UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	**Chapter 11**
SPIRIT AVIATION HOLDINGS, INC., *et al.*,	**Case No. 25-11897 (SHL)**
Debtors.[1]	**Jointly Administered**

DISCLOSURE STATEMENT FOR THE JOINT CHAPTER 11 PLAN OF REORGANIZATION OF SPIRIT AVIATION HOLDINGS, INC. AND ITS DEBTOR AFFILIATES

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Dated: March 13, 2026
New York, New York

[1] The Debtors' names and last four digits of their respective employer identification numbers are as follows: Spirit Aviation Holdings, Inc. (1797); Spirit Airlines, LLC (7023); Spirit Finance Cayman 1 Ltd. (7020); Spirit Finance Cayman 2 Ltd. (7362); Spirit IP Cayman Ltd. (4732); and Spirit Loyalty Cayman Ltd. (4752). The Debtors' mailing address is 1731 Radiant Drive, Dania Beach, FL 33004.

IMPORTANT INFORMATION REGARDING THIS DISCLOSURE STATEMENT

The Debtors are soliciting votes on the *Joint Chapter 11 Plan of Reorganization of Spirit Aviation Holdings, Inc. and its Debtor Affiliates* from the Holders of the following Classes of outstanding Claims:

Voting Class	Name of Class Under the Plan
3	**Roll-Up DIP Loan Superpriority Claims**
4	**Prepetition RCF Claims**
5	**Prepetition Secured Notes and/or Contingent Roll-Up Term Loan Claims**

If you are in Class 3, 4 or 5, you are receiving this Disclosure Statement and the accompanying materials because you are entitled to vote on the Plan. Before submitting a ballot to vote on the Plan, you should review this *Disclosure Statement for the Joint Chapter 11 Plan of Reorganization of Spirit Aviation Holdings, Inc. and its Debtor Affiliates*.

TO BE COUNTED AS A VOTE ON THE PLAN, YOUR BALLOT MUST BE COMPLETED, EXECUTED, AND RETURNED IN ACCORDANCE WITH THE INSTRUCTIONS RECEIVED FROM YOUR NOMINEE SO THAT THE MASTER BALLOT OR PRE-VALIDATED BALLOT REFLECTING YOUR VOTE IS ACTUALLY RECEIVED BY THE DEBTORS' CLAIMS AND SOLICITATION AGENT, EPIQ CORPORATE RESTRUCTURING, LLC (THE "CLAIMS AND SOLICITATION AGENT" OR "EPIQ") ON OR BEFORE MAY 15, 2026, AT 4:00 P.M. (PREVAILING EASTERN TIME) (THE "VOTING DEADLINE").

PLEASE SUBMIT YOUR BENEFICIAL BALLOT PROMPTLY IN THE ENVELOPE PROVIDED OR OTHERWISE IN ACCORDANCE WITH THE INSTRUCTIONS PROVIDED BY YOUR NOMINEE, WHICH MAY INCLUDE (A) SUBMITTING THIS BENEFICIAL BALLOT OR (B) CONVEYING YOUR VOTE VIA EMAIL, TELEPHONE, INTERNET APPLICATION, FACSIMILE, VOTER INFORMATION FORM, OR OTHER ACCEPTED AND CUSTOMARY MEANS OF DELIVERING SUCH INFORMATION TO YOUR NOMINEE. PLEASE ALLOW SUFFICIENT TIME FOR ALL STEPS.

YOUR BALLOT PROVIDES THAT HOLDERS OF IMPAIRED CLAIMS ENTITLED TO VOTE WHO DO NOT TIMELY SUBMIT A BALLOT VOTING TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO ACCEPT THE PLAN, OR WHO VOTE TO REJECT THE PLAN BUT DO NOT OPT OUT OF THE RELEASE PROVISIONS OF THE PLAN SHALL BE DEEMED TO HAVE GRANTED THE RELEASES THEREIN.

PLEASE READ YOUR BALLOT CAREFULLY FOR FURTHER INFORMATION AND INSTRUCTIONS. FAILURE TO ABIDE BY SUCH INSTRUCTIONS MAY RESULT IN YOUR BALLOT NOT BEING COUNTED.

If you have any questions regarding the voting procedures or any of the solicitation materials you received, or you need to obtain additional solicitation materials, please contact Epiq by: (a) calling 855-952-6606 (in the U.S.) or +1-971-715-2831 (international) or (b) emailing Balloting@epiqglobal.com with reference to "Spirit Aviation Holdings, Inc." in the subject line. You may also visit the Debtors' Case Information Website at https://dm.epiq11.com/SpiritAirlines and the Debtors' Investor Relations Website at

https://ir.spirit.com/overview/default.aspx. You may also obtain copies of any pleadings filed in the Chapter 11 Cases for a fee at www.nysb.uscourts.gov or free of charge at https://dm.epiq11.com/SpiritAirlines.

Preliminary Statement and Disclaimers[2]

Spirit Aviation Holdings, Inc. and its affiliates (collectively, the "**Debtors**," "**Spirit**," or the "**Company**") submit this disclosure statement (including all appendices, exhibits, schedules, and supplements, and as altered, amended, supplemented, or otherwise modified from time to time, the "**Disclosure Statement**") in connection with the Solicitation of votes on the *Joint Chapter 11 Plan of Reorganization of Spirit Aviation Holdings, Inc. and its Debtor Affiliates* (including all appendices, exhibits, schedules, and supplements, and as altered, amended, supplemented, or otherwise modified from time to time in accordance therewith, the "**Plan**"). A copy of the Plan is attached hereto as **Exhibit F** and is incorporated herein by reference in its entirety.

The Debtors have requested that the Bankruptcy Court establish **April 10, 2026 at 2:00 p.m.** as the deadline for Filing and serving objections to the approval of the Disclosure Statement and solicitation of the Plan. *See* ECF No. 851. A hearing for the Bankruptcy Court to consider approval of the Disclosure Statement and solicitation of the Plan (as such hearing may be continued from time to time, the "**Disclosure Statement Hearing**") will commence at **10:00 a.m. on April 15, 2026**. The Debtors have requested that the Bankruptcy Court establish **May 20, 2026 at 4:00 p.m.** as the deadline for Filing and serving objections to confirmation of the Plan and that replies in support of confirmation of the Plan must be filed with the Court no later than **May 25, 2026 at 12:00 p.m.** The Debtors have requested that a hearing for the Bankruptcy Court to consider confirmation of the Plan be scheduled at **11:00 a.m. on May 27**, **2026** (as such hearing may be continued from time to time, the "**Confirmation Hearing**"). The Disclosure Statement Hearing and Confirmation Hearing may be adjourned or continued from time to time by the Bankruptcy Court or the Debtors by announcement of the adjournment or continuance at a hearing before the Bankruptcy Court or by Filing a notice on the docket of the Chapter 11 Cases. In accordance with the Plan, the Plan may be modified, if necessary, before, during, or as a result of the Confirmation Hearing without further action by the Debtors and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

The purpose of the Disclosure Statement is to describe the Plan and its provisions and to provide adequate information, as required under section 1125 of the Bankruptcy Code, to Holders of Claims against the Debtors who have the right to vote on the Plan so that they can make informed decisions in doing so. Holders of Claims entitled to vote on the Plan should have received a Ballot together with this Disclosure Statement to enable them to vote on the Plan and to grant the releases contemplated thereunder in accordance with the voting instructions and make any other elections or representations required pursuant to the Plan.

The Disclosure Statement contains detailed information regarding, among other things, (a) the terms of the Plan,[3] (b) the classification and treatment of Holders of all Classes of Claims

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[2] Capitalized terms used but not immediately or otherwise defined herein shall have the meanings ascribed to them elsewhere herein or in the Plan. To the extent that a definition in this Disclosure Statement and the definition of such term in the Plan are inconsistent, the definition included in the Plan shall control and govern. The rules of interpretation set forth in Article I.B of the Plan shall apply hereto. All times herein are expressed in prevailing Eastern Time.

[3] The descriptions and summaries herein are intended to serve as summaries and are qualified in their entirety by reference to the operative agreements, schedules, exhibits, and other documents (including the Plan) and applicable

and Interests, (c) the effect of the Plan on Holders of Claims and Interests and other parties in interest thereunder, (d) certain risk factors to consider, (e) certain tax issues related to the Plan and the Plan Distributions, and (f) the means for implementation of the Plan.

The consummation and effectiveness of the Plan are subject to certain material conditions precedent described herein and set forth in Article IX of the Plan. There is no assurance that the Bankruptcy Court will confirm the Plan or, if the Bankruptcy Court does confirm the Plan, that the conditions necessary for the Plan to become effective will be satisfied or, in the alternative, waived.

This Disclosure Statement contains summaries of certain provisions and certain other documents and information. The financial information (including any financial projections) included herein is provided solely for the purpose of soliciting votes on the Plan and should not be relied upon for any purpose other than to determine whether and how to vote on the Plan. While the summaries in the Disclosure Statement shall not constitute or be construed as an admission of fact, liability, stipulation, or waiver by the Debtors or any other party, the Debtors believe that the summaries contained in the Disclosure Statement are fair and accurate. The summaries of the financial information (including any financial projections) in the Disclosure Statement and the documents that are attached to, or incorporated by reference in, this Disclosure Statement are qualified in their entirety by reference to such information and documents.

Except as otherwise provided herein or in accordance with applicable law, the Debtors are under no duty to update or supplement the Disclosure Statement. The Bankruptcy Court's approval of the Disclosure Statement does not constitute a guarantee of the accuracy or completeness of the information contained herein or the Bankruptcy Court's endorsement of the merits of the Disclosure Statement. The statements and information contained herein have been made as of the date hereof unless otherwise specified. Holders of Claims reviewing the Disclosure Statement should not assume at the time of such review that there have been no changes to the facts or information set forth herein since the date of the Disclosure Statement. All Holders of Claims entitled to vote on the Plan are advised and encouraged to read the Plan and Disclosure Statement in their entirety before voting on the Plan. No Holder should rely on any information, representations, or inducements that are not contained in or are inconsistent with the information contained in the Disclosure Statement (including the documents attached hereto). The Disclosure Statement does not constitute, and shall not be deemed to constitute, legal, business, financial, tax, or other advice, including as it relates to Holders or any other party in interest. Any Entity desiring any such advice should consult with their own advisors.

Although the Debtors have attempted to ensure the accuracy of the financial information (including any financial projections) provided herein or incorporated herein by reference, such information contained herein has not been audited, except to the extent specifically indicated otherwise herein. The financial information (including any financial projections) provided herein has been prepared by the Debtors' management and their financial advisor. Such information, while presented with numerical specificity, is necessarily based on a variety of estimates and assumptions that, although considered reasonable by management, may not be realized and are inherently subject to significant business, economic, competitive, industry, regulatory, market,

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law. In the event of any inconsistencies between the summaries or descriptions set forth herein and the respective documents, the latter shall control. Monetary figures referenced herein may be estimates.

financial, and other uncertainties and contingencies, many of which are beyond the Debtors' control. The Debtors caution that no representations can be made as to the accuracy of such information or the ability to achieve the projected results. Some assumptions inevitably will not materialize. Further, events and circumstances occurring subsequent to the date on which the financial information (including any financial projections) was prepared may be different from those assumed or may have been unanticipated and, thus, the occurrence of these events may affect financial results in a materially adverse or materially beneficial manner. Such information, therefore, may not be relied upon as a guarantee or other assurance of the actual results that will occur.

