

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

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 12, 2025 (February 11, 2025)

Spirit Airlines, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-35186  
(Commission  
File Number)

38-1747023  
(IRS Employer  
Identification No.)

1731 Radiant Drive  
Dania Beach, Florida 33004  
(Address of principal executive offices, including zip code)

(954) 447-7920  
(Registrant's telephone number, including area code)

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

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	SAVE <sup>(1)</sup>	New York Stock Exchange

(1) On December 5, 2024, the New York Stock Exchange (“NYSE”) filed a Form 25 for Spirit Airlines, Inc., a Delaware corporation (the “Company”) in connection with the delisting of the common stock, par value \$0.0001, of the Company (the “Common Stock”) from NYSE. The delisting became effective ten days after the Form 25 was filed. The deregistration of the Common Stock under Section 12(b) of the Securities Exchange Act of 1934, as amended, will be effective 90 days, or such shorter period as the SEC may determine, after the filing of the Form 25. The Common Stock began trading on the OTC Pink Market on November 19, 2024 under the symbol “SAVEQ”.

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

Emerging growth company ☐

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

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**Item 7.01. Regulation FD Disclosure.**

On February 11, 2025, Spirit Airlines, Inc. (the “Company”) issued a press release titled “Spirit Airlines Proceeds With Standalone Recapitalization; Rejects Most Recent Proposal from Frontier,” a copy of which is attached hereto as Exhibit 99.1 and incorporated by reference herein. In addition, the Company has attached as exhibits under Item 9.01 of this Current Report on Form 8-K certain communications and other materials exchanged between the Company and Frontier and their advisors, which are incorporated by reference into this Item 7.01.

The information included in this Current Report on Form 8-K under Item 7.01 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liabilities of that Section, unless the registrant specifically states that the information is to be considered “filed” under the Exchange Act or incorporates it by reference into a filing under the Exchange Act or the Securities Act of 1933, as amended (the “Securities Act”).

**Cautionary Statement Regarding Forward-Looking Statements**

This Current Report on Form 8-K (this “Current Report”) contains various forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act which are subject to the “safe harbor” created by those sections. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. All statements other than statements of historical facts are “forward-looking statements” for purposes of these provisions. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “project,” “predict,” “potential,” and similar expressions intended to identify forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors include, among others, the impact of the Debtors’ bankruptcy filings, the Company’s ability to refinance, extend or repay its near and intermediate term debt, the Company’s substantial level of indebtedness and interest rates, the potential impact of volatile and rising fuel prices and impairments, the Company’s ability to complete the equity rights offering, the restructuring process and other factors discussed in the Company’s Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the SEC and other factors, as described in the Company’s filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as supplemented in the Company’s Quarterly Report on Form 10-Q for the fiscal quarters ended March 31, 2024, June 30, 2024 and September 30, 2024. Furthermore, such forward-looking statements speak only as of the date of this Current 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. Risks or uncertainties (i) that are not currently known to us, (ii) that we currently deem to be immaterial, or (iii) that could apply to any company, could also materially adversely affect our business, financial condition, or future results.

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**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#"><u>Press Release, "Spirit Airlines Proceeds With Standalone Recapitalization; Rejects Most Recent Proposal from Frontier," dated February 11, 2025</u></a>
99.2	<a href="#"><u>Email dated February 4, 2025</u></a>
99.3	<a href="#"><u>Presentation to Spirit Airlines, Inc., dated February 4, 2025</u></a>
99.4	<a href="#"><u>Email dated February 7, 2025</u></a>
99.5	<a href="#"><u>Presentation to Frontier Group Holdings, Inc., dated February 7, 2025</u></a>
99.6	<a href="#"><u>Email dated February 10, 2025</u></a>
99.7	<a href="#"><u>Presentation to Spirit Airlines, Inc., dated February 10, 2025</u></a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document)

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## SIGNATURES

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

Date: February 12, 2025

SPIRIT AIRLINES, INC.

