no outstanding borrowings under the Revolving Loan Facility as the entirety of the \$205 million was undrawn.

Cash payments for interest related to debt were \$9 million for each of the three months ended March 31, 2025 and 2024.

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 March 31, 2025 and December 31, 2024, the Company did not have any outstanding letters of credit that were drawn upon.

As of March 31, 2025, future maturities of debt are payable as follows (in millions):

	Total
Remainder of 2025	\$ 209
2026	120
2027	4
2028	9
2029	93
Thereafter	77
Total debt principal payments	\$ 512

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

The Company continues to monitor covenant compliance with various parties, including, but not limited to, its lenders and credit card processors. As of March 31, 2025, the Company was in compliance with all of its covenants.

6. Operating Leases

Aircraft

As of March 31, 2025, the Company leased 163 aircraft with remaining terms ranging from 1 month 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 March 31, 2025, the Company leased 38 spare engines, all of which are under operating leases, with the remaining terms ranging from 1 month to 12 years. As of March 31, 2025, the lease rates for 10 of the engines depended on usage-based metrics which are variable and, as such, these leases were 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 months ended March 31, 2025 and 2024, the Company completed sale-leaseback transactions with third-party lessors for four and six new Airbus A320neo family aircraft, respectively. Additionally, the Company completed sale-leaseback transactions with third-party lessors for two engines during the three months ended March 31, 2025. All of the leases from the sale-leaseback transactions are accounted for as operating leases. The Company recognized gains on sale-leaseback transactions of \$56 million and \$71 million during the three months ended March 31, 2025 and 2024, 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 months ended March 31, 2025 and 2024, aircraft rent expense was \$161 million and \$159 million, respectively. Aircraft rent expense includes supplemental rent, which is made up of probable lease return condition obligations. The portion of supplemental rent expense related to probable lease return condition obligations was \$(12) million and \$13 million for the three months ended March 31, 2025 and 2024, respectively. As of March 31, 2025 and December 31, 2024, the Company's total leased aircraft and spare engine return cost liability was \$22 million and \$49 million, respectively, which are reflected in other current liabilities and other long-term liabilities on the Company's condensed consolidated balance sheets.

During the three months ended March 31, 2025, the Company extended the term for certain aircraft operating leases that were slated to expire in 2026 and 2027. For the three months ended March 31, 2025, the Company recorded a \$20 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 110 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 March 31, 2025, the remaining lease terms vary from 1 month to 14 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.

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

Other 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 range from one month to seven years as of March 31, 2025.

Lease Costs

The table below presents certain information related to lease costs for operating leases during the three months ended March 31, 2025 and 2024 (in millions):

	Three Months Ended March 31,	
	2025	2024
Operating lease cost ^(a)	\$ 181	\$ 147
Variable lease cost ^(a)	104	79
Total lease costs	\$ 285	\$ 226

(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 months ended March 31, 2025 and 2024, the Company acquired, through new or modified operating leases, operating lease assets totaling \$428 million and \$255 million, respectively, which are included in operating lease right-of-use assets on the Company's condensed consolidated balance sheets. During the three months ended March 31, 2025 and 2024, the Company paid cash of \$176 million and \$147 million, respectively, for amounts included in the measurement of lease liabilities.

7. Stock-Based Compensation

During the three months ended March 31, 2025 and 2024, the Company recognized \$5 million and \$4 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

There were no stock options granted during the three months ended March 31, 2025. During the three months ended March 31, 2025, 1,542,583 vested stock options were exercised with a weighted-average exercise price of \$3.62 per share. As of March 31, 2025, the weighted-average exercise price of outstanding stock options was \$8.85 per share.

Restricted Stock Units

During the three months ended March 31, 2025, 1,720,398 restricted stock units were issued with a weighted-average grant date fair value of \$8.09 per share. During the three months ended March 31, 2025, 732,422 restricted stock units vested, of which 224,187 restricted stock units were withheld to cover employees' tax withholding obligations, with a weighted-average grant date fair value of \$10.24 and \$10.15 per share, respectively.

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
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Performance Stock Units

During the three months ended March 31, 2025, 1,199,038 performance stock units (“PSUs”) were issued, of which 710,136 PSUs were issued with a non-market-based performance condition and a weighted-average grant date fair value of \$8.09 per share, and the remaining 488,902 PSUs were issued with a market-based condition and a weighted-average grant date fair value of \$11.75 per share. During the three months ended March 31, 2025, no PSUs vested.

Stockholders’ Equity

As of March 31, 2025 and December 31, 2024, 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.

8. Commitments and Contingencies

Flight Equipment Commitments

As of March 31, 2025, the Company’s firm aircraft and engine purchase orders consisted of the following:

	A320neo	A321neo	Total Aircraft^(a)	Engines
Year Ending				
Remainder of 2025	7	9	16	—
2026	8	15	23	4
2027	8	26	34	3
2028	4	30	34	2
2029	—	36	36	—
Thereafter	—	40	40	—
Total	27	156	183	9

(a) While the schedule presented above reflects the contractual delivery dates as of March 31, 2025, 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 March 31, 2025, the Company had commitments to purchase an aggregate of 27 A320neo and 156 A321neo aircraft, with deliveries expected through 2031 per the latest delivery schedule.

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 March 31, 2025 and December 31, 2024, the Company had \$97 million and \$95 million, respectively, of deferred purchase incentives recognized within other assets on the Company’s condensed consolidated balance sheets.

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

As of March 31, 2025, purchase commitments for these aircraft and engines, including estimated amounts for contractual price escalations and PDPs, consisted of the following (in millions):

Year Ending	Total
Remainder of 2025	\$ 937
2026	1,383
2027	2,056
2028	2,113
2029	2,263
Thereafter	2,548
Total	\$ 11,300

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.

Following a federal excise tax audit by the Internal Revenue Service covering the first quarter of 2021 to the second quarter of 2023, in December 2024, the Company received a preliminary assessment in the amount of \$149 million related to the applicability of federal excise tax to certain optional ancillary products and services. The Company established an estimated liability for certain fees subject to the assessment where it believes a loss for this matter is probable and reasonably estimable. The Company intends to contest the assessment. The Company could be subject to further excise tax assessments.

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. Further, 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 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 Company's condensed consolidated financial statements during the period in which all underlying events or contingencies are resolved and the gain is realized.

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

Employees

The Company has seven union-represented employee groups that together represented approximately 87% of all employees as of March 31, 2025. The table below sets forth the Company's employee groups and status of the collective bargaining agreements as of March 31, 2025:

Employee Group	Representative	Amendable Date ^(a)	Percentage of Workforce
			March 31, 2025
Pilots	Air Line Pilots Association (ALPA)	January 2024 ^(b)	28%
Flight Attendants	Association of Flight Attendants (AFA-CWA)	May 2024 ^(c)	50%
Aircraft Technicians	International Brotherhood of Teamsters (IBT)	May 2025 ^(d)	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 (the "NMB") in January 2024, and the parties are meeting regularly as part of the mediation process. Pursuant to the United States Railway Labor Act (the "RLA"), the parties continue to be bound by the existing agreements as negotiations continue.