With respect to any pending, threatened, or potential litigation or other actions against the Debtors, nothing in the Disclosure Statement, nor any action taken by a Debtor in connection herewith, shall constitute or be construed as an admission of fact, liability, stipulation, or waiver by the Debtors or any other party, but rather constitutes, and is to be construed as, a statement made in the context of settlement negotiations in accordance with rule 408 of the Federal Rules of Evidence and any applicable analogous state or foreign laws or rules.

Except as otherwise expressly set forth herein, all information, representations, or statements contained herein have been provided by the Debtors. No Entity is or has been authorized to give any information with respect hereto and the matters addressed herein, other than that which is contained herein or incorporated herein by reference. No representations concerning the Debtors, or the value of their property have been authorized by the Debtors other than as set forth herein. Any information, representations, or inducements made to obtain a vote on the Plan other than, or inconsistent with, the information contained herein should not be relied upon by any Holder.

The Disclosure Statement contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended, all of which are based on various estimates and assumptions. Such forward-looking statements are subject to inherent uncertainties and to a wide variety of significant business, economic, and competitive risks, including those summarized herein. When used in the Disclosure Statement, the words "believe," "expect," "anticipate," "estimate," "intend," "project," "plan," "likely," "may," "will," "should," "shall," or other words or phrases of similar import generally identify forward-looking statements. Although the Debtors believe that their plans, intentions, and expectations reflected in the forward-looking statements are reasonable, they cannot be sure that they will be achieved. These statements are only predictions and are not guarantees. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by a forward-looking statement. All forward-looking statements attributable to the Debtors or Entities acting on their behalf are expressly qualified in their entirety by the cautionary statements set forth in the Disclosure Statement. Forward-looking statements speak only as of the date on which they are made. Except as required by law, the Debtors expressly disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, subsequent events, anticipated or unanticipated circumstances, or otherwise. See Articles VI–VIII of this Disclosure Statement for a discussion of certain considerations and risk factors that Holders entitled to vote on the Plan should consider.

The Debtors are relying on section 1145(a) of the Bankruptcy Code to exempt from registration under the Securities Act and Blue-Sky Laws the offer, issuance, and distribution, if applicable, of New Equity Interests under the Plan.

The Bankruptcy Court has not granted final approval of this Disclosure Statement or the Plan, and the securities to be issued on or after the Effective Date will not have been the subject of a registration statement filed with the SEC under the Securities Act of 1933, as amended (the "**Securities Act**"), or any securities regulatory authority of any state under any state securities law ("**Blue-Sky Laws**"). This Disclosure Statement has not been approved or disapproved by the SEC or any state or non-U.S. regulatory authority and neither the SEC nor any state or non-U.S. regulatory authority has passed upon the accuracy or adequacy of the information contained herein. Any representation to the contrary is a criminal offense. Neither the Solicitation of votes on the Plan, nor this Disclosure Statement, is intended to constitute an offer to sell or the Solicitation of an offer to buy securities in any state or other jurisdiction in which such offer or Solicitation is not authorized or is unlawful.

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ARTICLE I.
EXECUTIVE SUMMARY

A. Introduction

On August 29, 2025, Debtor Spirit Aviation Holdings, Inc. and certain of its direct and indirect subsidiaries (collectively, the "**Company**" or "**Spirit**") commenced the Chapter 11 Cases under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"). The Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to the *Order (I) Directing Joint Administration of Chapter 11 Cases and (II) Granting Related Relief* [ECF No. 35]. On September 17, 2025, the United States Trustee for the Southern District of New York (the "**U.S. Trustee**") appointed an official committee of unsecured creditors (the "**Committee**") pursuant to section 1102 of the Bankruptcy Code [ECF No. 117].

Pursuant to section 1125 of the Bankruptcy Code, the Debtors submit this disclosure statement (as may be amended, altered, modified, revised or supplemented from time to time, the "**Disclosure Statement**") to Holders of Claims against the Debtors in connection with (a) the solicitation of votes on the *Joint Chapter 11 Plan of Reorganization of Spirit Aviation Holdings, Inc. and its Debtor Affiliates* (including all exhibits and schedules attached thereto, and as may be amended, altered, modified or supplemented from time to time, the "**Plan**"), attached hereto as **Exhibit F** and incorporated herein by reference in its entirety, and (b) a hearing to consider confirmation of the Plan.

The purpose of this Disclosure Statement is to describe the Plan and its provisions and to provide adequate information, as required under section 1125 of the Bankruptcy Code, to Holders of Claims against the Debtors who will have the right to vote on the Plan so they can make informed decisions in doing so. Holders of Claims entitled to vote to accept or reject the Plan will receive, among other things, a Ballot together with this Disclosure Statement to enable them to vote on the Plan in accordance with the Voting Instructions and make any other elections or representations required pursuant to the Plan and/or the Voting Instructions.

This Disclosure Statement includes, among other things, (i) information pertaining to the Debtors' prepetition business operations and financial performance and (ii) a description of the events leading up to the Chapter 11 Cases. In addition, this Disclosure Statement includes a summary of the Plan (which summary sets forth certain terms and provisions of the Plan),[1] the effects of confirmation of the Plan, certain risk factors associated with the Plan and the manner in which Plan Distributions will be made. This Disclosure Statement also discusses the confirmation process and the procedures for voting, which procedures must be followed by all Holders of Claims entitled to vote under the Plan in order for their votes to be tabulated.

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[1] The descriptions and summaries herein are intended to serve as summaries and are qualified in their entirety by reference to the operative agreements, schedules, exhibits, and other documents (including the Plan) and applicable law. In the event of any inconsistencies between the summaries or descriptions set forth herein and the respective documents, the latter shall control. Monetary figures referenced herein may be estimates.

The Plan is the outcome of extensive negotiations among the Debtors and the Consenting DIP Lenders. The Plan and Restructuring Support Agreement provide a framework for, among other things, a significant reduction of the Company's prepetition indebtedness and a strategic reorganization of the Company's businesses around streamlined operations, which the Debtors anticipate will position Spirit to successfully emerge from these Chapter 11 Cases as an operational going-concern business.

The Company is confident that, upon emergence, it will be well-positioned to create value for all its economic stakeholders. The Debtors also believe that the Plan (1) is reflective of a global compromise among the Debtors and their key stakeholders and (2) treats Holders of Claims against and Interests in the Debtors in an economic and fair manner in accordance with the Bankruptcy Code's priority scheme and the good-faith compromises and settlements of certain claims and controversies among the Debtors and key stakeholders.

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN. The Debtors and the Consenting DIP Lenders believe that confirmation and consummation of the Plan are in the best interests of the Debtors, their Estates, and their creditors. The Plan provides for an equitable distribution to Holders of Claims and the compromise and settlement of certain claims and controversies among the Debtors and key stakeholders. The Debtors believe that any alternative to confirmation of the Plan, such as liquidation under chapter 7 of the Bankruptcy Code, could result in the loss of hundreds of jobs, the potential demise of the Company's well-recognized and respected brands, the loss of significant value (and a corresponding reduction in the distributions to Holders of Claims in certain Classes), and the potential for delay, litigation, and additional costs. Consequently, the Debtors and the Consenting DIP Lenders urge all eligible Holders of Claims eligible to vote on the Plan to vote to ACCEPT the Plan and to complete and submit their Ballots so that they will be RECEIVED by the Claims and Solicitation Agent on or before the voting deadline.

B. Overview of the Restructuring Transactions

The Restructuring Support Agreement provides the framework for a comprehensive series of restructuring transactions (the "**Restructuring Transactions**"), some to be implemented through the Plan, designed to deleverage the Company's capital structure and preserve the going-concern value of the Debtors' businesses, maximize recoveries available to all constituents, and provide for an equitable distribution to the Debtors' stakeholders. Upon Plan consummation, the proposed Restructuring Transactions would restructure approximately $1.1 billion of outstanding funded debt.

More specifically, and among other things, the Restructuring Transactions include:

- Within (2) Business Days of effectiveness of the Restructuring Support Agreement, the Debtors will use an aggregate amount equal to $150 million of Encumbered Cash in the Specified Encumbered Accounts (each as defined in the Final DIP Order) to prepay a principal amount of Term Loans (as defined in the DIP Credit

Agreement) and accrued and unpaid interest thereon pursuant to Section 2.05(a) of the DIP Credit Agreement;

- Upon the satisfaction of the foregoing prepayment, the Consenting DIP Lenders, constituting Required DIP Lenders, will consent to the Debtors' use of all cash, funds, investments, and securities from the Encumbered Accounts (as defined in the Final DIP Order) during the effective period of the Restructuring Support Agreement (the "**Agreement Effective Period**"), provided the Debtors maintain at least $239 million in the Encumbered Accounts, which amount shall constitute Encumbered Cash (as defined in the Final DIP Order) and shall not be further used, accessed, or otherwise diminished without the prior written consent of the Required Consenting DIP Lenders (including as described directly below);

- At any time on or after the date that is four (4) weeks following effectiveness of the Restructuring Support Agreement, the Debtors may provide a written request to the Consenting DIP Lenders (including via email to counsel) to use all cash, funds, investments, and securities from the Encumbered Accounts, during the Agreement Effective Period, provided that the Debtors maintain at all times not less than $200 million in the Encumbered Accounts, which amount shall constitute Encumbered Cash (as defined in the Final DIP Order) and shall not be further used, accessed, or otherwise diminished without the prior written consent of the Required Consenting DIP Lenders (as determined in their sole discretion). The Consenting DIP Lenders, constituting Required DIP Lenders, shall be deemed not to have consented to such request unless the Required Consenting DIP Lenders deliver a written response to the Debtors (including via email from counsel) approving such request (as determined in their sole discretion) within two (2) Business Days of receipt thereof. If the Required Consenting DIP Lenders do not timely approve the Debtors' request, the Restructuring Support Agreement will automatically terminate;

- The Consenting DIP Lenders, constituting Required DIP Lenders, will waive the Debtors' obligation to comply with the covenants set forth in Sections 6.01(c) and 6.01(f)(B) of the DIP Credit Agreement and agree that they will request update calls under Section 6.19 of the DIP Credit Agreement not more often than once every other week or in the event of a material change in the Debtors' business;

- On the Plan Effective Date, the Debtors will make a payment of $100 million of Encumbered Cash in the Specified Encumbered Accounts (as such terms are defined in the Final DIP Order) to Holders of Allowed New Money DIP Loan Superpriority Claims and/or Allowed Roll-Up DIP Loan Superpriority Claims (subject to and in accordance with the Plan);

- On the Plan Effective Date, Reorganized Parent will issue new equity interests, which may include warrants, to certain of its creditors as follows: (a) 100% pro rata to the holders of Roll-Up DIP Loans, subject to dilution on account of the Management Incentive Plan and the Class 5 Settlement Distribution (each as defined in the Plan); and (b) 2% of new equity interests, which may be issued in the form of warrants, pro rata to holders of Prepetition Secured Notes and/or