By: /s/ Thomas Canfield

Name: Thomas Canfield

Title: Senior Vice President and General Counsel

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**Spirit Airlines Proceeds With Standalone Recapitalization; Rejects Most Recent Proposal from Frontier**

DANIA BEACH, Fla., Feb. 11, 2025 -- Spirit Airlines, Inc. ("Spirit" or the "Company") today provided an update on its restructuring process regarding a new proposal (the "New Proposal") for an alternative restructuring plan submitted by Frontier Group Holdings, Inc. ("Frontier"), the parent company of Frontier Airlines, Inc.

On Feb. 4, 2025, Frontier submitted the New Proposal to Spirit. Under the terms of the New Proposal, which was subject to various conditions, Spirit's stakeholders would receive \$400 million principal amount of second-lien debt issued by Frontier and 19.0% of Frontier's common equity following the proposed combination. The New Proposal would not require the Company to complete its previously announced \$350 million equity rights offering, and required a waiver of the Bankruptcy Court-approved \$35 million termination fee that would otherwise be owed under the Backstop Commitment Agreement, dated Nov. 18, 2024, by and among the Company and the other stakeholders party thereto (the "Backstop Commitment Agreement"). Notably, the New Proposal did not address certain material risks and issues previously identified by the Company, including that the New Proposal would deliver less in value to the Company's stakeholders than contemplated by the Company's existing plan of reorganization, is uncertain as to timing and completion, would result in extended and materially more costly and uncertain chapter 11 proceedings, and has uncertainties with regard to needed regulatory and court approvals. The Company's management and Board of Directors, consistent with their fiduciary duties, carefully reviewed the New Proposal in consultation with the Company's external legal and financial advisors.

On Feb. 4, 2025, as required by the Restructuring Support Agreement dated Nov. 18, 2024, by and among the Company, certain of its subsidiaries and the Consenting Stakeholders (as defined therein), the Company shared the New Proposal with the advisors for certain holders of the Company's (i) 8.00% Senior Secured Notes due 2025 (the holders, the "Senior Secured Noteholders") and (ii) 4.75% Convertible Senior Notes due 2025 (the holders, the "2025 Convertible Noteholders") and 1.00% Convertible Senior Notes due 2026 (the holders, together with the 2025 Convertible Noteholders, the "Convertible Noteholders").

On Feb. 6, 2025, the Company entered into confidentiality agreements (collectively, the "NDAs") with certain Senior Secured Noteholders and Convertible Noteholders (the "NDA Parties"). Pursuant to the NDAs, the Company shared Frontier's New Proposal with the NDA Parties.

On Feb. 7, 2025, Spirit submitted a counterproposal to Frontier (the "Spirit Counterproposal"). The aggregate value of the debt (\$600 million) and equity (\$1.185 billion) to be provided to Spirit stakeholders under the Spirit Counterproposal was equal to the amount of value that Frontier claimed it was providing to Spirit stakeholders under Frontier's New Proposal; the Spirit Counterproposal proposed market-based mechanisms to determine the amount of the equity in the combined company equity proposed for Spirit stakeholders. The Spirit Counterproposal would not require the Company to complete its previously announced equity rights offering but would require Frontier to pay the \$35 million termination fee that would otherwise be owed under the Backstop Commitment Agreement.

On Feb. 10, 2025, Frontier rejected the Spirit Counterproposal in its entirety and reiterated the Feb. 4 New Proposal.

Spirit will continue swiftly to advance and conclude its restructuring process, which will significantly deleverage the Company and position it for long-term success. The hearing to consider confirmation of Spirit's plan of reorganization is currently scheduled for Feb. 13, 2025 at 10am EST. Approximately 99.99% of all voting creditors have voted to accept the plan, and all but two objections have already been resolved. The Company expects to complete the restructuring in the first quarter of 2025.

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Certain communications and other materials exchanged between Spirit and Frontier and their advisors, related to the New Proposal and Spirit Counterproposal, can be found on Spirit's Investor Relations website at <https://ir.spirit.com/events-and-presentations>.

Additional information about the Company's chapter 11 case, including access to Court filings and other documents related to the restructuring process, is available at <https://dm.epiq11.com/SpiritGoForward> or by calling Spirit's restructuring information line at (888) 863-4889 (U.S. toll free) or +1 (971) 447-0326 (international). Additional information is also available at [www.SpiritGoForward.com](http://www.SpiritGoForward.com).