(c) AFA-CWA filed for mediation through the NMB in October 2024, and the parties are meeting monthly as part of the mediation process, with the first meeting held in February 2025. Pursuant to the RLA, the parties continue to be bound by the existing agreements as negotiations continue.

(d) The Company's collective bargaining agreements with its aircraft appearance agents, material specialists, maintenance controllers, and aircraft technicians, each represented by IBT, were still amendable as of March 31, 2025. Pursuant to the RLA, 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 for health care claims estimated to be incurred but not yet paid, as of March 31, 2025 and December 31, 2024, 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

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

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.

9. 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. Loss per share is calculated by taking net loss divided by basic weighted-average common stock outstanding as participating rights do not share in losses. 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 March 31,	
	2025	2024
Basic:		
Net income (loss)	\$ (43)	\$ (26)
Less: net income attributable to participating rights	—	—
Net income (loss) attributable to common stockholders	\$ (43)	\$ (26)
Weighted-average common shares outstanding, basic	226,990,750	223,428,610
Earnings (loss) per share, basic	\$ (0.19)	\$ (0.12)
Diluted:		
Net income (loss)	\$ (43)	\$ (26)
Less: net income attributable to participating rights	—	—
Net income (loss) attributable to common stockholders	\$ (43)	\$ (26)
Weighted-average common shares outstanding, basic	226,990,750	223,428,610
Effect of dilutive potential common shares	—	—
Weighted-average common shares outstanding, diluted	226,990,750	223,428,610
Earnings (loss) per share, diluted	\$ (0.19)	\$ (0.12)

Due to the net loss for each of the three months ended March 31, 2025 and 2024, diluted weighted-average shares outstanding are equal to basic weighted-average shares outstanding because the effect of all equity awards is anti-dilutive.

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

10. Income Taxes

When a reliable estimate cannot be made, the Company computes the interim income tax provision based on the actual effective tax rate for the year-to-date period by applying the discrete method. The Company has calculated its effective tax using the discrete method for the three months ended March 31, 2025 and 2024.

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.

The Company's effective tax rate for the three months ended March 31, 2025 and 2024 was an expense of 7.5% and 8.3%, respectively, on pre-tax losses. The effective tax rate for the three months ended March 31, 2025 was lower than the statutory rate primarily due to nonrecognition of current period tax benefits due to the valuation allowance recorded for U.S. federal and state net operating losses as well as the non-deductibility of certain executive compensation and other employee benefits partially offset by net windfalls related to the vesting and exercise of the Company's share-based awards. The Company's effective tax rate for the three months ended March 31, 2024 was lower than the statutory rate primarily due to nonrecognition of current period tax benefits due to the valuation allowance established for U.S. federal and state net operating losses as well as 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 the Company's share-based awards.

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 March 31, 2025, it is more likely than not that the benefit from a portion of its federal, state and foreign deferred tax assets will not be realized. Accordingly, as of March 31, 2025, the Company had a valuation allowance of \$31 million against its deferred tax assets for U.S. federal and state net operating loss carryforwards, which included increases in the Company's valuation allowance of \$12 million recorded during the three months ended March 31, 2025.

11. 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.

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

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. Cash, cash equivalents and restricted cash are carried at cost, which management believes approximates fair value.

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):

	March 31, 2025		December 31, 2024	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Secured debt:				
Pre-delivery Credit Facilities	\$ 333	\$ 335	\$ 329	\$ 333
Building notes	12	12	12	12
Unsecured debt:				
Affinity card advance purchase of miles	101	93	100	98
PSP Promissory Notes	66	58	66	62
Total debt	\$ 512	\$ 498	\$ 507	\$ 505

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):

Description	Balance Sheet Classification	Fair Value Measurements as of March 31, 2025			
		Total	Level 1	Level 2	Level 3
Cash, cash equivalents and restricted cash	Cash and cash equivalents	\$ 686	\$ 686	\$ —	\$ —

Description	Balance Sheet Classification	Fair Value Measurements as of December 31, 2024			
		Total	Level 1	Level 2	Level 3
Cash, cash equivalents and restricted cash	Cash and cash equivalents	\$ 740	\$ 740	\$ —	\$ —

The Company had no transfers of assets or liabilities between fair value hierarchy levels between December 31, 2024 and March 31, 2025.

FRONTIER GROUP HOLDINGS, INC.
Notes to Condensed Consolidated Financial Statements (Continued)
(unaudited)

12. Related Parties

Management Services

Certain substantial stockholders of the Company are affiliates of Indigo Partners LLC (“Indigo Partners”) and Indigo Partners provides management services to the Company, for which the Company is assessed a quarterly fee. The Company recorded less than \$1 million for each of the three months ended March 31, 2025 and 2024, 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.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our 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, 2024, which was filed with the SEC on February 18, 2025 (the “2024 Annual Report”).

Recent Developments

Macroeconomic Conditions. The Trump Administration is in the process of expanding the scope of tariffs and significantly increasing the rates on goods imported into the United States. In response, foreign governments have imposed, and are expected to impose, retaliatory measures against the United States.

These or additional changes in U.S. or international trade policies, along with continued uncertainty surrounding such policies, could lead to further weakened business conditions for the transportation industry, which may adversely impact our operations through increased supply chain challenges, commodity price volatility and a decline in discretionary spending and consumer confidence, among others. We continue to monitor the situation.

Labor. We are currently in negotiations with the unions which represent our pilots and flight attendants regarding their next labor contracts. Please refer to “Notes to Condensed Consolidated Financial Statements — 8. Commitments and Contingencies” for additional information.

Legal. During 2024, we received a preliminary assessment in the amount of \$149 million related to the applicability of federal excise tax to certain optional ancillary products and services. We established an estimated liability for certain fees subject to the assessment where we believe a loss for this matter is probable and reasonably estimable. We intend to contest the assessment.

Product. As part of *The New Frontier*, in March 2025, we announced a limited-time promotion for customers that included free ancillary products during bookings for certain flights such as carry-on bags, seat selections, flight changes, and checked bags. *The New Frontier* enhancements that will be rolled out during the remainder of 2025 include First Class Seating, free seat upgrades for certain benefit holders, options to redeem miles for bundles, and unlimited free companion travel for top-tier benefit loyalty members.

Pratt & Whitney. Since 2022, we have introduced aircraft into our fleet that use the Pratt & Whitney PW1100 Geared Turbo Fan (“GTF”) engine, and we have selected this engine for most of our planned future deliveries. During 2023, Pratt & Whitney announced the requirement, mandated by the FAA, that certain engines be removed for inspection due to a possible condition in the powdered metal used to manufacture certain engine parts. This will require accelerated inspection of the PW1100 GTF engine, which we use for certain of our A320neo family aircraft, and could result in lengthy turnaround times to perform these inspections including any resulting repairs or other modifications that may be identified. Although our operations have not been materially impacted as of March 31, 2025, this inspection program may have an adverse impact on our operations, particularly when we are required to temporarily take aircraft out of service. We continue to assess the impact on our future capacity plans and we are in communication with Pratt & Whitney regarding compensation related to this matter.