Contingent Roll-Up Term Loans, subject to dilution on account of the Management Incentive Plan (as defined in the Plan);

- On the Plan Effective Date, the Reorganized Debtors will issue senior secured loans, the material terms of which are described in the Exit Secured Loans Facility Term Sheet attached as Exhibit B to the Restructuring Support Agreement, pro rata to holders of Allowed Roll-Up DIP Loan Superpriority Claims;

- Distributable Sale Proceeds from the disposition of Specified Assets will be distributed to Holders of New Money DIP Loan Superpriority Claims and Roll-Up DIP Loan Superpriority Claims, in accordance with and subject to the Plan;

- On the Plan Effective Date, one or more of the Reorganized Debtors will issue, as applicable, either: (a) a $275 million senior secured revolving credit facility , the material terms of which will be filed in the Plan Supplement; or (b)(i) a $75 million term loan facility, the material terms of which will be filed with the Plan Supplement, and (ii) a $200 million revolving credit facility , which shall be on the same terms as the Prepetition Revolving Credit Facility (as defined in the Plan), with only such modifications as are necessary to reflect the issuance of the Class 4 Term Loan Facility;

- All General Unsecured Claims will be cancelled without any distributions to the holders of such claims;

- All of the Company's existing common stock and other equity interests will be cancelled without any distributions to the holders of such common stock and other equity interests on account thereof;

- A Management Incentive Plan to be adopted by the New Board, which will provide for the issuance of equity and equity-based awards (in the form of MIP Interests, which will equal 10% of the New Equity Interests (with actual allocations thereof in the discretion of the New Board, which, for the avoidance of doubt, may but is not obligated to allocate the full 10% at the outset)) and certain Cash-based awards to be adopted by the New Board promptly following the Effective Date, the terms and conditions of which, including any and all awards granted thereunder, shall be determined by the New Board; and

- Mutual and consensual releases between, among others, the Debtors, the Reorganized Debtors, the DIP Agent, each Consenting DIP Lender (in all capacities in which such Consenting DIP Lender signed the Restructuring Support Agreement), each Prepetition Secured Notes Agent/Trustee, each Holder of a Claim that returns a Ballot that does not affirmatively elect to "opt out" of being a Releasing Party by checking the appropriate box on such Holder's timely and properly submitted Ballot to indicate that such Holder elects to opt out of the Plan's release provisions, and their respective Related Parties; *provided*, that if Class 4 votes in favor of the Plan, each Holder of Allowed Prepetition RCF Claims that submits a Ballot and does not "opt out" of being a Releasing Party shall be a Released Party, otherwise, any such Holder shall not be a Released Party.

In addition, except as otherwise provided in the Plan or a Final Order, each Executory Contract and Unexpired Lease shall be deemed automatically assumed (subject to the payment of any applicable Cure Cost), pursuant to sections 365 and 1123 of the Bankruptcy Code, as of the Effective Date, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, unless such Executory Contract or Unexpired Lease: (1) has been previously assumed, assumed and assigned, or rejected by the Debtors pursuant to a Final Order of the Bankruptcy Court, in which case, such Final Order shall control; (2) previously expired or was terminated pursuant to its terms; (3) is the subject of a motion or notice of intent to assume, assume and assign, or reject pending as of the Effective Date; (4) is otherwise rejected pursuant to the terms of the Plan (including the Schedule of Rejected Contracts and Unexpired Leases to be Filed as part of the Plan Supplement), in which case such rejections shall be deemed effective on the Effective Date (or earlier, if so set forth in the Plan or on the Schedule of Rejected Contracts and Unexpired Leases); (5) is specifically designated on the Schedule of Assumed Aircraft Leases; (6) is specifically designated on the Schedule of Rejected Aircraft Leases or (7) is specifically designated on the Schedule of Deferred Agreements. Except as otherwise provided in the Plan, each Executory Contract or Unexpired Lease to be assumed pursuant to the Plan shall revest in and be fully enforceable by the applicable Reorganized Debtor(s) in accordance with its terms, except as may be modified by the Plan Documents. Notwithstanding the foregoing, the Reorganized Debtors may assume or reject any Deferred Agreement by Filing and serving upon the applicable counterparties a notice of intent to assume or a notice of intent to reject at any time before the Deferred Agreement Deadline; provided, however, that if the Reorganized Debtors do not file any such notice for a Deferred Agreement by the Deferred Agreement Deadline, such Deferred Agreement shall be deemed rejected effective as of the one hundred eighty-first (181st) calendar day after the Effective Date.

Discussions with other stakeholders, including lessors and holders of secured aircraft indebtedness, remain ongoing.

C. Voting

Pursuant to the Plan, the Debtors created ten separate Classes of Claims and Interests, as follows:

Class	Claims or Interests	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Deemed to accept
2	Other Priority Claims	Unimpaired	Deemed to accept
3	Roll-Up DIP Loan Superpriority Claims	Impaired	Entitled to vote
4	Prepetition RCF Claims	Impaired	Entitled to vote
5	Prepetition Secured Notes and/or Contingent Roll-Up Term Loan Claims	Impaired	Entitled to vote
6	General Unsecured Claims	Impaired	Presumed to reject
7	Section 510(b) Claims	Impaired	Presumed to reject
8	Intercompany Claims	Unimpaired or Impaired	Deemed to accept or presumed to reject
9	Intercompany Interests	Unimpaired or	Deemed to accept or

Class	Claims or Interests	Status	Voting Rights
		Impaired	presumed to reject
10	Existing Interests	Impaired	Presumed to reject

A Holder's ability to vote on the Plan and receive Plan Distributions depends on, among other things, which Class its Claim is in, as set forth in the table above, and whether it held such Claim on April 8, 2026 (the "**Voting Record Date**").

The Debtors are soliciting votes on the Plan from Holders of Claims classified in Classes 3, 4 and 5 of the Plan (the "**Voting Classes**" and, Holders of Claims in such classes, the "**Voting Holders**"). Detailed instructions regarding how to vote on the Plan are contained on the ballots (the "**Ballots**") distributed to Voting Holders. To be counted as a vote on the Plan, each Ballot must be completed, executed, and returned in accordance with the instructions that were transmitted on or with such Ballot, such that the Ballot is actually received by the Claims and Solicitation Agent by the Voting Deadline (*i.e.*, May 15, 2026, at 4:00 p.m.[2]) Except to the extent that the Debtors so determine or as permitted by the Bankruptcy Court, Ballots that are received after the Voting Deadline will not be counted or otherwise used by the Debtors in connection with the Debtors' request for Confirmation of the Plan (or any permitted modification thereof). Any Ballot that does not comply with the instructions that were transmitted with such Ballot or does not comply with the Disclosure Statement Order may not be counted.

D. Summary of Treatment of Claims and Interests and Description of Recoveries Under the Plan

Under the Plan, all Allowed Administrative Claims, Professional Fee Claims, New Money DIP Loan Claims, and Priority Tax Claims will be paid in full in cash or receive such treatment that renders them Unimpaired under the Bankruptcy Code. The table below provides a summary of the classification, description, treatment, and anticipated recovery of all other Allowed Claims and Interests under the Plan (except to the extent (1) an Allowed Claim has been paid or otherwise satisfied or (2) a Holder has agreed to receive less favorable treatment than it would otherwise be entitled to). This information is provided in summary form below for illustrative purposes only and is qualified in its entirety by reference to the provisions of the Plan. These represent estimates of Claims or Interests and may vary from the final amounts Allowed by the Bankruptcy Court. A Holder's ability to receive Plan Distributions depends upon the ability of the Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan. The recoveries available to holders of Claims are estimates and actual recoveries may materially differ based on, among other things, whether the amount of Claims actually Allowed exceeds the estimates provided below. In such an instance, the recoveries available to holders of Allowed Claims could be materially lower when compared to the estimates provided below. The recoveries available to holders of Claims are estimates and actual recoveries may materially differ based on, among other things, whether the amount of Claims actually Allowed exceeds the estimates provided below (including, for the avoidance of doubt, on account of accrued and unpaid interest, costs, fees, expenses, and indemnities as of the Petition Date).

[2] All times herein are expressed in prevailing Eastern Time.

Class	Claims or Interests	Treatment	Projected Allowed Amount	Projected Plan Recovery
1	Other Secured Claims	Each Holder of an Allowed Other Secured Claim shall receive, at the option of the (Reorganized) Debtor(s) (with the consent of the Required Consenting DIP Lenders), either of the following: (i) payment in full in Cash, payable on the later of (A) the Effective Date and (B) the date that is 30 Business Days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter; or (ii) Reinstatement or such other treatment rendering its Allowed Other Secured Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code.	[●]	100%
2	Other Priority Claims	Each Holder of an Allowed Other Priority Claim shall receive, at the option of the (Reorganized) Debtor(s) (with the consent of the Required Consenting DIP Lenders), any of the following: (i) payment in full in Cash; (ii) Reinstatement or such other treatment rendering its Allowed Other Priority Claim Unimpaired in accordance with section 1124 of the Bankruptcy Code; or (iii) other treatment in a manner consistent with section 1129(a)(9) of the Bankruptcy Code. The failure to object to Confirmation by a Holder of an Allowed Other Priority Claim shall be deemed to be such Holder's consent to receive treatment for such Claim that is different from that set forth in section 1129(a)(9) of the Bankruptcy Code.	[●]	100%
3	Roll-Up DIP Loan Superpriority Claims	Each Holder of an Allowed Roll-Up DIP Loan Superpriority Claim shall receive its Pro Rata share of (a) the Exit Secured Loans Facility, (b) the DIP Roll-Up Equitization Interests, (c) the Roll-Up DIP Loan Cash Effective Date Repayment Amount, and (d) except to the extent already paid, Distributable Sale Proceeds received by the Reorganized Debtors after the Effective Date.[3]	$625,000,000[4]	[●]%

[3] The Debtors and the Required Consenting DIP Lenders shall jointly determine and mutually agree upon the structure, form and documentation to effect this clause (d), which, unless otherwise agreed by the Debtors and the Required Consenting DIP Lenders, shall (among other things), include providing a perfected security interest acceptable to the Required Consenting DIP Lenders for the benefit of the Holders of Allowed Roll-Up DIP Loan Superpriority Claims (including with respect to the interests of the Holders of Allowed Roll-Up DIP Loan Superpriority Claims in any HFS Aircraft not sold pursuant to the HFS Aircraft Sale Agreement, or the proceeds of any such HFS Aircraft). The Debtors, with the consent of the Required Consenting DIP Lenders, may take all actions as may be deemed necessary or appropriate to effectuate the distribution of Distributable Sale Proceeds from the Specified Assets on, before, or after the Effective Date (including, for the avoidance of doubt, in a tax efficient manner).

[4] The Roll-Up DIP Loan Superpriority Claims shall constitute Allowed superpriority administrative expense claims against each of the Debtors in the aggregate principal amount of approximately $625,000,000 plus all applicable fees, costs, expenses, and other amounts due under the terms of the DIP Facility on account of the Roll-Up DIP Loans.