## **Advisors**

Davis Polk & Wardwell LLP is serving as the Company's restructuring counsel, Alvarez & Marsal is serving as restructuring advisor, and Perella Weinberg Partners LP is acting as investment banker.

Akin Gump Strauss Hauer & Feld LLP is acting as legal counsel and Evercore is acting as financial advisor to the ad hoc group of loyalty noteholders.

Paul Hastings LLP is acting as legal counsel and Ducera Partners LLC is acting as financial advisor to the convertible bondholders.

## **About Spirit Airlines**

Spirit Airlines is a leading low-fare carrier committed to delivering the best value in the sky by offering an enhanced travel experience with flexible, affordable options. Spirit serves destinations throughout the United States, Latin America and the Caribbean with its Fit Fleet<sup>®</sup>, one of the youngest and most fuel-efficient fleets in the U.S. Spirit is committed to inspiring positive change in the communities it serves through the [Spirit Charitable Foundation](#). Discover elevated travel options with exceptional value at [spirit.com](http://spirit.com).

### **Investor Inquiries:**

Spirit Investor Relations  
[investorrelations@spirit.com](mailto:investorrelations@spirit.com)

### **Media Inquiries:**

Spirit Media Relations  
[Media\\_Relations@spirit.com](mailto:Media_Relations@spirit.com)

FGS Global  
[Spirit@fgsglobal.com](mailto:Spirit@fgsglobal.com)

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## Cautionary Statement Regarding Forward-Looking Statements

This press release contains various forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act which are subject to the “safe harbor” created by those sections. Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. All statements other than statements of historical facts are “forward-looking statements” for purposes of these provisions. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “project,” “predict,” “potential,” and similar expressions intended to identify forward-looking statements. Forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors include, among others, the impact of the Company’s bankruptcy filings, the Company’s ability to refinance, extend or repay its near and intermediate term debt, the Company’s substantial level of indebtedness and interest rates, the potential impact of volatile and rising fuel prices and impairments, the Company’s ability to complete the equity rights offering, the restructuring process and other factors discussed in the Company’s Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q filed with the SEC and other factors, as described in the Company’s filings with the Securities and Exchange Commission, including the detailed factors discussed under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as supplemented in the Company’s Quarterly Report on Form 10-Q for the fiscal quarters ended March 31, 2024, June 30, 2024 and September 30, 2024. Furthermore, such forward-looking statements speak only as of the date of this press release. 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. Risks or uncertainties (i) that are not currently known to us, (ii) that we currently deem to be immaterial, or (iii) that could apply to any company, could also materially adversely affect our business, financial condition, or future results.

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**From:** Link, Brian [REDACTED]  
**Sent:** Tuesday, February 4, 2025 8:43 PM  
**To:** Diego Simonian [REDACTED]; Bruce Mendelsohn [REDACTED]  
**Cc:** Grier, John F [REDACTED]; Patel, Sagar1 [REDACTED]  
**Subject:** Follow-up

On behalf of Frontier Group Holdings, Inc. ("Frontier"), please find below key terms of Frontier's revised proposal ("Revised Proposal"). Also attached is a summary capitalization schedule and term sheet for the proposed "take-back" debt as previewed on our call earlier this evening.

Key Terms

1. Our Revised Proposal provides for the issuance of **\$400 million 2<sup>nd</sup> Lien Term Loan B / Bond** ("take-back debt") and **19.0% of Frontier's common equity at closing**, to be distributed to the Holders of Senior Secured Notes, Convertible Notes, and Existing Interests
2. Under the Revised Proposal, the Consenting Creditors **will not be required to complete** a \$350 million equity rights offering prior to the Effective Date
3. Revised Proposal assumes a **waiver of the \$35 million break-up fee** for terminating the equity rights offering

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Brian C. Link  
Citigroup Global Markets Inc.  
Co-Head of M&A, Americas  
[REDACTED]  
[REDACTED] and text)  
( [REDACTED] cell, no text)

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# Presentation to Spirit

Alternative Proposal

February 4, 2025 | Strictly private and confidential

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# Illustrative Capitalization Excluding \$350mm Equity Rights Offering