Overview

The following table provides select financial and operational information for the three months ended March 31, 2025 and 2024, respectively (in millions):

	Three Months Ended March 31,			Change
	2025	2024		
Total operating revenues	\$ 912	\$ 865		5 %
Total operating expenses	\$ 958	\$ 896		7 %
Income (loss) before income taxes	\$ (40)	\$ (24)		67 %
Available seat miles (“ASMs”)	9,949	9,446		5 %

Revenues

Total operating revenues for the three months ended March 31, 2025 totaled \$912 million, an increase of 5% compared to the three months ended March 31, 2024. This was primarily due to a 5% increase in capacity, as measured by ASMs. Revenue per available seat mile (“RASM”) was flat for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024, primarily driven by the 12% increase in passengers offset by 6% decline in revenue per passenger as compared to the corresponding prior year period.

Operating Expenses

Total operating expenses during the three months ended March 31, 2025 increased to \$958 million, resulting in a cost per available seat mile (“CASM”) of 9.63¢, an increase of 1% compared to the three months ended March 31, 2024. Fuel expense for the three months ended March 31, 2025 was \$25 million lower than for the corresponding prior year period. This 10% decrease in fuel expense for the three months ended March 31, 2025 was primarily driven by the 13% decrease in fuel cost per gallon, partially offset by the 4% increase in fuel gallons consumed, as a result of our 5% capacity increase.

Our non-fuel expenses increased by 14% during the three months ended March 31, 2025, as compared to the corresponding prior year period, driven primarily by increased operations resulting from increased passengers, capacity, departures and station costs during the same period, as well as a decrease in sale-leaseback gains, partially offset by a decrease in aircraft lease return costs resulting from lease extension events that occurred during the three months ended March 31, 2025. CASM (excluding fuel), a non-GAAP measure, increased 8% to 7.24¢, on a 5% increase in capacity for the three months ended March 31, 2025, as compared to the corresponding prior year period, due to the aforementioned drivers of non-fuel expenses.

Net Income (Loss)

We generated a net loss of \$43 million during the three months ended March 31, 2025, compared to a net loss of \$26 million for the three months ended March 31, 2024. Our adjusted net loss, a non-GAAP measure, was \$43 million and \$21 million for each of the three months ended March 31, 2025 and 2024, respectively.

For the reconciliation to the corresponding GAAP measures of the aforementioned non-GAAP adjusted 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” and “Results of Operations — Reconciliation of Net Income (Loss) to Adjusted Net Income (Loss), and Net Income (Loss) to EBITDA, EBITDAR, Adjusted EBITDA, and Adjusted EBITDAR.”

Liquidity

As of March 31, 2025, our total available liquidity was \$889 million, made up of unrestricted cash and cash equivalents, including \$205 million of funds available to be drawn under our revolving line of credit available for general corporate purposes (the “Revolving Loan Facility”).

Results of Operations

Three Months Ended March 31, 2025 Compared to Three Months Ended March 31, 2024

Operating Revenues

	Three Months Ended March 31,			
	2025	2024	Change	
Operating revenues (\$ in millions):				
Passenger	\$ 884	\$ 845	\$ 39	5 %
Other	28	20	8	40 %
Total operating revenues	\$ 912	\$ 865	\$ 47	5 %
Operating statistics:				
ASMs (millions)	9,949	9,446	503	5 %
Revenue passenger miles (“RPMs”) (millions)	7,454	6,869	585	9 %
Average stage length (miles)	925	956	(31)	(3)%
Load factor	74.9%	72.7%	2.2 pts	N/A
RASM (¢)	9.17	9.16	0.01	— %
Total ancillary revenue per passenger (\$)	71.72	77.32	(5.60)	(7)%
Total revenue per passenger (\$)	116.33	123.53	(7.20)	(6)%
Passengers (thousands)	7,839	7,005	834	12 %

Total operating revenue increased \$47 million, or 5%, during the three months ended March 31, 2025 compared to the three months ended March 31, 2024. While capacity grew by 5%, as measured by ASMs, RASM was flat due to a 12% increase in passengers on a 3% reduction in stage length and a 2.2-point increase in load factor, offset by a 6% decline in total revenue per passenger as compared to the corresponding prior year period. The increase in capacity was driven by the 14% increase in average aircraft in service during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, partially offset by an 8% decrease in average daily aircraft utilization for the corresponding prior year period due primarily to our disciplined capacity deployment focused on peak days of the week.

Operating Expenses

	Three Months Ended March 31,				Cost per ASM		
	2025	2024	Change		2025	2024	Change
Operating expenses (\$ in millions):^(a)							
Aircraft fuel	\$ 238	\$ 263	\$ (25)	(10)%	2.39 ¢	2.78 ¢	(14)%
Salaries, wages and benefits	249	233	16	7 %	2.50	2.47	1 %
Aircraft rent	161	159	2	1 %	1.62	1.68	(4)%
Station operations	180	137	43	31 %	1.81	1.45	25 %
Maintenance, materials and repairs	51	49	2	4 %	0.51	0.52	(2)%
Sales and marketing	41	40	1	3 %	0.41	0.42	(2)%
Depreciation and amortization	20	16	4	25 %	0.20	0.17	18 %
Other operating	18	(1)	19	N/M	0.19	—	N/M
Total operating expenses	\$ 958	\$ 896	\$ 62	7 %	9.63 ¢	9.49 ¢	1 %
Operating statistics:							
ASMs (millions)	9,949	9,446	503	5 %			
Average stage length (miles)	925	956	(31)	(3)%			
Passengers (thousands)	7,839	7,005	834	12 %			
Departures	51,358	48,666	2,692	6 %			
CASM (excluding fuel) (¢) ^(b)	7.24	6.71	0.53	8 %			
Adjusted CASM (excluding fuel) (¢) ^(b)	7.24	6.71	0.53	8 %			
Fuel cost per gallon (\$)	2.55	2.93	(0.38)	(13)%			
Fuel gallons consumed (thousands)	93,212	89,657	3,555	4 %			

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. For the reconciliation to the corresponding GAAP measures of the aforementioned non-GAAP adjusted measures, see “Reconciliation of CASM to CASM (excluding fuel), Adjusted CASM (excluding fuel), Adjusted CASM, Adjusted CASM including net interest and CASM including net interest.”

Aircraft Fuel. Aircraft fuel expense decreased by \$25 million, or 10%, during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. The decrease was primarily due to a 13% decrease in fuel cost per gallon, partially offset by the 4% increase in fuel gallons consumed, driven by higher capacity.