Class	Claims or Interests	Treatment	Projected Allowed Amount	Projected Plan Recovery
4	Prepetition RCF Claims	Each Holder of an Allowed Prepetition RCF Claim shall receive (with the consent of the Required Consenting DIP Lenders, not to be unreasonably withheld), as applicable: *(i)* if (A) any such Holder votes to accept the Plan and elects to participate in its Pro Rata share of the Exit Revolving Credit Facility and (B) the Exit RCF Trigger occurs, then (1) such Holder's Allowed Prepetition RCF Claims shall be deemed repaid and refinanced in full by such Holder's extension and receipt of Exit RCF Loans with a principal amount equal to the amount of such Holder's Allowed Prepetition RCF Claims and (2) such Holder shall assume a commitment with respect to the Exit Revolving Credit Facility equal to its commitment under the Prepetition Revolving Credit Facility immediately prior to the Petition Date; or (ii) if any such Holder votes to reject the Plan and elects not to participate in its Pro Rata share of the Exit Revolving Credit Facility, then each such Holder of an Allowed Prepetition RCF Claim shall receive its Pro Rata share of (x) the Reinstated Revolving Credit Facility under the Reinstated RCF Credit Documents and (y) the Class 4 Term Loan Facility under the Class 4 Term Loan Facility Documents; or (iii) if the Exit RCF Trigger does not occur, then each Holder of an Allowed Prepetition RCF Claim shall receive its Pro Rata share of (x) the Reinstated Revolving Credit Facility under the Reinstated RCF Credit Documents and (y) the Class 4 Term Loan Facility under the Class 4 Term Loan Facility Documents; or (iv) such other treatment as permitted or required by the Bankruptcy Code. Notwithstanding anything to the contrary in the Plan, if Class 4 votes in favor of the Plan, each Holder of Allowed Prepetition RCF Claims that submits a Ballot and does not "opt out" of being a Releasing Party shall be a Released Party; otherwise, any such Holder shall not be a Released Party	$275,000,000[5]	[●]%

Class	Claims or Interests	Treatment	Projected Allowed Amount	Projected Plan Recovery
5	Prepetition Secured Notes and/or Contingent Roll-Up Term Loan Claims	Each Holder of a Prepetition Secured Notes and/or Contingent Roll-Up Term Loan Claim shall receive its Pro Rata share of the Class 5 Settlement Distribution.	$237,678,710.94[6]	[●]%
6	General Unsecured Claims	All General Unsecured Claims shall be cancelled, released, extinguished, and otherwise eliminated, and Holders of General Unsecured Claims shall not receive any Plan Distributions or retain any interest in property on account of such General Unsecured Claims. Notwithstanding anything to the contrary in the Plan, no Holder of a Class 6 General Unsecured Claim (in its capacity as such) shall be a Releasing Party.	$5.5 billion — 6.3 billion[7]	0%
7	Section 510(b) Claims	All Section 510(b) Claims shall be cancelled, released, extinguished, and otherwise eliminated, and Holders of Section 510(b) Claims shall not receive any Plan Distributions or retain any interest in property on account of such Section 510(b) Claims. Notwithstanding anything to the contrary in the Plan, no Holder of a Class 7 Section 510(b) Claim (in its capacity as such) shall be a Releasing Party, Released Party, or Exculpated Party.	[●]	0%
8	Intercompany Claims	All Allowed Intercompany Claims shall either be, in the discretion of the (Reorganized) Debtors (with the consent of the Required Consenting DIP Lenders), (i) cancelled, released, extinguished, and otherwise eliminated and Holders of such Intercompany Claims shall not receive any Plan Distributions or retain any interest in property on account of such Intercompany Claims or (ii) Reinstated (including, as amended).	[●]	[●]
9	Intercompany Interests	All Allowed Intercompany Interests shall either be, in the discretion of the (Reorganized) Debtors, (i) cancelled, released, extinguished, and otherwise eliminated and Holders of such Intercompany Interests shall not receive any Plan Distributions or retain any interest in property on account of such Intercompany Interests or (ii) Reinstated.	[●]	[●]

[5] The Prepetition RCF Claims shall be deemed Allowed as Secured Claims against Debtor Spirit Airlines, LLC and Spirit Aviation Holdings, Inc. in the aggregate principal amount of no less than $275,000,000, plus (i) accrued and unpaid interest up to and including the Effective Date and (ii) fees, costs, expenses, and other amounts arising and payable under and in accordance with the Prepetition RCF Documents.

[6] The Prepetition Secured Notes and/or Contingent Roll-Up Term Loan Claims shall be deemed Allowed against all of the Debtors (i) with respect to Prepetition Secured Notes Claims, in the aggregate principal amount outstanding under the Prepetition Secured Notes Indenture of approximately $33,677,546.00 and (ii) with respect to the Contingent Roll-Up Term Loan Claims, in the aggregate principal amount outstanding under the DIP Credit Agreement of approximately $204,001,164.94, plus, in each case (i) and (ii), and as applicable, any and all other obligations related thereto or arising therefrom, including accrued and unpaid interest, costs, fees, expenses, and indemnities as of the Petition Date.

[7] The projected amount of General Unsecured Claims remains subject to ongoing review and reconciliation and is subject to material change.

Class	Claims or Interests	Treatment	Projected Allowed Amount	Projected Plan Recovery
10	Existing Interests	All Existing Interests shall be cancelled, released, extinguished, or otherwise eliminated and Holders of such Existing Interests shall not receive any Plan Distributions or retain any interest in property on account of such Existing Interests. Notwithstanding anything to the contrary in the Plan, no Holder of a Class 10 Existing Interest (in its capacity as such) shall be a Releasing Party, Released Party, or Exculpated Party.	[●]	0%

Plan Distributions shall be funded, as applicable, with (1) Cash on hand, (2) the issuance of the Exit Financing Facilities, (3) the issuance of the New Equity Interests, (4) the other Assets of the Reorganized Debtors, and (5) the Distributable Sale Proceeds.

E. Confirmation

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a confirmation hearing. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to Confirmation of the Plan. Accordingly, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan. The Confirmation Hearing will take place on **May 27, 2026, at 11:00 a.m.** Objections to the Plan, if any, must be filed and served in accordance with and in the manner set forth in the Disclosure Statement Order.

Pursuant to the Disclosure Statement Order, objections to confirmation of the Plan, if any, must (1) be in writing, in English, and in text-searchable format, (2) comply with the Bankruptcy Code, Bankruptcy Rules, Local Rules, and any other orders of the Bankruptcy Court, including the *Amended Final Order Implementing Certain Notice and Case Management Procedures* (the "**Case Management Order**") entered by the Court on July 28, 2025 [ECF No. 380], (3) state, with specificity, the legal and factual bases thereof and, if practicable, a proposed modification to the Plan that would resolve such objection, (4) be filed with the Court no later than **May 20, 2026, at 4:00 p.m.** (the "**Plan Objection Deadline**"), and (5) be served on the following parties so as to be actually received prior to the Plan Objection Deadline: (i) the Chambers of the Honorable Sean H. Lane, United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601; (ii) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attn: Marshall S. Huebner, Darren S. Klein, Christopher S. Robertson, Joseph W. Brown, and Katharine Somers), counsel to the Debtors; (iii) Morris, Nichols, Arsht & Tunnell LLP, 1201 N. Market Street, 16th Floor, Wilmington, DE 19801 (Attn: Robert J. Dehney, Sr. and Matthew O. Talmo), conflicts counsel to the Debtors; (iv) Debevoise & Plimpton LLP, 66 Hudson Boulevard East, New York, New York 10001 (Attn: Jasmine Ball and Elie J. Worenklein), fleet counsel to the Debtors; (v) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: Brett H. Miller and Todd M. Goren), counsel to the Official Committee of Unsecured Creditors appointed in these cases; (vi) Akin Gump Strauss Hauer & Feld LLP, Bank of America Tower, One Bryant Park, New York, New York 10036 (Attn: Michael S. Stamer and Jason P. Rubin), counsel to the Consenting DIP Lenders; (vii) Milbank LLP, 55 Hudson Yards, New York, New York 10019 (Attn: Andrew Harmeyer and Jason Kestecher), counsel to the Prepetition RCF Lenders; and (viii) U.S. Department of Justice, Office of the U.S.

Trustee, Alexander Hamilton U.S. Custom House, One Bowling Green, Rm. 534, New York, New York 10004 (Attn: Shara Cornell and Mark Bruh). Replies in support of confirmation of the Plan must be filed with the Court no later than **May 25, 2026, at 12:00 p.m.**

For reference, the Plan, this Disclosure Statement, the Disclosure Statement Order, the Confirmation Hearing Notice, and all other Filings on the public docket of the Chapter 11 Cases are accessible on the Case Information Website (https://dm.epiq11.com/SpiritGoForward) free of charge. The Debtors' SEC filings and other material updates may be accessed through the Debtors' Investor Relations Website at **https://ir.spirit.com/overview/default.aspx**

F. Effects of Confirmation and Plan Implementation

Following Confirmation, and subject to the satisfaction or waiver of each condition precedent in Article IX of the Plan, the Plan will be consummated on the Effective Date. Among other things, certain release, injunction, exculpation, and discharge provisions set forth in Article VIII of the Plan—which are integral to the Restructuring Transactions—will become effective on the Effective Date.

For example, Article VIII.F of the Plan contains consensual and voluntary releases by the non-Debtor Releasing Parties[8] of the Released Parties[9] from any and all claims, interests, obligations, debts, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, based on, relating to, or in any manner arising from, in whole or in part, among other things, the Debtors, the Chapter 11 Cases, the Plan, the Restructuring Support Agreement, the DIP Documents, the transactions contemplated thereby, and other Covered Claims, subject to certain exceptions (*e.g.*, Retained Causes of Action and claims and liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including actual fraud) or gross negligence). The Debtors believe that such releases (as to which all Releasing Parties not party to the Restructuring Support Agreement have the right to opt out) are appropriate for several reasons, including because

[8] "**Releasing Party**" means each of the following, and in each case, solely in its capacity as such: (a) the Debtors and their Estates; (b) the Reorganized Debtors; (c) each Consenting DIP Lender (in all capacities in which such Consenting DIP Lender signed the Restructuring Support Agreement), regardless of whether such Consenting DIP Lender returns a Ballot; (d) each of the Prepetition Secured Notes Agents/Trustees; (e) the DIP Agent; (f) each Holder of a Claim that returns a Ballot that does not affirmatively elect to "opt out" of being a Releasing Party by checking the appropriate box on such Holder's timely and properly submitted Ballot to indicate that such Holder elects to opt out of the Plan's release provisions; and (g) with respect to each of the foregoing Entities in clauses (a) through (f), such Entities' Related Parties; *provided*, that, for the avoidance of doubt, any opt-out election made by a Consenting DIP Lender (that has not terminated the Restructuring Support Agreement as to itself and remains a party thereto) in any capacity shall be void *ab initio*. For the avoidance of doubt, each Holder of a Claim or Interest in a Nonvoting Class shall not be a Releasing Party in its capacity as a Holder of such Claim or Interest.