## Sources & Uses

(\$ in millions)	\$ Amount
<b>Sources</b>	
New 2nd Lien Term B / Bond ("take-back debt")	\$400
New 1st Lien Bond	800
New Revolving Credit Facility (\$400mm)	[ ]
<b>Total Sources</b>	<b>\$1,200</b>
<b>Uses</b>	
Paydown Saturn RCF (\$300M)	\$300
Paydown Saturn DIP Financing	300
New Saturn Exit Secured Notes	400
Other Saturn Transaction Fees	[27]
Cash to PF Balance Sheet	173
<b>Total Uses</b>	<b>\$1,200</b>

## Pro Forma Capitalization

(\$ in millions)	Falcon 2/28/2025	Saturn 2/28/2025	(-) Debt Paydown	(+/-) Debt Restructuring	(-) Trxn Fees	(+/-) Total Adjs.	Pro Forma 2/28/2025
Cash and Short Term Investments	\$647	\$854	(\$600)	\$800	(\$27)	\$173	\$1,674
Restricted Cash	--	218	(31)	--	--	(31)	187
<b>Total Cash</b>	<b>\$647</b>	<b>\$1,072</b>				<b>\$142</b>	<b>\$1,861</b>
Pre-Delivery Credit Facility	\$351	--	--	--	--	--	\$351
Floating Rate Building Note	12	--	--	--	--	--	12
RCF (\$300M Capacity)	--	300	(300)	--	--	(300)	--
DIP Financing	--	300	(300)	--	--	(300)	--
8.00% Senior Secured Notes due 2025	--	1,110	--	(1,110)	--	(1,110)	--
Fixed-rate Term Loans due through 2039	--	1,034	--	--	--	--	1,034
Saturn EETCs due 2026 - 2030	--	514	--	--	--	--	514
4.75% Convertible Senior Notes due 2025	--	25	--	(25)	--	(25)	--
1.00% Convertible Senior Notes due 2026	--	500	--	(500)	--	(500)	--
New 2nd Lien Term B / Bond ("take-back debt")	--	--	--	400	--	400	400
New 1st Lien Bond	--	--	--	800	--	800	800
<b>Total Secured Debt</b>	<b>\$363</b>	<b>\$3,783</b>				<b>(\$1,035)</b>	<b>\$3,111</b>
Affinity Card Advance Purchase of Mileage Credits	100	--	--	--	--	--	100
PSP Promissory Notes	66	--	--	--	--	--	66
Term Loans due in 2031	--	121	--	--	--	--	121
<b>Total Unsecured Debt</b>	<b>\$166</b>	<b>\$121</b>				<b>--</b>	<b>\$287</b>
<b>Total Debt</b>	<b>\$529</b>	<b>\$3,903</b>				<b>(\$1,035)</b>	<b>\$3,397</b>
Operating Lease Liabilities	\$3,977	\$4,193	--	--	--	--	\$8,170
<b>Total Lease-Adj. Debt</b>	<b>\$4,506</b>	<b>\$8,096</b>				<b>(\$1,035)</b>	<b>\$11,567</b>
<b>Total Lease-Adj. Net Debt</b>	<b>\$3,859</b>	<b>\$7,024</b>				<b>(\$1,177)</b>	<b>\$9,706</b>
<b>Available Liquidity</b>							
Unrestricted Cash	\$647	\$854	--	--	--	--	\$1,674
Undrawn RCF	--	--	--	--	--	--	400
<b>Total Liquidity</b>	<b>\$647</b>	<b>\$854</b>					<b>\$2,074</b>
<b>Credit Statistics</b>							
2025E Adj. EBITDAR (Excl. Synergies)	\$1,316	\$666	--	--	--	--	\$1,982
2025E Adj. EBITDAR (Incl. Synergies)	--	--	--	--	--	--	2,582
Total Lease-Adjusted Debt / 2025E Adj. EBITDAR (Excl. Synergies)	3.4x	12.2x	--	--	--	--	5.8x
Total Lease-Adjusted Debt / 2025E Adj. EBITDAR (Incl. Synergies)	--	--	--	--	--	--	4.5x
Total Lease-Adjusted Net Debt / 2025E Adj. EBITDAR (Excl. Synergies)	2.9x	10.5x	--	--	--	--	4.9x
Total Lease-Adjusted Net Debt / 2025E Adj. EBITDAR (Incl. Synergies)	--	--	--	--	--	--	3.8x

Source: Falcon Management, Spirit Disclosure Statement (Chapter 11 Plan of Reorganization), filed as of December 18, 2024.  
Notes: Based on \$600mm of run-rate synergies.