Salaries, Wages and Benefits. Salaries, wages and benefits expense increased by \$16 million, or 7%, during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. The increase was due to higher crew costs, driven primarily by the growth in the business and employee benefit costs, as compared to the corresponding prior year period.

Aircraft Rent. Aircraft rent expense increased by \$2 million, or 1%, during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to a larger fleet, partially offset by a decrease in aircraft lease return costs resulting from aircraft lease extensions that occurred in the current period.

Station Operations. Station operations expense increased by \$43 million, or 31%, during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to station mix and rate inflation as well as increased airport operations as a result of the 12% increase in passengers and 6% increase in departures.

Maintenance, Materials and Repairs. Maintenance, materials and repair expense increased by \$2 million, or 4%, during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024. This increase was primarily due to the 14% increase in average aircraft in service, which resulted in higher aircraft repair and maintenance costs, partially offset by lower engine repair costs.

Sales and Marketing. Sales and marketing expense increased by \$1 million, or 3%, during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to an increase in call center operation fees. The following table presents our distribution channel mix:

Distribution Channel	Three Months Ended March 31,		Change
	2025	2024	
Our website, mobile app and other direct channels	74 %	71 %	3 pt
Third-party channels	26 %	29 %	(3) pt

Depreciation and Amortization. Depreciation and amortization expense increased by \$4 million, or 25%, during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, primarily due to an increase in capitalized maintenance depreciation due to our growing fleet.

Other Operating. Other operating resulted in an expense of \$18 million during the three months ended March 31, 2025, compared to a net gain of \$1 million during the three months ended March 31, 2024. This movement was primarily driven by the decrease in sale-leaseback gains as a result of four aircraft inductions and two engine inductions subject to sale-leaseback transactions in the current period, compared to six aircraft inductions subject to sale-leaseback transactions in the corresponding prior year period.

Other Income (Expense). Other income decreased by \$1 million, or 14%, during the three months ended March 31, 2025, as compared to the three months ended March 31, 2024, due to lower capitalized interest.

Income Taxes. Our effective tax rate for the three months ended March 31, 2025 was an expense of 7.5%, compared to an expense of 8.3% for the three months ended March 31, 2024, on pre-tax loss for both periods. The primary difference between the effective tax rate and the federal statutory rate for the three months ended March 31, 2025 is related to an increase in our valuation allowance relating to federal and state net operating losses as well as the impact of non-deductibility of certain executive compensation and other employee benefits, partially offset by net windfalls related to the vesting and exercise of share-based awards. Please refer to “Notes to Condensed Consolidated Financial Statements — 10. Income Taxes” for additional information.

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 March 31,			
	2025		2024	
	(\$ in millions)	Per ASM (€)	(\$ in millions)	Per ASM (€)
Non-GAAP financial data: ^(a)				
CASM		9.63		9.49
Aircraft fuel	(238)	(2.39)	(263)	(2.78)
CASM (excluding fuel) ^(b)		7.24		6.71
Adjusted CASM (excluding fuel) ^{(b)(c)}		7.24		6.71
Aircraft fuel	238	2.39	263	2.78
Adjusted CASM ^{(c)(d)}		9.63		9.49
Net interest expense (income)	(6)	(0.07)	(7)	(0.07)
Adjusted CASM + net interest ^(e)		9.56		9.42
CASM		9.63		9.49
Net interest expense (income)	(6)	(0.07)	(7)	(0.07)
CASM + net interest ^(e)		9.56		9.42

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

(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) For each of the three months ended March 31, 2025 and 2024, there were no non-GAAP operating adjustments.

(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.

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

	Three Months Ended March 31,			
	2025		2024	
	(in millions)			
Non-GAAP financial data (unaudited):				
Adjusted net income (loss) ^(a)	\$	(43)	\$	(21)
EBITDA ^(a)	\$	(26)	\$	(15)
EBITDAR ^(b)	\$	135	\$	144
Adjusted EBITDA ^(a)	\$	(26)	\$	(15)
Adjusted EBITDAR ^(b)	\$	135	\$	144

- (a) 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 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 net income (loss), EBITDA and adjusted EBITDA have limitations as analytical tools. Some of the limitations applicable to these measures include: 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 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 net income (loss), EBITDA and adjusted EBITDA differently than we do, limiting their usefulness as comparative measures. Because of these limitations, 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 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 net income (loss) and EBITDA, including 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 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 March 31,	
	2025	2024
	(in millions)	
Adjusted net income (loss) reconciliation (unaudited):		
Net income (loss)	\$ (43)	\$ (26)
Valuation allowance ^(a)	—	5
Adjusted net income (loss) ^(b)	<u>\$ (43)</u>	<u>\$ (21)</u>
EBITDA, EBITDAR, Adjusted EBITDA and Adjusted EBITDAR reconciliation (unaudited):		
Net income (loss)	\$ (43)	\$ (26)
Plus (minus):		
Interest expense	9	9
Capitalized interest	(8)	(9)
Interest income and other	(7)	(7)
Income tax expense (benefit)	3	2
Depreciation and amortization	20	16
EBITDA	<u>(26)</u>	<u>(15)</u>
Plus: Aircraft rent	161	159
EBITDAR	<u>\$ 135</u>	<u>\$ 144</u>
Adjusted EBITDA ^(b)	<u>\$ (26)</u>	<u>\$ (15)</u>
Plus: Aircraft rent	161	159
Adjusted EBITDAR ^(b)	<u>\$ 135</u>	<u>\$ 144</u>

(a) During the three months ended March 31, 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 for 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 — 10. Income Taxes” for additional information.

(b) For each of the three months ended March 31, 2025 and 2024, there were no non-GAAP operating adjustments.

Comparative Operating Statistics

The following table sets forth our operating statistics for the three months ended March 31, 2025 and 2024. 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 March 31,		
	2025	2024	Change
Operating statistics (unaudited) ^(a)			
Available seat miles (“ASMs”) (millions)	9,949	9,446	5 %
Departures	51,358	48,666	6 %
Average stage length (miles)	925	956	(3) %
Block hours	136,736	132,057	4 %
Average aircraft in service	156	137	14 %
Aircraft – end of period	163	142	15 %
Average daily aircraft utilization (hours)	9.7	10.6	(8) %
Passengers (thousands)	7,839	7,005	12 %
Average seats per departure	208	202	3 %
RPMs (millions)	7,454	6,869	9 %
Load Factor	74.9 %	72.7 %	2.2 pts
Fare revenue per passenger (\$)	44.61	46.21	(3) %
Non-fare passenger revenue per passenger (\$)	68.15	74.41	(8) %
Other revenue per passenger (\$)	3.57	2.91	23 %
Total ancillary revenue per passenger (\$)	71.72	77.32	(7) %
Total revenue per passenger (\$)	116.33	123.53	(6) %
Total revenue per available seat mile (“RASM”) (¢)	9.17	9.16	— %
Cost per available seat mile (“CASM”) (¢)	9.63	9.49	1 %
CASM (excluding fuel) (¢) ^(b)	7.24	6.71	8 %
CASM + net interest (¢) ^(b)	9.56	9.42	1 %
Adjusted CASM (¢) ^(b)	9.63	9.49	1 %
Adjusted CASM (excluding fuel) (¢) ^(b)	7.24	6.71	8 %
Adjusted CASM (excluding fuel), stage-length adjusted to 1,000 miles (¢) ^{(b)(c)}	6.96	6.56	6 %
Adjusted CASM + net interest (¢) ^(b)	9.56	9.42	1 %
Adjusted CASM + net interest, stage-length adjusted to 1,000 miles (¢) ^{(b)(c)}	9.20	9.21	— %
Fuel cost per gallon (\$)	2.55	2.93	(13) %
Fuel gallons consumed (thousands)	93,212	89,657	4 %
Full-time equivalent employees	7,906	7,675	3 %

(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 (SLA) to 1,000 miles: Applicable Operating Statistic * Square root (stage length / 1,000).