[9] "**Released Party**" means each of the following, and in each case, solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) each Consenting DIP Lender (in all capacities in which such Consenting DIP Lender signed the Restructuring Support Agreement); (d) each of the Prepetition Secured Notes Agents/Trustees; (e) the Distribution Agent; (f) the DIP Agent; (g) [the Committee and all members thereof]; (h) each Holder of a Claim that returns a Ballot that does not affirmatively elect to "opt out" of being a Releasing Party by checking the appropriate box on such Holder's timely and properly submitted Ballot to indicate that such Holder elects to opt out of the Plan's release provisions; and (i) with respect to each of the foregoing Entities in clauses (a) through (h), such Entity's Related Parties; *provided, however*, that an Entity that (i) affirmatively elects to "opt out" of being a Releasing Party by timely objecting to Confirmation or by checking the appropriate box on such Holder's timely and properly submitted Ballot, thereby indicating that such Holder elects to opt out of the Plan's release provisions, or (ii) timely objects to the releases in the Plan and such objection is not resolved before Confirmation shall not be considered a "Released Party" notwithstanding anything to the contrary in the Plan.

(i) the Released Parties provided substantial contributions to facilitate the Chapter 11 Cases and the Restructuring Transactions and (ii) the releases are consensual.

Similarly, Article VIII.E of the Plan contains releases by the Debtors (the "Debtor Releases") of the non-Debtor Released Parties for Covered Claims, also subject to certain exceptions (*e.g.*, Retained Causes of Action and claims and liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including actual fraud) or gross negligence). The Debtors believe that these releases, too, are appropriate for several reasons, including because they provide appropriate levels of protection to parties whose participation in the resolution of the Chapter 11 Cases and the Restructuring Transactions was, and continues to be, critical. The non-Debtor Released Parties made significant contributions to the Chapter 11 Cases and their inclusion in the Debtor Releases was a material inducement for their funding, participation, negotiation, and ultimate resolution of the Chapter 11 Cases through the Plan. Without these releases, the non-Debtor Released Parties would not have been willing to negotiate and agree to the terms of the Plan or the Restructuring Transactions or otherwise support Confirmation. For the avoidance of doubt, the Debtors are not aware of any Covered Claims that have been, or should be, threatened or asserted against the non-Debtor Released Parties and are the subject of the Debtor Releases.

Accordingly, it is important to read the provisions contained in Article VIII of the Plan very carefully so that you understand how Confirmation and Consummation—which effectuates the Plan's release, injunction, exculpation, and discharge provisions—may affect you and any Claim or Interest you may hold so that you can cast your vote (and opt out of the releases should you choose to do so, whether or not you are a voting creditor under the Plan) accordingly. These provisions will also be included on the Confirmation Hearing Notice.

The Debtors shall continue to exist after the Effective Date as Reorganized Debtors in accordance with the applicable laws of the respective jurisdictions in which they are incorporated or organized, and pursuant to the New Organizational Documents, for the purposes of satisfying their obligations under the Plan and the continuation of their businesses.

Except as otherwise provided in the Plan, on and after the Effective Date, all property of the Estates, wherever located, including all claims, rights, and Causes of Action, shall vest in each respective Reorganized Debtor free and clear of all Claims, Liens, charges, and other encumbrances and interests. On and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property, wherever located, and prosecute, compromise, or settle any Claims (including any Administrative Claims) and Causes of Action without supervision of or approval by the Bankruptcy Court, and free and clear of any restrictions of the Bankruptcy Code, the Bankruptcy Rules, other than restrictions expressly imposed by the Plan, and the Confirmation Order. Such claims and Causes of Action include any of the Debtors' rights to indemnification from third parties and the Debtors' rights in respect of any Insurance Contracts.

Upon Consummation, the Reorganized Debtors shall have, retain, reserve, and be entitled to commence, assert, and pursue all Retained Causes of Action, including as may be set forth on a

Schedule of Retained Causes of Action to be Filed as part of the Plan Supplement to the extent necessary to disclose such actions under the Plan and in this Disclosure Statement as is set forth herein.

If the Plan is not confirmed or does not go effective, there is no assurance that the Debtors will be able to reorganize their business. It is possible that any alternative may provide Holders of Claims with less than they would have received pursuant to the Plan. For a more detailed description of the consequences of extended Chapter 11 Cases, or of a hypothetical liquidation scenario, see Article V of this Disclosure Statement, and the Liquidation Analysis attached hereto as **Exhibit D**.

ARTICLE II.
COMPANY OVERVIEW

A. Operations

1. Company History and Business Model

The Company originated in 1964 as Clippert Trucking Company, a Michigan corporation. In the 1980s it operated solely as a charter airline, becoming a scheduled passenger carrier and adopting the Spirit Airlines moniker in 1992. In 1994, Spirit reincorporated in Delaware, and in 1999, relocated to Florida where it has been headquartered to this day.

Spirit converted itself into a so-called ultra-low-cost carrier ("**ULCC**") nearly 20 years ago. Spirit's ULCC business model combined an industry-leading low-cost structure with an unbundled product, featuring extremely low base fares that did not include several components, such as premium service classes, checked and carry-on bags, seat assignments, snacks and beverages traditionally included in the price of an airline ticket. By offering customers unbundled base fares, customers are able to save by paying only for the amenities they choose, rather than effectively subsidizing other passengers who select more amenities. Nonetheless, the demand for air travel has evolved, and Spirit has needed to respond continuously to changing market conditions. In recent years, with the widespread roll-out of a basic economy product by all major US airlines, designed to compete directly with the ULCC product, Spirit began introducing new offerings, including brand new premium products and convenient bundled options for passengers who prefer them, as part of a significant transformation that delivers an even friendlier, more comfortable and cost-effective travel experience—all at unbeatable value.

Spirit's former "pure" ULCC model was predicated on a low unit-cost structure (e.g., cost per seat or cost per passenger), primarily driven by high cabin seating density, intensive utilization of aircraft and airport assets and a single-type fleet. Low costs enabled Spirit and similar carriers to charge very low fares and still make a profit. Spirit used these low fares to address underserved markets, which helped it to increase passenger volume and load factors on the flights it operates. High passenger volumes and load factors help increase sales of ancillary products and services, which in turn allows Spirit to further reduce its base fares.

Spirit has developed a substantial network of domestic destinations as well as targeted markets in the Caribbean and Latin America, with a focus on routes flown by price-sensitive travelers, mainly for leisure and for visiting friends and relatives (so-called VFR) traffic, but also providing an economical alternative for small and medium business travelers not enrolled in a typical corporate program offered to larger corporations by the legacy airlines. Spirit has conducted international flights since 2003 and has valuable experience navigating foreign regulatory regimes and business practices, allowing it to compete effectively.

The airline industry, particularly in the United States, is contending with shifting consumer demand and operational headwinds, and has changed materially in the last few years. Among other things, large legacy carriers (American, Delta and United) and traditional lower-cost (but not ULCC) carriers (Alaska, JetBlue and Southwest) have increased their low-fare and unbundled offerings, generally known as basic economy, to the point that their aggregate offering of a ULCC-style product is now significantly larger than the entire ULCC segment itself. Moreover, because US domestic business travel is still not operating at pre-pandemic levels, the larger carriers have increased the proportion of lower-priced capacity in their available inventory of seats, which has pressured smaller value carriers, including Spirit. In addition, accelerating inflation and supply chain disruptions in the post-pandemic period have dramatically increased operating costs associated with airport operations, labor and fleet maintenance. These cost increases have fallen most heavily on the smaller lower-cost carriers which do not have other revenue streams such as large premium economy and first class cabins, massive loyalty programs and high-priced corporate and international service to offset squeezed margins in their core domestic leisure business. Finally, industry-wide manufacturing issues and maintenance recalls have grounded many Spirit aircraft and added costs, precisely when the Company sought to implement its transformation plan. Taken together with inflationary and other macroeconomic headwinds, equipment recalls from the Company's key suppliers disproportionately affected Spirit's fleet and further destabilized operations.

2. <u>Fleet</u>

Spirit flies only single-aisle Airbus aircraft, which are commonly referred to as "A320 family" aircraft. This provides significant operational and cost advantages compared to airlines that operate multiple aircraft types. By operating a single aircraft type, Spirit avoids the incremental costs of maintenance and crew training across multiple types. Flight crews are interchangeable across all of Spirit's aircraft, and maintenance, spare parts inventories, and other operational support remains highly simplified compared to airlines with more complex fleets. Due to the commonality among Airbus single-aisle aircraft, Spirit can deploy aircraft of different passenger capacities to match the customer demand, distance and cost profile of each route.

A320 family aircraft include the A319, A320, and A321 models, which have broadly common design and equipment but differ most notably in fuselage length, service range, and seat capacity. Within the A320 family of aircraft, models using older engine technology may carry the suffix "ceo," denoting the "current engine option," while models equipped with new-generation engines may carry the suffix "neo," denoting the "new engine option." As of the Petition Date, Spirit's fleet consisted of the following aircraft:

	A320ceo	A320neo	A321ceo	A321neo	**Total**
Owned and Operated	11		17		**28**
Owned and Held for Sale	13		7		**20**
Leased	38	91	5	32	**166**
Total	**62**	**91**	**29**	**32**	**214**

Of the 48 aircraft Spirit owned as of the Petition Date, 21 were financed through fixed-rate long-term debt and 27 were financed through enhanced equipment trust certificates. The average age of Spirit's 166 leased aircraft as of the Petition Date was 5.5 years, and Spirit's average monthly rent payment was $326,000. As of the Petition Date, there were approximately $5 billion in capitalized lease obligations on the 166 leased aircraft, in addition to greater than $1.0 billion in future maintenance liability. A large portion of Spirit's fleet was acquired or committed under long-term agreements in the pre-COVID period which featured a softer market for aircraft and aircraft financing. Unlike many aircraft leases, the large majority of Spirit's aircraft leases do not require it to remit supplemental rent to cover future maintenance costs (often referred to as maintenance reserves). As a result, Spirit believes that a significant portion of its owned and leased aircraft has ownership costs at or below market levels.

Spirit commenced these Chapter 11 Cases to optimize their fleet, network, cost structures and customer offerings. Since the Petition Date, and as described in greater detail herein, Spirit has renegotiated or rejected leases on certain of these and other aircraft, positioning Spirit for a rightsized fleet of operating aircraft that will allow Spirit to reduce its operating costs by hundreds of millions of dollars. As of the date hereof, Spirit's fleet consists of the following aircraft:

	A320ceo	A320neo	A321ceo	A321neo	**Total**
Owned and Operated	11		17		**28**
Owned and Held for Sale	13		7		**20**[10]
Leased	36	18	5	19	**77**
Total	**60**	**18**	**29**	**19**	**125**

3. Intellectual Property

Spirit's success depends, in part, on brand recognition and customer loyalty. Spirit utilizes trademarks, service marks and other intangible assets in its airline operations. The Spirit brand and the Free Spirit loyalty program (as described further below) are two of the most critical pieces of intellectual property Spirit uses on a daily basis. In 2020, in connection with the Senior Secured

[10] On February 11, 2026, Spirit filed a motion seeking authority to conduct a competitive auction for the sale of twenty aircraft in its fleet currently owned and held for sale [ECF No. 770]. The Court entered an order approving the bidding procedures in respect of such sale on March 12, 2026 [ECF No. 845].