# Take-Back Debt Term Sheet

Issue	Term Loan B or Notes		
Principal Amount	\$400mm		
Tenor	6 Years		
Coupon	11.0% Cash / 8.0% Cash + 4.0% PIK		
Security <sup>(1,2)</sup>	<div>2<sup>nd</sup> Lien claim on the following collateral:</div> <div><div><ul style="list-style-type: none"><li>Falcon Loyalty Program (~\$3.1bn)</li><li>Falcon Brand IP (~\$1.5bn)</li><li>Saturn Brand IP (~\$1.6bn)</li></ul></div><div><ul style="list-style-type: none"><li>Saturn Loyalty Program (~\$1.1bn)</li><li>Saturn Co-branded Credit Card (~\$1.6bn)</li><li>Saturn Engines (~\$225mm)</li></ul></div><div><ul style="list-style-type: none"><li>Saturn Slots (~\$85mm)</li><li>Saturn Spare Parts (~\$140mm)</li><li>Other Saturn Assets (~\$475mm)<sup>(3)</sup></li></ul></div></div>		
Call Protection	NC2; par thereafter		
Covenants	<div>25% Maximum 1<sup>st</sup> Lien LTV</div> <div>No Other Financial Covenants</div>		

(1) Collateral values based on latest appraisals and management estimates.

(2) Value of Saturn loyalty assets subject to change and may not be included in collateral package

(3) Includes headquarters (\$288mm), other spare engines (\$123mm), hangar (\$27mm), simulators (\$26mm), and ground service equipment (\$12mm).

**From:** Ted Christie [REDACTED]

**Date:** February 7, 2025 at 2:24:19 PM MST

**To:** Bill Franke [REDACTED], Andrew Broderick [REDACTED],  
Brian Franke [REDACTED]

**Cc:** Thomas Canfield [REDACTED] >

**Subject:** Counter

Bill:

Thank you again for your constructive proposal earlier this week. We very much appreciate the move, and have worked diligently to re-restrict our key stakeholders and coordinate with them on a counterproposal (including multiple calls today). The key terms of our counterproposal are outlined in the attached document. A few thoughts:

1. We are aligned on the "price" / value to be provided to Spirit and its stakeholders, as re-affirmed by Frontier earlier this morning on its Q4/2024 earnings call
  - Given the difference in approaches to valuing a fixed split of the combined equity (to get our shareholders the offered \$1.15 per share and pay the bonds par), we have moved to a market-based mechanism to value the equity consideration and determine the number of shares provided to Spirit (e.g., VWAP or mandatory convertible note with potential collar to be discussed)
  - We will need collectively to agree on the exact mechanic
  - Based on your latest proposal, the total value to be provided to Spirit and its stakeholders should be \$1.785 billion in total (par plus accrued interest to the bonds, plus a \$1.15 per-share recovery to existing equity holders as outlined in Citi's presentation)
2. The counter provides for \$600M of takeback debt which will be structured to trade at par, and the balance in equity
  - The debt is first lien alongside any incremental financing required to address Spirit's existing DIP and RCF outstanding and capitalize the combined company balance sheet
  - Bondholders have also expressed willingness to assist in raising new debt on the combined company through backstopping / anchoring the new money debt raise, subject to diligence on the terms and structure
3. To address concerns over closing and the attendant costs and risks of an extended stay in chapter 11, we have proposed a regulatory efforts undertaking up to a material

- adverse effect standard and a reverse termination fee payable to Spirit if a transaction is terminated as a result of a regulatory failure
4. We agree that confirmatory diligence can and should be completed in a timely manner (10 business days or less per your latest proposal), during which time Spirit and its stakeholders will have the opportunity to perform reverse diligence on key operational and legal matters, in addition to an evaluation of the proposed debt / collateral structure

As you and your team are well aware, time is of the essence as we speedily approach confirmation of our stand alone plane this Thursday. We are prepared to work nonstop through the weekend, and are ready to discuss as soon as you are ready.