Liquidity and Capital Resources

Overview

As of March 31, 2025, we had \$889 million of total available liquidity, consisting of \$684 million in unrestricted cash and cash equivalents and \$205 million in total undrawn capacity on our Revolving Loan Facility. We had \$507 million of total debt, net, of which \$263 million is short-term and consists primarily of amounts outstanding under our Pre-delivery Credit Facilities. Our total debt, net is comprised of \$333 million outstanding under our Pre-delivery Credit Facilities, \$101 million outstanding under our pre-purchased miles facility with Barclays Bank Delaware (“Barclays”), \$66 million in 10-year, low-interest loans (collectively, the “PSP Promissory Notes”) from the U.S. Department of the Treasury (the “Treasury”) and \$12 million in secured indebtedness for our headquarters building, partially offset by \$5 million in deferred debt acquisition costs.

In connection with the term loan facility entered into with the Treasury in September 2020, which was repaid in full in February 2022, and the PSP Promissory Notes, we issued warrants (the “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. In June 2024, the Treasury sold all such Warrants to a financial institution. During the three months ended March 31, 2025, 1,244,608 Warrants were exercised. We settled the exercises through a net share settlement of 248,893 shares of FGHI common stock and cash of less than \$1 million. As of March 31, 2025, Warrants to purchase 1,873,332 shares of FGHI common stock were outstanding.

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:

	March 31, 2025	December 31, 2024
	(\$ in millions)	
Cash and cash equivalents	\$ 686	\$ 740
Total current assets, excluding cash and cash equivalents	\$ 267	\$ 250
Total current liabilities, excluding current maturities of long-term debt, net and operating leases	\$ 993	\$ 927
Current maturities of long-term debt, net	\$ 263	\$ 261
Long-term debt, net	\$ 244	\$ 241
Stockholders' equity	\$ 570	\$ 604
Debt to capital ratio	47 %	45 %
Debt to capital ratio, including operating lease obligations	89 %	88 %

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 Pre-delivery Credit Facilities, 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 Pre-delivery Credit Facilities, our undrawn Revolving Loan Facility and/or potential issuances of debt or equity. The Revolving Loan Facility also permits us to enter into additional indebtedness secured by our loyalty program and brand-related assets, to the extent such indebtedness is pari passu to that of the Revolving Loan Facility. 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 March 31, 2025, we operated all of our 163 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 March 31, 2025, our Pre-delivery Credit Facilities, which allow us to draw up to an aggregate of \$478 million, had \$333 million outstanding. As of

March 31, 2025, we had \$415 million of PDPs held by Airbus which have been partially financed by our Pre-delivery Credit Facilities.

As of March 31, 2025, we had a firm obligation to purchase 183 A320neo family aircraft and 9 additional spare engines to be delivered by 2031. Of our aircraft commitments, 25 had committed operating leases for deliveries occurring between 2025 and 2026. We intend to evaluate financing options for the remaining aircraft.

The following table summarizes current and long-term material cash requirements as of March 31, 2025, which we expect to fund primarily with operating and financing cash flows (in millions):

	Material Cash Requirements						
	Remainder of 2025	2026	2027	2028	2029	Thereafter	Total
Debt obligations ^(a)	\$ 209	\$ 120	\$ 4	\$ 9	\$ 93	\$ 77	\$ 512
Interest commitments ^(b)	23	15	12	10	6	3	69
Operating lease obligations ^(c)	532	701	693	638	563	2,571	5,698
Flight equipment purchase obligations ^(d)	937	1,383	2,056	2,113	2,263	2,548	11,300
Total	\$ 1,701	\$ 2,219	\$ 2,765	\$ 2,770	\$ 2,925	\$ 5,199	\$ 17,579

(a) Includes principal commitments only associated with our Pre-delivery Credit Facilities with borrowings as of March 31, 2025, our affinity card unsecured debt due through 2029, our building notes through September 2031 and the PSP Promissory Notes due through 2031. See “Notes to Condensed Consolidated Financial Statements — 5. Debt.”

(b) Represents interest and commitment fees on debt obligations and our undrawn Revolving Loan Facility.

(c) Represents gross cash payments related to our operating fixed lease obligations that are not subject to discount as compared to the obligations measured on our consolidated balance sheets. See “Notes to Condensed Consolidated Financial Statements — 6. Operating Leases.”

(d) Represents purchase commitments for aircraft and engines. See “Notes to Condensed Consolidated Financial Statements — 8. Commitments and Contingencies.”

Cash Flows

The following table presents information regarding our cash flows in the three months ended March 31, 2025 and 2024 (in millions):

	Three Months Ended March 31,	
	2025	2024
Net cash used in operating activities	\$ (86)	\$ (22)
Net cash used in investing activities	(29)	(7)
Net cash provided by financing activities	61	42
Net increase (decrease) in cash, cash equivalents and restricted cash	(54)	13
Cash, cash equivalents and restricted cash at beginning of period	740	609
Cash, cash equivalents and restricted cash at end of period	\$ 686	\$ 622

Operating Activities

During the three months ended March 31, 2025, net cash used in operating activities totaled \$86 million, which was driven by a \$43 million net loss, \$28 million of non-cash adjustments and \$15 million of outflows from changes in operating assets and liabilities.

The \$15 million of outflows from changes in operating assets and liabilities included:

- \$49 million in increases in other long-term assets primarily driven by increases in capital maintenance and prepaid maintenance;
- \$24 million in decreases in other liabilities primarily driven by leased aircraft return accruals and other operational related accruals offset by increased passenger taxes payable;
- \$16 million in increases in accounts receivable; partially offset by
- \$64 million in increases in our air traffic liability primarily driven by increased bookings on higher average fares;
- \$6 million in decreases in supplies and other current assets; and
- \$4 million in increases in accounts payable.

Our net loss of \$43 million was also adjusted by the following non-cash items to arrive at cash used in operating activities:

- \$56 million in gains recognized on sale-leaseback transactions; partially offset by
- \$20 million in depreciation and amortization;
- \$5 million in stock-based compensation expense; and
- \$3 million in deferred income tax expense.