Notes offering, Spirit transferred ownership of these assets to newly created, wholly-owned subsidiaries and entered into license agreements pursuant to which it uses its brand and runs its loyalty program.

4. Loyalty Program/Credit Card Receivables

Spirit maintains a frequent flyer program, "Free Spirit" (the "**Frequent Flyer Program**"), under which customers can accumulate points by (a) flying on Spirit, (b) signing up for and using a Free Spirit-branded credit card, and (c) purchasing points from, or shopping with, the Company's partners. Customers may then redeem points by purchasing tickets or other goods and services from participating travel companies, hotel and car rental agencies, restaurants, and retailers. Most redemptions of Free Spirit points are for Spirit tickets and do not lead to significant cash expenditures by Spirit.

In addition to the Frequent Flyer Program, Spirit maintains a loyalty program called the Spirit Saver$ Club (the "**Loyalty Subscription**"). In exchange for an annual fee, the Loyalty Subscription offers its members access to discounted tickets from Spirit, and discounted shopping and travel from its partners

5. Employees/Unions

Crucial to its businesses, Spirit employs a talented and dedicated workforce that enables it to maintain its high standards of quality, safety, and sustainability. Spirit's workforce consists of a combination of full-time and part-time employees, as well as individuals employed by staffing, consulting, and other agencies, service providers, and individuals providing services directly as independent contractors (collectively, the "**Employees**").

As of February 3, 2026, Spirit employed approximately 7,500 people (collectively, the "**Direct Employees**"), including 7,200 full-time Direct Employees and 300 part-time Direct Employees. Approximately 1,100 Direct Employees receive a salary and 6,400 Direct Employees are paid on an hourly basis. Approximately 82% of Spirit's Direct Employees were represented by unions. With the exception of Spirit's unionized aircraft maintenance technicians, Spirit's unionized Direct Employees are subject to collective bargaining agreements with Spirit. Spirit's unionized Direct Employees include approximately 1,900 pilots, 3,200 flight attendants, 400 aircraft maintenance technicians, 300 ramp service employees, 250 customer service agents, and 60 flight dispatchers.

In addition, the Debtors rely upon the services of approximately 12,000 individuals (including independent contractors and temporary and seasonal employees) through staffing, consulting, and other employment agencies and service providers (collectively, the "**Contract Workers**"). The number of Contract Workers fluctuates depending on the Company's needs, but Contract Workers typically account for approximately 61% of the Debtors' total workforce.

B. Prepetition Corporate and Capital Structure

Concurrent with emerging from chapter 11 in March 2025, through an internal corporate reorganization, Spirit Aviation Holdings, Inc. became Spirit's new parent company, with Spirit

Airlines, Inc. converting to a Delaware limited liability company.[11] As of the Petition Date, Spirit Aviation Holdings, Inc. had 400,000,000 shares of common stock authorized, of which 26,433,202 shares were outstanding, and its stock was trading on the New York Stock Exchange under the ticker symbol "FLYY."

As of the Petition Date, the Debtors had approximately $2.8 billion in aggregate debt outstanding, as reflected in the summary below:

Funded Debt	Approximate Outstanding Principal Amount
Revolving Credit Facility	$275.0 million
Secured Notes	$856.1 million
Aircraft Debt	$1,525 million
Total Secured Debt	***$2,656.1 million***
Unsecured Term Loans due 2031	$136.3 million
Total Debt	***$2,792.4 million***

1. Revolving Credit Facility

Upon emerging from the Prior Chapter 11 Cases, Spirit entered into the Amended and Restated Revolving Credit Facility Agreement[12] with the RCF Lenders, pursuant to which the RCF Lenders provided Spirit with credit commitments in an initial aggregate principal amount of $275 million under the Revolving Credit Facility. Availability under the Revolving Credit Facility is subject to the lesser of the credit commitments thereunder and the value of the borrowing base from time to time. As collateral, the Company pledged various assets, including (a) a first lien security interest in certain pledged spare engines, spare parts, and pledged slots and (b) a second lien security interest in all assets securing the Secured Notes on a first lien basis. As of the Petition Date, Spirit had outstanding borrowings under the Revolving Credit Facility of approximately $275 million.

2. Secured Notes

Upon emerging from the Prior Chapter 11 Cases, Spirit Loyalty Cayman Ltd. and Spirit IP Cayman Ltd., each indirect wholly-owned subsidiaries of Holdings, co-issued $840 million of 12.00% senior secured notes (the "**Secured Notes**"), which were guaranteed by all other Debtors. The Secured Notes are secured by (a) a second-lien security interest in certain revolving priority collateral securing the Revolving Credit Facility on a first lien basis and (b) a first lien security interest in Notes Priority Collateral (as defined in the indenture governing the Secured Notes). As of the Petition Date, approximately $856.1 million in Secured Notes were outstanding.

[11] A chart illustrating Spirit's corporate structure is attached hereto as **Exhibit A**.

[12] As used herein, "**Amended and Restated Revolving Credit Facility Agreement**" refers to that certain amended and restated credit and guaranty agreement, dated as of March 12, 2025 (as amended, amended and restated, supplemented, or otherwise modified from time to time), among Spirit Airlines, LLC (as successor to Spirit Airlines, Inc.), as borrower, each guarantor thereto, each lender from time to time party thereto (the "**RCF Lenders**"), and Citibank, N.A., as administrative agent and collateral agent (in such capacities, the "**RCF Agent**"), pursuant to which the RCF Lenders provided Spirit Airlines, LLC with a revolving credit facility (the "**Revolving Credit Facility**").

3. Unsecured Term Loans

During 2020 and 2021, Spirit entered into three separate Payroll Support Program Agreements with the United States Department of the Treasury under the Coronavirus Aid, Relief, and Economic Security Act (as extended by the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act). These agreements provided Spirit with grants and unsecured term loans, and the Company used such funding (plus a significant amount of its own corporate funds) to pay its Employees' salaries, wages, and benefits. In exchange, the Company also issued to the United States Department of the Treasury warrants exercisable into shares of Spirit's Common Stock. The warrants were cancelled upon Spirit's emergence from the Prior Chapter 11 Cases.

ARTICLE III.
PREPETITION EVENTS

Over the last several years, Spirit, like many airlines, has been forced to contend with significant macroeconomic and industry-specific headwinds that have strained its businesses and resources. This section describes the circumstances and immediate catalysts underlying the commencement of the Chapter 11 Cases.

A. Recent Macroeconomic Trends

As the seventh largest carrier in the United States, Spirit was not immune to the macroeconomic effects of the COVID-19 pandemic, an oversupplied domestic market, and larger rivals who have capitalized on premium and cost-conscious travelers alike. In the post-pandemic period, the U.S. airline industry has seen material change as a result of shifting customer demand and operating headwinds. Business travel through 2023 had not fully returned to pre-COVID volumes, and premium leisure demand soared which, in combination with unbundled fare competition, allowed Legacy carriers to compete for an even greater portion of basic economy share relative to other airlines. Thus, margin advantage has re-shifted to favor Legacy and Value carriers that offer optionality to attract price-conscious customers while responding to premium leisure demand. Inflationary headwinds have also driven increases in unit costs for all airlines, disproportionately affecting margins at low-fare carriers who have less flexibility to raise prices in response. Airlines have also experienced increasing crew and other wages costs, airport and third-party costs, and other operational costs.

B. Strategic Initiatives

Amid these significant macroeconomic and industry-specific headwinds, the Company has continuously engaged in a variety of initiatives to reduce costs and remain competitive in the airline industry.

1. JetBlue Merger Agreement

On July 28, 2022, Spirit entered into a merger agreement with JetBlue Airways Corporation ("**JetBlue**"), pursuant to which Spirit would have merged with a wholly-owned JetBlue subsidiary, with Spirit continuing as the surviving entity. The combined company was projected to have annual revenues of approximately $11.9 billion based on the carriers' combined 2019 revenues.

In March 2023, the United States Department of Justice sued to block the Company's merger with JetBlue, alleging that the transaction was anticompetitive. On January 16, 2024, a federal judge blocked the JetBlue merger, determining that the merger would reduce competition and give airlines more leeway to raise ticket prices. Within an hour of the court blocking the merger, Spirit's stock traded down by 60%. Spirit and its advisors determined that the regulatory obstacles would not permit them to close the transaction in a timely fashion under the merger agreement. Thus, on March 1, 2024, Spirit and JetBlue agreed to terminate the merger agreement. As part of the termination, JetBlue paid Spirit $69 million.

2. Pratt & Whitney

A significant portion of the Debtors' fleet is powered by GTF engines manufactured by Pratt & Whitney. In July 2023, Pratt & Whitney announced that these engines suffer from a rare condition in the powdered metal used to manufacture certain engine parts which requires accelerated inspection of the GTF fleet. As a result, a number of the Debtors' aircraft were made unavailable for service, causing significant disruptions to their operations. Prior to the Petition Date, the Debtors and certain affiliates of Pratt & Whitney (the "**IAE Parties**") entered into an agreement that provided the Debtors with monthly credits, subject to certain conditions, through the end of 2025 in respect of the Debtors' grounded aircraft. Thereafter, the Debtors and the IAE Parties remained engaged in further negotiations over the terms of a final settlement of the Debtors' claims against Pratt & Whitney in connection with GTF engines and the rejection of leases for A320 family aircraft powered by IAE engines as part of the Debtors' fleet optimization process.

3. Transformation

In light of the various market dynamics, the Company has embarked upon a comprehensive strategic transformation to improve its financial profile and re-align its business model to adapt to the revised customer and competitive landscape. New premium offerings which started to become available in August 2024 include brand-new premium selections as part of a significant transformation to deliver a friendlier, more comfortable, and more cost-effective travel experience. In June 2025, the Company rebranded its high-value travel options for purposes of simplification, utilizing terminology more familiar to consumers. Guests who want a premium experience can book "Spirit First" or "Premium Economy," while those seeking the most economical option can select "Value." The new names build on Spirit's transformation and efforts to further elevate its guest experience. Spirit's net promoter score, which measures guests' likelihood to recommend the airline, is higher for 2025 than any previous year, a result of the Company's investment in building a friendlier and more flexible experience.

4. Aircraft Transactions

On October 29, 2024, Spirit entered into an aircraft sale and purchase agreement (the "**GAT SPA**") with GA Telesis, LLC ("**GAT**"), under which Spirit agreed to sell 23 Airbus A320ceo/A321ceo aircraft for an expected total purchase price of approximately $519 million. While some aircraft were delivered to GAT prior to the Petition Date, the purchase and sale obligations under the GAT SPA have since terminated in accordance with its terms. The Debtors are currently in discussions with parties regarding a potential transaction for these aircraft.