I am also asking PWP to reach out to Citi to discuss.

Ted



**Project Galaxy**  
***Transaction Proposal***  
**February 7, 2025**

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# Transaction Proposal

Privileged and Confidential – Subject to NDA  
Prepared at the Direction of Counsel  
Subject to FRE 408 and State Equivalents

Frontier (2/4)		Spirit (2/7)	
Structure	<ul style="list-style-type: none"><li>Frontier and Spirit to combine as part of Spirit's ongoing chapter 11 proceedings with securities of the combined enterprise provided to Spirit stakeholders as consideration for the combination transaction</li><li>Frontier to raise \$800M New Money First Lien debt to facilitate paydown of existing DIP and RCF facilities, in addition to any transaction fees and accrued interest at closing</li><li>New \$400M RCF to be issued and [undrawn] at close</li></ul>	<ul style="list-style-type: none"><li>Agreed</li><li>Agreed</li><li>Agreed</li></ul>	
Debt Consideration	<ul style="list-style-type: none"><li>Spirit and its stakeholders to receive \$400M Second Lien debt</li></ul>	<ul style="list-style-type: none"><li>Spirit and its stakeholders to receive \$600M First Lien Takeback debt to trade at par, pari passu with New Money First Lien debt</li><li>To discuss potential backstop of new debt issuance by Spirit stakeholders, subject to further diligence</li></ul>	
Equity Consideration	<ul style="list-style-type: none"><li>Spirit and its stakeholders provided 19.0% of the pro forma combined company on a fully-diluted basis<ul style="list-style-type: none"><li>– Illustratively assumes 52,865,110 shares based on current Frontier shares outstanding, subject to refinement at closing</li></ul></li></ul>	<ul style="list-style-type: none"><li>Spirit and its stakeholders provided \$1,185M of market-determined equity value in the combined business (implies par recovery on funded debt, plus \$1.15 per-share recovery to existing equity holders per current Frontier proposal)</li><li>To discuss market mechanism and timing to determine valuation of equity in the combined enterprise to Spirit stakeholders (e.g., VWAP, mandatory convertible note, etc. with potential collar to be discussed)</li></ul>	
ERO Break-Up Fee	<ul style="list-style-type: none"><li>Required parties agree to waive existing \$35M ERO break-up fee</li></ul>	<ul style="list-style-type: none"><li>Required parties to receive \$35M ERO break-up fee at transaction close</li></ul>	



# Transaction Proposal (Cont.)

Privileged and Confidential – Subject to NDA  
Prepared at the Direction of Counsel  
Subject to FRE 408 and State Equivalents

Frontier (2/4)		Spirit (2/7)	
Diligence	<ul style="list-style-type: none"><li>▪ Frontier to complete confirmatory within 10 business days.</li><li>▪ Scope of confirmatory diligence limited to:<ul style="list-style-type: none"><li>– A limited review of Spirit's Q4 results</li><li>– Update on recent sales trends</li><li>– Updated 2-year cash forecast (incl. any impact of bankruptcy)</li><li>– Disclosure of any material contracts or changes to the business since conclusion of prior engagement</li><li>– Select tax diligence</li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ Agreed</li></ul>	<ul style="list-style-type: none"><li>▪ Spirit stakeholders provided opportunity to conduct reverse diligence on key operational and legal matters, in addition to evaluation of the proposed debt / collateral structure in a manner satisfactory to Spirit and its stakeholders</li></ul>
Reverse Break-Up Fee / Regulatory Approval	<ul style="list-style-type: none"><li>▪ N/A</li></ul>	<ul style="list-style-type: none"><li>▪ Frontier required to take any steps required by regulators for closing unless they would cause a materially adverse effect on the combined enterprise</li><li>▪ To the extent transaction is terminated as a result of failure to achieve regulatory approval or any reason other than a Spirit breach, Frontier to provide Spirit a reverse termination fee on transaction enterprise value in line with market precedents for similar situations</li></ul>	