During the three months ended March 31, 2024, net cash used in operating activities totaled \$22 million, which was driven by a \$26 million net loss, and non-cash adjustments totaling \$49 million, partially offset by \$53 million of inflows from changes in operating assets and liabilities.

The \$53 million of inflows from changes in operating assets and liabilities included:

- \$75 million in increases in our air traffic liability driven by increased bookings;
- \$25 million in increases in other liabilities primarily driven by passenger taxes payable;
- \$5 million in increases in accounts payable; and
- \$4 million in decreases in supplies and other current assets; partially offset by
- \$48 million in increases in other long-term assets driven by increases in prepaid maintenance, capitalized maintenance and deferred purchase incentives;
- \$4 million in increases in accounts receivable; and
- \$4 million in increases in aircraft maintenance deposits.

Our net loss of \$26 million was also adjusted by the following non-cash items to arrive at cash used in operating activities:

- \$71 million in gains recognized on sale-leaseback transactions; partially offset by
- \$16 million in depreciation and amortization;
- \$4 million in stock-based compensation expense; and
- \$2 million in deferred income tax expense.

Investing Activities

During the three months ended March 31, 2025, net cash used in investing activities totaled \$29 million, driven by:

- \$18 million in cash outflows for capital expenditures; and
- \$11 million in net outflows for PDP activity.

During the three months ended March 31, 2024, net cash used in investing activities totaled \$7 million, driven by:

- \$17 million in cash outflows for capital expenditures; and
- \$3 million in cash outflows relating to other investing activity; partially offset by
- \$13 million in net proceeds for PDP activity.

Financing Activities

During the three months ended March 31, 2025, net cash provided by financing activities was \$61 million, driven by:

- \$52 million in net proceeds received from sale-leaseback transactions; and
- \$33 million in cash proceeds from debt issuances, consisting of \$32 million of net borrowings on our Pre-delivery Credit Facilities and \$1 million in draws on our Barclays facility;
- \$6 million in proceeds from the exercise of stock options; partially offset by
- \$28 million in cash outflows from principal repayments on the Pre-delivery Credit Facilities; and
- \$2 million in cash outflows for payments related to tax withholdings of share-based awards.

During the three months ended March 31, 2024, net cash provided by financing activities was \$42 million, primarily driven by:

- \$69 million in cash proceeds from debt issuances, consisting of \$66 million drawn on our Pre-delivery Credit Facilities, net of issuance costs and a \$3 million draw on our Barclays facility;
- \$48 million in net proceeds received from sale-leaseback transactions; and
- \$1 million in proceeds from the exercise of stock options; partially offset by

- \$74 million in cash outflows from principal repayments on our Pre-delivery Credit Facilities; and
- \$2 million in cash outflows for payments related to tax withholdings of share-based awards.

As of March 31, 2025, 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.

Critical Accounting Policies and Estimates

There have been no material changes in our critical accounting policies and estimates during the three months ended March 31, 2025. 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 2024 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 2024 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).

“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

There have been no material changes in market risk from the information provided in Part II, Item 7A. “Quantitative and Qualitative Disclosures About Market Risk”, in our 2024 Annual Report.

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 March 31, 2025. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended (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 March 31, 2025, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

During the three months ended March 31, 2025, 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 2024 Annual Report. 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

Warrant Exercise

On March 4, 2025, the holder of our Warrants exercised Warrants covering 1,039,864 shares of FGHI common stock, which we elected to net share settle pursuant to the terms of the respective warrant agreements. As a result of the exercise and net share settlement, we issued a total of 248,893 shares of FGHI common stock on March 7, 2025. We received no proceeds in connection with the exercise of the Warrants.

The warrants were issued pursuant to an exemption from registration provided for under Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), as transactions not involving a public offering. The FGHI common stock issued upon exercise of the Warrants was issued in reliance on an exemption provided by Section 3(a)(9) of the Securities Act.

Use of Proceeds

None.

Issuer Purchases of Equity Securities

We do not have a share repurchase program and no shares were repurchased during the first quarter of 2025.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

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

During the fiscal quarter ended March 31, 2025, 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 March 10, 2025, Trevor Stedke, our Senior Vice President, Operations, 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 191,436 shares of our common stock until September 15, 2025.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>				<u>Filed Herewith</u>
		<u>Form</u>	<u>File Number</u>	<u>Date</u>	<u>Number</u>	
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.	10-Q	001-40304	8/8/2024	4.2	
10.1#	Form of Performance Stock Unit and Grant Agreement under the 2021 Equity Incentive Plan.					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.

Indicates management contract or compensatory plan.

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: May 1, 2025

By: /s/ Mark C. Mitchell

Mark C. Mitchell

Senior Vice President and Chief Financial Officer (Duly Authorized
Officer and Principal Financial Officer)

**FRONTIER GROUP HOLDINGS, INC.
2021 INCENTIVE AWARD PLAN**

PERFORMANCE STOCK UNIT AWARD GRANT NOTICE

Frontier Group Holdings, Inc., a Delaware corporation, (the “Company”), pursuant to its 2021 Incentive Award Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (the “Participant”) an award of performance stock units (“Performance Stock Units” or “PSUs”). Each vested PSU represents the contingent right to receive, in accordance with the Performance Stock Unit Award Agreement attached hereto as Exhibit A and the Performance Conditions attached hereto as Exhibit B (together, the “Agreement”), a number of shares of Common Stock (each, a “Share”) based on the Company’s achievement of certain performance goals. This award of Performance Stock Units is subject to all of the terms and conditions set forth herein and in the Agreement and the Plan, each of which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Performance Stock Unit Award Grant Notice (the “Grant Notice”) and the Agreement. If the Company uses an electronic capitalization system and the fields below are blank or the information is otherwise provided in a different format electronically, the blank fields and other information shall be deemed incorporated herein from the electronic capitalization system and considered part of this Grant Notice.

Participant: []

Grant Date: []

Total Number of PSUs: []

Vesting Schedule:

The PSUs shall vest as provided in the Agreement. Except as set forth in the Agreement, if the Participant experiences a Termination of Service, all PSUs that have not become vested on or prior to the date of such Termination of Service will thereupon be automatically forfeited by the Participant without payment of any consideration therefor. In addition, in the event that the Achievement Factor (as defined in Exhibit B) as of the Determination Date (as defined in Exhibit B) is zero, the PSUs eligible to vest based on the Achievement Factor (as defined in Exhibit B) will thereupon be automatically forfeited by the Participant without payment of any consideration therefor.

The maximum number of Shares that may be issued in settlement of the PSUs is []¹.

¹ To equal 2 times the Total Number of PSUs.