On March 31, 2025, Spirit completed a private offering of Spirit Airlines Class B(R) Pass Through Certificates, Series 2025-1B(R) (the "**Class B(R) Certificates**"), in the aggregate face amount of $215 million, the proceeds of which were used to acquire new equipment notes issued by Spirit Airlines, LLC. Spirit used the proceeds from such issuance to repay $43 million outstanding related to Spirit Airlines, LLC's existing "Series B" equipment notes issued under the Spirit Airlines 2017-1 pass through certificates, pay transaction fees, and for general corporate purposes. The Series B(R) Equipment Notes are secured by 27 Airbus A320 family aircraft originally delivered new to Spirit between October 2015 and October 2018.

In July and August 2025, Spirit completed a series of sale-leaseback transactions with respect to 14 spare engines, pursuant to true operating leases with respect to each such spare engine, resulting in net cash proceeds to the Company of approximately $250 million.

C. Prior Chapter 11 Cases

In the fall of 2024, in light of large upcoming debt maturities and external macroeconomic pressures, Spirit reached a deal with substantially all of its bondholders, who equitized approximately $800 million of debt and injected $350 million of new liquidity through an equity rights offering. On November 18, 2024, Spirit Airlines, Inc. and certain of its subsidiaries filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (collectively, the "**Prior Chapter 11 Cases**"). Spirit emerged from bankruptcy on March 12, 2025.

D. Elavon Agreement Amendments

As is common in the airline industry, almost all of Spirit's sales are through credit card transactions. Cash receipts from the various banks who process these transactions account for the overwhelming majority of Spirit's total receipts. When future air travel and other future services are purchased via credit card transactions, Spirit's contractual arrangements with credit card processors permit the processors, under certain circumstances, to retain a holdback or other collateral. Spirit records these amounts as restricted cash. The required holdback is the percentage of Spirit's overall credit card sales that their credit card processors hold to cover refunds to customers if Spirit fails to fulfill its flight obligations.

On May 21, 2009, Spirit entered into a signatory agreement (as amended from time to time in accordance with its terms, the "**Credit Card Processing Agreement**") with an affiliate of U.S. Bank National Association ("**U.S. Bank**" or "**Elavon**"), pursuant to which Elavon processes credit card payments for the Debtors. Effective on August 15, 2025, and August 20, 2025, Spirit and Elavon entered into two amendments to the Credit Card Processing Agreement. On August 15, 2025, Spirit agreed to make an additional transfer of $50 million in cash to a pledged account in favor of Elavon. On August 20, 2025, Spirit agreed to allow Elavon (a) to hold back up to $3 million per day until Elavon's exposure was fully collateralized and (b) to remain fully collateralized as Elavon's exposure increases or decreases. In exchange, Elavon agreed (a) to extend the term of the Credit Card Processing Agreement from December 31, 2025 to December 31, 2027, followed by two automatic one-year extensions unless either party provides a notice of non-renewal not less than 90 days prior to the end of the then-effective term, and (b) to remove the then-existing minimum liquidity trigger for holdbacks under the Credit Card Processing Agreement.

E. Airbus Order and AerCap Leases

In December 2019, Spirit entered into an A320 NEO Family Purchase Agreement with Airbus S.A.S. ("**Airbus**") for the purchase of 100 new Airbus A320neo family aircraft, with options to purchase up to 50 additional aircraft. This agreement (as amended from time to time in accordance with its terms) included a mix of A320 family aircraft scheduled for delivery through 2031. As of June 30, 2025, the firm aircraft orders consisted of 52 A320 family aircraft with Airbus, including A320neos and A321neos, with deliveries expected through 2031.

On July 30, 2024, Spirit entered into committed direct lease transactions with AerCap Holdings N.V. (together with its affiliates, "**AerCap**") covering 36 aircraft that were originally part of Spirit's order book with Airbus. Late in the afternoon on Monday, August 25, 2025, with no prior notice, AerCap Ireland Limited sent written notice (the "**Termination Notice**") to the Company asserting certain events of default under lease agreements related to these 36 aircraft slated to be delivered in 2027 and 2028 (the "**Undelivered Aircraft**"), and that it had terminated all 36 such lease agreements. Concurrently, AerCap sent written notice (the "**Default Notice**" and, together with the Termination Notice, the "**Notices**") to the Company asserting identical events of default under leases related to 37 aircraft leased from AerCap in Spirit's existing fleet (the "**Existing Aircraft**"), though the Default Notice did not demand or accelerate payment, terminate the leases, or otherwise exercise remedies.

Spirit disputed that any termination right or event of default existed under any of these leases, and it disputed the validity of the notices. Spirit was required to, and did, disclose those notices in a SEC Form 8-K filed on Friday, August 29, 2025. Concerned that the disclosure of these purported default notices by its biggest lessor could prompt other actions from other counterparties, including other aircraft lessors, Spirit concluded that it had no choice but to quickly seek the protections of chapter 11. As discussed elsewhere herein, during the course of these chapter 11 cases, Spirit reached a settlement of the disputed termination with AerCap, whereby AerCap agreed to provide Sprit with, among other things, a $150 million liquidity infusion and other significant cost savings.

ARTICLE IV.
POST-PETITION EVENTS

A. The First Day Pleadings

On the Petition Date, the Debtors also Filed several "first day" motions (collectively, the "**First Day Pleadings**") designed to ease the Debtors' transition into chapter 11, maximize the value of the Debtors' assets, and minimize the effects of the commencement of the Chapter 11 Cases. The Bankruptcy Court has entered orders with respect to each of the First Day Pleadings, enabling the Debtors to preserve value and efficiently administer the Chapter 11 Cases, including by (1) approving adequate protection for certain prepetition secured creditors, (2) authorizing the Debtors to maintain existing cash management system, bank accounts, and business forms, and continue to perform intercompany transactions, (3) authorizing the Debtors to pay certain prepetition taxes and fees, (4) authorizing the Debtors to pay their obligations under prepetition insurance policies, continue paying brokerage fees, enter into new premium financing agreements in the ordinary course of business, and renew, supplement, modify, and purchase insurance coverage in the ordinary course of business, (5) granting authority to pay employees' wage Claims and related obligations in the ordinary course of business and perform under its employee benefit programs, (6) approving procedures for, among other things, determining adequate assurance for utility providers, prohibiting utility providers from altering, refusing, or discontinuing services, and determining that the Debtors are not required to provide additional adequate assurance, (7) authorizing the Debtors to honor prepetition obligations to customers and continue customer practices, (8) authorizing the Debtors to honor prepetition obligations to its critical vendors and lienholders, and (9) authorizing the Debtors to satisfy critical airline obligations and authorizing financial institutions to honor related checks and transfers. *See* ECF Nos. 3, 4, 9, 10, 11, 12, 17, 18, 79.

B. Cash Collateral

On September 2, 2025, the Debtors filed the *Motion of the Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay, (IV) Scheduling a Further Hearing on the Motion, and (V) Granting Related Relief* [ECF No. 79] (as supplemented and amended, the "**Adequate Protection Motion**"), seeking authority to, among other things, use the Prepetition Collateral and the proceeds thereof to provide working capital for, and for other general corporate purposes of, the Debtors. *See* ECF Nos. 79, 141, 173. On September 10, 2025, the Bankruptcy Court entered the order approving the motion on an interim basis (the "**Interim Adequate Protection Order**") and on October 7, 2025, the Bankruptcy Court entered the order approving the motion, as supplemented, on an interim basis (the "**Second Interim Adequate Protection Order**"). *See* ECF Nos. 89, 224.

C. DIP Financing

On October 1, 2025, the Debtors filed the *Motion of Debtors for Entry of (I) Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, 506, 507, and 552, (A) Authorizing the Debtors to Obtain Post-Petition Financing, (B) Granting Senior Secured Liens and Superpriority Administrative Expense Claims, (C) Granting Adequate Protection, (D) Modifying the Automatic Stay, (E) Scheduling a Final Hearing on the Motion; and (F) Granting Related Relief; and (II) Third Interim Order (A) Authorizing the Debtors to Use Cash in Encumbered Accounts; (B) Granting Adequate Protection; (C) Modifying the Automatic Stay; (D) Scheduling a Final Hearing on the Motion; and (E) Granting Relief* [ECF No. 194] (as supplemented by the supplemental motion [ECF No. 211], the "**DIP Motion**") seeking authority to, among other things, obtain new money debtor-in-possession financing (the "**DIP Financing**") in the amount of up to $475 million (the "**DIP Facility**") and enter into that certain *Superpriority Secured Debtor in Possession Term Loan Credit Agreement* (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**DIP Credit Agreement**").

On October 10, 2025, the Bankruptcy Court entered the *(I) Interim Order (A) Authorizing the Debtors to Obtain Post-Petition Financing, (B) Granting Senior Secured Liens and Superpriority Administrative Expense Claims, (C) Granting Adequate Protection, (D) Modifying the Automatic Stay, (E) Scheduling a Final Hearing on the Motion; and (F) Granting Related Relief; and (II) Third Interim Order (A) Authorizing the Debtors to Use Cash in Encumbered Accounts; (B) Granting Adequate Protection; (C) Modifying the Automatic Stay; (D) Scheduling* *a Final Hearing on the Motion; and (E) Granting Relief* [ECF No. 250] (the "**Interim DIP Order**") approving the relief requested in the DIP Motion on an interim basis. The new money portion of the DIP Financing was made available to the Debtors via four draws, with each draw subject to satisfaction of certain conditions set forth in the DIP Credit Agreement.

Upon the Committee's formation on September 17, 2025, the Debtors engaged in extensive, arm's-length negotiations with the Committee and the DIP Lenders with respect to the terms of the DIP Facility and the Final DIP Order. After voluminous diligence and several weeks of negotiations, the parties reached a resolution on the terms of the Final DIP Order, which resulted in the Committee fully supporting entry of the Final DIP Order. *See* ECF No. 343. Several subsequent material modifications were made to the terms of the DIP Financing, including the removal of certain conditions to borrowing the $100,000,000 of new money term loans available under the Third Draw (the "**Third Draw New Money Term Loans**").

The Debtors and the DIP Lenders reached an agreement to further amend the terms of the DIP Facility and the Final DIP Order to, among other things, (i) remove certain conditions to borrowing the Third Draw New Money Term Loans, (ii) require that the Spirit Airlines, LLC, as borrower, (the "**DIP Borrower**") and the guarantors maintain $50,000,000 of the proceeds from the Third Draw New Money Term Loans in certain encumbered accounts at all times prior to the occurrence of certain conditions, (iii) add certain additional reporting requirements for the DIP Borrower, (iv) amend the terms of the Administrative Claim Carve Out (as defined in the Final DIP Order) for certain liabilities with respect to payroll and related withholdings and any other amounts due to employees upon applicable separation, (v) clarify the categories of claims that constitute "Administrative Claim Carve Out Claims" (as defined in the Final DIP Order); (vi) provide for a cap for certain Administrative Claim Carve Out Claims of $80,000,000; and (vii) incorporate funding mechanics with respect to certain Administrative Claim Carve Out Claims upon receipt of a Carve Out Trigger Notice (as defined in the Final DIP Order). On December 29, 2025, the Bankruptcy Court entered the *Agreed Order Amending Final Order (I) Authorizing the Debtors to Obtain Postpetition Financing; (II) Granting Senior Secured Liens and Superpriority Administrative Expense Claims; (III) Authorizing the Debtors to Utilize Cash in Encumbered Accounts; (IV) Granting Adequate Protection; (V) Modifying the Automatic Stay; and (VI) Granting Related Relief* [ECF No. 643], effectuating the agreed amendments.