# Takeback Debt Terms

Privileged and Confidential – Subject to NDA  
Prepared at the Direction of Counsel  
Subject to FRE 408 and State Equivalents

Frontier (2/4)		Spirit (2/7)	
Quantum	▪ \$400M	▪ \$600M	
Rate	▪ 11.0% Cash / 8.0% Cash + 4.0% PIK	▪ First Lien Takeback debt to receive equivalent terms as New Money First Lien debt and trade at par	
Maturity	▪ February 2031	▪ First Lien Takeback debt to receive equivalent terms as New Money First Lien debt and trade at par	
Call Protection	▪ NC2; Par Thereafter	▪ First Lien Takeback debt to receive equivalent terms as New Money First Lien debt and trade at par	
Security	▪ Falcon Loyalty Program, Falcon Brand IP, Saturn Brand IP, Saturn Loyalty Program, Saturn Cobranded Credit Card, Saturn Engines, Saturn Slots, Saturn Spare Parts, Other Saturn Assets <sup>1</sup>	▪ Agreed	
Priority	▪ Second Lien	▪ First Lien	
Covenants and Other	▪ 25% Maximum First Lien LTV	▪ To be discussed	

The word "spirit" is written in a bold, italicized, black sans-serif font. It is centered horizontally and positioned in the upper half of the page. The background of the entire page is a photograph of a clear blue sky with a layer of white, fluffy clouds at the bottom, suggesting a high-altitude or aerial perspective.

***spirit***<sup>®</sup>

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**From:** "Biffle, Barry" [REDACTED] >  
**Date:** February 10, 2025 at 3:03:43 PM MST  
**To:** Ted Christie <[REDACTED]>  
**Subject:** Update

Dear Ted,

Dear Ted, Attached is in response to your email dated 2/07/2025.

As we advised you when we sent our last proposal, eliminating the \$350 million equity rights offering was a significant concession and we would not agree to materially alter any of the other commercial terms of our proposal. As compared to your standalone plan, we remain of the view that this represents a superior proposal to your various stakeholders.

We have consistently used the same assumptions described in your standalone plan to calculate the value of our proposal. We believe this approach is the only way to fairly compare the two plans and we have detailed in our prior correspondence that our proposal is superior even using reduced valuation metrics to calculate the value delivered by either plan. We leave it up to your stakeholders to ultimately determine how to split the \$400 million of takeback debt and the approximately 53 million shares.

As before, we remain available to address any questions you may have and are prepared to move forward quickly.

Regards,

Bill and Barry

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## Transaction Proposal

	Frontier (2/4)	Spirit (2/7)	Frontier (2/9)
Structure	<ul style="list-style-type: none"> <li>• Frontier and Spirit to combine</li> <li>• Frontier to raise \$800 million new money first lien debt</li> <li>• New \$400 million revolver to be issued at close</li> </ul>	<ul style="list-style-type: none"> <li>• Agreed</li> <li>• Agreed</li> <li>• Agreed</li> </ul>	<ul style="list-style-type: none"> <li>• Agreed</li> <li>• Agreed</li> </ul>
Debt Consideration	<ul style="list-style-type: none"> <li>• Spirit and its stakeholders to receive \$400 million second lien debt</li> </ul>	<ul style="list-style-type: none"> <li>• Spirit and its stakeholders to receive \$600 million first lien takeback debt to trade at par, pari passu with new money first lien debt</li> </ul>	<ul style="list-style-type: none"> <li>• Spirit and its stakeholders to receive \$400 million second lien debt</li> </ul>
Equity Consideration	<ul style="list-style-type: none"> <li>• Spirit and its stakeholders provided 52,865,110 shares of the combined company based on Frontier shares currently outstanding</li> </ul>	<ul style="list-style-type: none"> <li>• Spirit and its stakeholders provided \$1,185 million of market determined equity value in the combined company</li> <li>• To discuss market mechanism and timing</li> </ul>	<ul style="list-style-type: none"> <li>• Spirit and its stakeholders provided 52,865,110 shares of the combined company based on Frontier shares currently outstanding</li> <li>• Spirit and its stakeholders to determine appropriate allocation of the 52,865,110</li> </ul>