By the Participant's signature below or by electronic acceptance or authentication in a form authorized by the Company, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. The Participant has reviewed the Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to the Participant's execution of this Grant Notice or electronic acceptance or authentication and fully understands all provisions of this Grant Notice, the Agreement and the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement. In addition, by signing below, the Participant also agrees that the Company, in its sole discretion, may satisfy any Tax Related Items in accordance with Section 2.6(b) of Exhibit A by (i) withholding shares of Common Stock otherwise issuable to the Participant upon vesting of the PSUs, (ii) instructing a broker on the Participant's behalf to sell shares of Common Stock otherwise issuable to the Participant upon vesting of the PSUs and submit the proceeds of such sale to the Company, or (iii) using any other method permitted by Section 2.6(b) of Exhibit A or the Plan.

FRONTIER GROUP HOLDINGS, INC.: PARTICIPANT:

By: _____ By: _____

Print Name: _____ Print Name: _____

Title: _____

Address: _____ Address: _____

EXHIBIT A
TO PERFORMANCE STOCK UNIT AWARD GRANT NOTICE
PERFORMANCE STOCK UNIT AWARD AGREEMENT

Pursuant to the Performance Stock Unit Award Grant Notice (the “Grant Notice”) to which this Performance Stock Unit Award Agreement and Exhibit B to the Grant Notice (together, the “Agreement”) is attached, Frontier Group Holdings, Inc., a Delaware corporation (the “Company”), has granted to the holder listed on the Grant Notice (the “Participant”) the number of performance stock units (“Performance Stock Units” or “PSUs”) set forth in the Grant Notice under the Company’s 2021 Incentive Award Plan, as amended from time to time (the “Plan”). Each Performance Stock Unit represents the right to receive a number of shares of Common Stock (each, a “Share”) based on the Company’s achievement of certain performance goals. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan.

ARTICLE I.

PLAN TERMS AND DEFINITIONS

1.1 Incorporation of Terms of Plan. The PSUs are subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

1.2 Definitions.

“***Change in Control***” means any of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission) whereby any “person” or related “group” of “persons” (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) directly or indirectly acquires beneficial ownership (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) of the Company’s securities possessing more than 40% of the total combined voting power of the Company’s securities outstanding immediately after such acquisition; provided, however, that the following acquisitions shall not constitute a Change in Control: (i) any acquisition by the Company or any of its Subsidiaries; (ii) any acquisition by an employee benefit plan maintained by the Company or any of its Subsidiaries, (iii) any acquisition which complies with subsections (c)(i), (c)(ii) and (iii) below; or (iv) in respect of PSUs held by a particular Participant, any acquisition by the Participant or any group of persons including the Participant (or any entity controlled by the Participant or any group of persons including the Participant);

(b) The Incumbent Directors cease for any reason to constitute a majority of the Board; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination, (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least 60% of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction;

(ii) after which no person or group beneficially owns voting securities representing 40% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this subsection (c)(ii) as beneficially owning 40% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction; and

(iii) after which at least a majority of the members of the board of directors (or the analogous governing body) of the Successor Entity were Board members at the time of the Board's approval of the execution of the initial agreement providing for such transaction; or

(d) The completion of a liquidation or dissolution of the Company.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to the PSUs (or any portion of the PSUs) that provides for the deferral of compensation that is subject to Section 409A, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event described in subsection (a), (b), (c) or (d) of this Section with respect to such PSUs (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such PSUs if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

The Administrator shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

“Good Reason” means any of the following, without Participant’s written consent: (a) a material diminution in Participant’s base salary that is not proportionately applicable to other similarly situated employees of the Company generally; (b) a material diminution in Participant’s job responsibilities or duties inconsistent in any material respect with Participant’s duties or responsibilities in effect immediately prior to such change, provided, that any change made solely as the result of the Company becoming a subsidiary or business unit of a larger company in a Change in Control shall not provide for Good Reason hereunder; (c) the failure by any successor entity or corporation following a Change in Control to assume the obligations under this Agreement; or (d) a requirement that Participant materially change Participant’s geographic work location. Notwithstanding the foregoing, Participant will not be deemed to have Good Reason unless the condition giving rise to such resignation continues uncured by the Company more than thirty (30) days following Participant’s written notice of such condition provided to the Company within sixty (60) days of the first occurrence of such condition and such resignation is effective within thirty (30) days following the end of such notice period.

ARTICLE II.

GRANT OF PERFORMANCE STOCK UNITS

2.1 Grant of PSUs. Pursuant to the Grant Notice and upon the terms and conditions set forth in the Plan and this Agreement, effective as of the Grant Date set forth in the Grant Notice, the Company hereby grants to the Participant an award of PSUs under the Plan in consideration of the Participant’s past and/or continued employment with or service to the Company or any Subsidiaries and for other good and valuable consideration.

2.2 Unsecured Obligation to PSUs. Unless and until the PSUs have vested in the manner set forth in Article II hereof, the Participant will have no right to receive Common Stock under any such PSUs. Prior to actual payment of any vested PSUs, such PSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

2.3 Vesting Schedule; Change in Control.

(a) Subject to Section 2.5 hereof, the PSUs shall vest and become non-forfeitable with respect to the applicable portion thereof on the third annual anniversary of the Grant Date, provided Participant has not experienced a Termination of Service prior to such date, in accordance with Exhibit B to the Grant Notice and this Section 2.3.

(b) Notwithstanding Section 2.3(a), if a Change in Control occurs and Participant has not experienced a Termination of Service prior to the date of the Change

in Control, then a number of PSUs equal to the greater of (i) such number of PSUs as would vest based on the Achievement Factor (as defined in Exhibit B) as determined by the Administrator as of the Change in Control in accordance with Exhibit B; and (ii) such number of PSUs as would vest based on the Achievement Factors of 1.0 (such greater number the “Deemed Performance Vested Units”) shall be deemed performance vested upon the Change in Control, shall be assumed, substituted, replaced or continued by the surviving corporation or successor (or affiliate thereof) and shall vest on the third annual anniversary of the Grant Date as long as Participant does not experience a Termination of Service prior to such anniversary. Notwithstanding the foregoing, all such assumed, substituted, replaced or continued PSUs shall immediately vest if Participant experiences a Termination of Service within twelve months following the Change in Control due to termination by the Company without Cause or by the Participant for Good Reason. If a Change in Control occurs, Participant has not experienced a Termination of Service prior to the date of the Change in Control and the PSUs are not assumed, substituted, replaced or continued by the surviving corporation or successor (or affiliate thereof) in connection with the Change in Control, then a number of PSUs equal to the Deemed Performance Vested Units shall immediately fully vest upon the Change in Control. Such vesting acceleration is subject to Participant delivering a general release of all claims against the Company and its affiliates in a form acceptable to the Company that becomes effective and irrevocable within sixty (60) days following such Termination of Service and Participant’s compliance with the additional terms, including the confidentiality, non-competition and non-solicitation covenants, as set forth in a written agreement between the Company (or any Subsidiary that is the employer of the Participant) and Participant.

2.4 Consideration to the Company. In consideration of the grant of the award of PSUs pursuant hereto, the Participant agrees to render faithful and efficient services to the Company or any Subsidiary.