		to determine valuation of equity in the combined enterprise (e.g., VWAP)	shares between the various Spirit creditors and equity holders
ERO Breakup Fee	<ul style="list-style-type: none"> <li>Required parties agree to waive existing \$35 million ERO breakup fee</li> </ul>	<ul style="list-style-type: none"> <li>Required parties to receive \$35 million ERO break up fee at transaction close</li> </ul>	<ul style="list-style-type: none"> <li>Required parties agree to waive existing \$35 million ERO breakup fee</li> </ul>
Diligence	<ul style="list-style-type: none"> <li>To complete confirmatory diligence in 10 days</li> </ul>	<ul style="list-style-type: none"> <li>Agreed</li> <li>Spirit stakeholders to conduct reverse diligence on key legal / operational matters, to include evaluation of proposed debt / collateral structure</li> </ul>	<ul style="list-style-type: none"> <li>Agreed</li> <li>Spirit to conduct reverse diligence in the same 10 day period as Frontier</li> <li>Frontier to provide Spirit with terms of proposed debt structure</li> </ul>
Reverse Breakup Fee	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>Frontier to take steps required by regulators for closing unless they would result in a material adverse effect on the combined company</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory efforts covenants to be consistent with 2022 executed merger agreement.</li> </ul>

		<ul style="list-style-type: none"> <li>If transaction is terminated for any reason other than a Spirit breach, Frontier to provide Spirit a reverse termination fee</li> </ul>	<ul style="list-style-type: none"> <li>No reverse termination fee</li> </ul>
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Takeback Debt Terms

	Frontier (2/4)	Spirit (2/7)	
Quantum	<ul style="list-style-type: none"> <li>\$400 million</li> </ul>	<ul style="list-style-type: none"> <li>\$600 million</li> </ul>	<ul style="list-style-type: none"> <li>\$400 million</li> </ul>
Rate	<ul style="list-style-type: none"> <li>11.0% cash / 8.0% cash + 4% PIK</li> </ul>	<ul style="list-style-type: none"> <li>First lien takeback debt to receive equivalent terms as new money first lien debt and trade at par</li> </ul>	<ul style="list-style-type: none"> <li>11.0% cash / 8.0% cash + 4% PIK</li> </ul>
Maturity	<ul style="list-style-type: none"> <li>February 2031</li> </ul>	<ul style="list-style-type: none"> <li>First lien takeback debt to receive equivalent terms as new money first lien debt and trade at par</li> </ul>	<ul style="list-style-type: none"> <li>February 2031</li> </ul>
Call Protection	<ul style="list-style-type: none"> <li>NC2; Par Thereafter</li> </ul>	<ul style="list-style-type: none"> <li>First lien takeback debt to receive equivalent terms as</li> </ul>	<ul style="list-style-type: none"> <li>NC2; Par Thereafter</li> </ul>



		new money first lien debt and trade at par	
Security	<ul style="list-style-type: none"> <li>Falcon Loyalty Program, Falcon Brand IP, Saturn Brand IP, Saturn Loyalty Program, Saturn Cobranded Credit Card, Saturn Engines, Saturn Slots, Saturn Spare Parts, Other Saturn Assets</li> </ul>	<ul style="list-style-type: none"> <li>Agreed</li> </ul>	<ul style="list-style-type: none"> <li>Generally agreed (but note you put a footnote on this issue with no description)</li> </ul>
Priority	<ul style="list-style-type: none"> <li>Second Lien</li> </ul>	<ul style="list-style-type: none"> <li>First Lien</li> </ul>	<ul style="list-style-type: none"> <li>Second Lien</li> </ul>
Covenants	<ul style="list-style-type: none"> <li>25% Maximum First Lien LTV</li> </ul>	<ul style="list-style-type: none"> <li>To be discussed</li> </ul>	<ul style="list-style-type: none"> <li>25% Maximum First Lien LTV</li> </ul>