2.5 Forfeiture, Termination and Cancellation.

(a) Subject to Section 2.3(b) and to subsections (b) and (c) below, upon Participant’s Termination of Service for any or no reason, all PSUs which have not vested prior to or in connection with such Termination of Service shall thereupon automatically be forfeited, terminated and cancelled as of the applicable date of the Termination of Service without payment of any consideration by the Company, and the Participant, or the Participant’s beneficiary or personal representative, as the case may be, shall have no further rights hereunder.

(b) In the event of Participant’s Termination of Service (i) by the Company without Cause or by the Participant for Good Reason or (ii) due to Participant’s death or Disability, the PSUs will remain outstanding and a number of PSUs will vest upon the completion of the Performance Period based on the Achievement Factor as determined by the Administrator in accordance with Exhibit B multiplied by a fraction, the numerator of which is the number of days elapsed from the

first day of the Performance Period through and including the date of the Participant's Termination of Service and the denominator of which is the total number of days in the Performance Period. Such vesting is subject to Participant delivering a general release of all claims against the Company and its affiliates in a form acceptable to the Company that becomes effective and irrevocable within sixty (60) days following such Termination of Service and Participant's compliance with the additional terms, including the confidentiality, non-competition and non-solicitation covenants, as set forth in a written agreement between the Company (or any Subsidiary that is the employer of the Participant) and Participant.

(c) Notwithstanding anything herein to the contrary, in the event that an the Achievement Factor as of the Determination Date is zero, the PSUs eligible to vest will thereupon be automatically forfeited by the Participant without payment of any consideration therefor, and the Participant, or the Participant's beneficiary or personal representative, as the case may be, shall have no further rights hereunder.

2.6 Settlement upon Vesting.

(a) As soon as administratively practicable following the vesting of any PSUs pursuant to Section 2.3 hereof, but in no event later than March 15 of the calendar year following the year in which the PSUs vest (for the avoidance of doubt, this deadline is intended to comply with the "short term deferral" exemption from Section 409A of the Code), the Company shall deliver to the Participant (or any transferee permitted under Section 3.2 hereof) a number of Shares equal to the number of vested PSUs as determined in accordance with Exhibit B. Notwithstanding the foregoing, in the event Shares cannot be issued pursuant to Section 10.7 of the Plan, the Shares shall be issued pursuant to the preceding sentence as soon as administratively practicable after the Administrator determines that Shares can again be issued in accordance with such Section.

(b) As set forth in Section 10.5 of the Plan, the Company shall have the authority and the right to deduct or withhold, or to require the Participant to remit to the Company, an amount sufficient to satisfy all applicable Tax-Related Items required by law to be withheld with respect to any taxable event arising in connection with the PSUs. The Company shall not be obligated to deliver any Shares to the Participant or the Participant's legal representative unless and until the Participant or the Participant's legal representative shall have paid or otherwise satisfied in full the amount of all Tax-Related Items applicable to the taxable income of the Participant resulting from the grant or vesting of the Performance Stock Units or the issuance of Shares.

2.7 Conditions to Delivery of Shares. The Shares deliverable hereunder may be either previously authorized but unissued Shares, treasury Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue Shares deliverable hereunder prior to fulfillment of the conditions set forth in Section 10.7 of the Plan.

2.8 Rights as Stockholder. The holder of the PSUs shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the PSUs and any Shares underlying the PSUs and deliverable hereunder unless and until such Shares shall have been issued by the Company and held of record by such holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Article IX of the Plan.

ARTICLE III.

OTHER PROVISIONS

3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the PSUs.

3.2 Transferability. The PSUs shall be subject to the restrictions on transferability set forth in Section 10.1 of the Plan.

3.3 Tax Consultation. The Participant understands that the Participant may suffer adverse tax consequences in connection with the PSUs granted pursuant to this Agreement (and the Shares issuable with respect thereto). The Participant represents that the Participant has consulted with any tax consultants the Participant deems advisable in connection with the PSUs and the issuance of Shares with respect thereto and that the Participant is not relying on the Company for any tax advice.

3.4 Binding Agreement. Subject to the limitation on the transferability of the PSUs contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.5 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the PSUs in such circumstances as it, in its sole discretion, may determine. The Participant acknowledges that the PSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and Article IX of the Plan.

3.6 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company

at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant at the Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.6, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service (or similar foreign entity).

3.7 Participant's Representations. If the Shares issuable hereunder have not been registered under the Securities Act or any applicable state laws on an effective registration statement at the time of such issuance, the Participant shall, if required by the Company, concurrently with such issuance, make such written representations as are deemed necessary or appropriate by the Company and/or its counsel.

3.8 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.9 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.10 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any other Applicable Law. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the PSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such Applicable Law.

3.11 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; provided, however, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the PSUs in any material way without the prior written consent of the Participant.

3.12 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

3.13 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the

Exchange Act, then the Plan, the PSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.14 Not a Contract of Service Relationship. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries or interfere with or restrict in any way with the right of the Company or any of its Subsidiaries, which rights are hereby expressly reserved, to discharge or to terminate for any reason whatsoever, with or without cause, the services of the Participant's at any time, except to the extent expressly provided otherwise by Applicable Law or in a written agreement between the Company or a Subsidiary and the Participant.

3.15 Entire Agreement. The Plan, the Grant Notice and this Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, provided that the PSUs shall be subject to any accelerated vesting provisions in any written agreement between Participant and the Company (or any Subsidiary that is the employer of the Participant) or Company plan pursuant to which Participant participates, in each case, in accordance with the terms therein.

3.16 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.17 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured

creditor of the Company and its Subsidiaries with respect to amounts credited and benefits payable, if any, with respect to the PSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to PSUs, as and when payable hereunder.

3.18 Compliance with Clawback Policy. The PSUs and the underlying Shares will be subject to reduction, cancellation, forfeiture and/or recoupment by the Company, to the extent required to comply with applicable law or in compliance with any policy of the Company providing for the reimbursement of incentive compensation, whether or not such policy is in place at the time of grant or payment of the award, including the Company's Policy for Recovery of Erroneously Awarded Compensation effective as of October 2, 2023.

EXHIBIT B
TO PERFORMANCE STOCK UNIT AWARD GRANT NOTICE
PERFORMANCE CONDITIONS

US-DOCS\156725634.2

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: May 1, 2025

/s/ Barry L. Biffle

Barry L. Biffle

Chief Executive Officer

(Principal Executive Officer)

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: May 1, 2025

/s/ Mark C. Mitchell

Mark C. Mitchell

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)

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 March 31, 2025 (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: May 1, 2025

/s/ Barry L. Biffle

Barry L. Biffle

Chief Executive Officer

(Principal Executive Officer)

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 March 31, 2025 (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: May 1, 2025

/s/ Mark C. Mitchell

Mark C. Mitchell

Senior Vice President and Chief Financial Officer

(Principal Financial Officer)