D. Debtors' Fleet and Network Optimization Process

As part of their ongoing reorganization efforts, the Debtors have engaged in a multi-step process to analyze their anticipated, long-term network, fleet and equipment needs and make corresponding adjustments to the size and composition of their current operating fleet. While this process remains ongoing, the Debtors have already utilized the tools provided under chapter 11 to materially optimize and condense the size of their fleet, which has significantly reduced Spirit's associated debt and lease obligations. The Debtors' fleet optimization process has included the rejection of surplus aircraft leases to eliminate unnecessary obligations of the Debtors, negotiation agreements with various lessors to obtain favorable lease terms and the abandonment of equipment.

Among other things, the Debtors filed a motion [ECF No. 78] seeking to establish procedures to provide the Debtors additional time to evaluate and, if necessary, negotiate definitive agreements with aircraft counterparties beyond the 60-day period specified in section 1110 of the Bankruptcy Code to conduct this process. The Bankruptcy Court granted the Debtors' motion on October 7, 2025 [ECF No. 225]. Thereafter, the Debtors filed numerous stipulations with aircraft counterparties to enable the Debtors to continue to utilize the aircraft under more favorable terms. The Debtors also filed several elections under section 1110(a) of the Bankruptcy Code to continue to utilize other aircraft leases during the course of the Chapter 11 Cases.

In addition, the Debtors have rejected executory contracts and leases as follows:

- On September 16, 2025, the Debtors filed the *Omnibus Motion for an Order (I) Approving the Rejection of (A) Certain Airport Use and Lease and (B) Related Executory Contracts, Agreements, (II) Approving the Abandonment of Certain Excess Property, and (III) Granting Related Relief* [ECF No. 114], seeking authority to reject certain airport use and lease agreements and related executory contracts, which was approved by the Bankruptcy Court on October 7, 2025 [ECF No. 222].

- On October 2, 2025, the Debtors filed the *Debtors' First Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases Pursuant to Section 365 of the Bankruptcy Code* [ECF No. 204], seeking authority to reject leases for certain aircraft, which was approved by the Bankruptcy Court on October 21, 2025 [ECF No. 301] and amended on October 28, 2025 pursuant to the *Notice Regarding Amended Schedule 1 to the Order Granting Debtors' First Omnibus Motion to Reject Certain Equipment Leases Pursuant to Section 365 of the Bankruptcy Code* [ECF No. 376].

- On October 27, 2025, the Debtors filed the *Debtors' Second Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases Pursuant to Section 365 of the Bankruptcy Code* [ECF No. 345], seeking authority to reject leases for certain spare engines, which was approved by the Bankruptcy Court on November 20, 2025 [ECF No. 483].

- On October 29, 2025, the Debtors filed the *Omnibus Motion for an Order (I) Approving the Rejection of Certain Airport Agreements, (II) Approving the Abandonment of Certain Excess Property and (III) Granting Related Relief* [ECF No. 274], seeking authority to reject certain airport agreements and abandon certain excess property, which was approved by the Bankruptcy Court on November 3, 2025 [ECF No. 389].

- On December 2, 2025, the Debtors filed the *Debtors' Third Omnibus Motion for Entry of an Order Authorizing the Debtors to Reject Certain Equipment Leases Pursuant to Section 365 of the Bankruptcy Code* [ECF No. 531] (the "**Third Rejection Motion**"), seeking authority to reject leases for certain aircraft and spare engines, which was approved by the Bankruptcy Court on December 23, 2025 [ECF No. 633] solely with respect to the leases associated with the equipment listed therein. On February 10, 2026, the Debtors filed the *Notice Regarding Amended Schedule 1 to the Order Granting Debtors' Third Omnibus Motion to Reject*

Certain Equipment Leases Pursuant to Section 365 of the Bankruptcy Code [ECF No. 767], which modified the effective date for the rejection of certain leases for certain aircraft.

- On December 5, 2025, the Debtors filed the *First Notice of Certain Executory Contracts and/or Unexpired Leases* [ECF No. 550].
- On December 8, 2025, the Debtors filed the *Notice of Rejection of Equipment Subject to the Stipulation and Order Approving Section 1110(b) Extension with JSAI Concerning Certain Aircraft Equipment* [ECF No. 561].
- On December 10, 2025, the Debtors filed the *Notice of Rejection of Equipment Subject to the Stipulation and Order Approving Section 1110(b) Extension with Certain Counterparties Concerning Certain Aircraft Equipment* [ECF No. 577].
- On December 10, 2025, the Debtors filed the *Second Notice of Certain Executory Contracts and/or Unexpired Leases* [ECF No. 578].
- On December 18, 2025, the Debtors filed the *Third Notice of Certain Executory Contracts and/or Unexpired Leases* [ECF No. 607].
- On December 23, 2025, the Debtors filed the *Notice of Rejection of Equipment Subject to Certain Stipulations and Orders Approving Section 1110(b) Extensions with Certain Counterparties Concerning Certain Aircraft Equipment* [ECF No. 632].
- On January 5, 2026, the Debtors filed the *Notice of Rejection of Engine Agreements Subject to Certain Stipulations and Orders Approving Section 1110(b) Extensions with Certain Counterparties Concerning Certain Aircraft Equipment* [ECF No. 662], amended on January 30, 2026, by ECF No. 743.
- On January 16, 2026, the Debtors filed the *Notice of Rejection of Equipment Subject to Stipulation and Order Approving Section 1110(b) Extension with Certain Counterparties Concerning Certain Aircraft Equipment* [ECF No. 702].
- On January 20, 2026, the Debtors filed the *Fourth Notice of Certain Executory Contracts and/or Unexpired Leases* [ECF No. 706].
- On February 9, 2026, the Debtors filed the *Sixth Notice of Certain Executory Contracts and/or Unexpired Leases* [ECF No. 764]. On February 23, 2026, the Debtors filed the *Notice of Amendment to Sixth Notice of Rejection of Certain Executory Contracts and/or Unexpired Lease* [ECF No. 799], which modified the rejection date of a certain lease.

E. Appointment of Examiner and Examiner Report

On October 28, 2025, the U.S. Trustee appointed Marc J. Heimowitz as examiner (the "**Examiner**") pursuant to section 1104(d) of the Bankruptcy Code. *See* ECF No. 363. On October 29, 2025, the Bankruptcy Court entered an order approving Mr. Heimowitz's appointment as examiner, with the scope of investigating the circumstances surrounding the filing of these chapter 11 cases in the aftermath of the Prior Chapter 11 Cases. See ECF No. 381.

On December 15, 2025, the Examiner submitted the *Report of Examiner Marc J. Heimowitz* [ECF No. 595] to the Bankruptcy Court (the "**Examiner Report**"), detailing the Examiner's findings following his independent investigation. The Examiner Report concluded that there was no evidence of "concealed information, staged restructuring intent, or reliance on undisclosed contingencies" in connection with the confirmation of the chapter 11 plan in the Prior Chapter 11 Cases, further finding that the "speed and magnitude of [Spirit's] revenue decline in 2025 were not reasonably foreseeable" at the time of confirmation of the chapter 11 plan in the Prior Chapter 11 Cases.

F. AerCap Settlement

AerCap is Spirit's largest source of leased aircraft. As of the Petition Date, Spirit's fleet of 214 Airbus A320 family aircraft included 166 leased aircraft, 37 of which were leased from AerCap. Of these 37 Existing Aircraft, 25 aircraft are outfitted with the new generation Pratt & Whitney geared turbofan ("**GTF**") engine. These engines suffered from powdered metal-related issues which have rendered the 25 aircraft inoperable (the "**Grounded Aircraft**"). As discussed elsewhere herein, Spirit was in dispute with AerCap regarding these Existing Aircraft and the underlying leases (the "**Existing Leases**").

In July 2024, Spirit entered into committed direct lease transactions with AerCap covering 36 Undelivered Aircraft. On July 29, 2024, the Debtors and certain of the AerCap entities entered into that certain Framework Agreement which purported to, among other things, integrate the leases for the 36 Undelivered Aircraft, the Existing Leases (which were previously governed under four distinct cross-default arrangements) and certain other agreements into a single agreement. On August 25, 2025, AerCap Ireland Limited sent a Termination Notice to the Company asserting certain events of default under the lease agreements for the Undelivered Aircraft and that it had terminated all of such lease agreements. Concurrently, AerCap sent a Default Notice to the Company asserting identical events of default under the leases related to the Existing Aircraft.

Following extensive negotiations, the Debtors and AerCap reached a global settlement which contemplated, among other things, (a) a stipulation as to the amount of AerCap's prepetition unsecured claim against Spirit, (b) a $150,000,000 liquidity payment from AerCap to the Debtors, (c) rejection of leases for certain aircraft that are currently grounded, and (d) delivery of new aircraft on a phased timeline, with aircraft to be delivered in each of 2027, 2028, and 2029. On September 23, 2025, the Debtors filed the *Motion of the Debtors for Entry of an Order (I) Approving the Global Restructuring Term Sheet with AerCap Ireland Limited, (II) Authorizing and Approving Assumption and Rejection of Certain Aircraft Agreements, (III) Authorizing Entry Into the New Lease Agreements and Definitive Documents, and (IV) Granting Related Relief* [ECF No. 135, amended by ECF No. 184] seeking approval of the global settlement. On October 10, 2025, the Bankruptcy Court entered an order approving the global settlement between the Debtors and AerCap. *See* ECF No. 247.

G. Settlement with the IAE Parties

On December 3, 2025, following further negotiation with the IAE Parties regarding a settlement of the claims described in Article III.B.2 of this Disclosure Statement, the Debtors filed the *Motion of the Debtors for Entry of an Order (I) Approving the Restructuring Term Sheet with the IAE Parties, (II) Authorizing and Approving Entry into the Definitive Documents and GTE Agreements, and (III) Granting Related Relief* [ECF No. 540], seeking Court approval of a restructuring settlement with the IAE Parties. On December 23, 2025, the Bankruptcy Court entered the order approving the global settlement between the Debtors and the IAE Parties. *See* ECF No. 634. The benefits to the Debtors' estates under the terms of the settlement are substantial, and they include, among other things, (i) amendments to the Debtors' agreements with the IAE Parties to ensure ongoing maintenance of the Debtors' aircraft engines at competitive rates, notwithstanding the lower volume of service demand by the Debtors' optimized fleet, (ii) up to $140 million of additional credits from the IAE Parties in respect of the Debtors' grounded aircraft, (iii) agreement on outstanding amounts due to the IAE Parties for maintenance already performed, (iv) ongoing access to GTEs and spare engines, in each case necessary to power Spirit's remaining fleet of A320 neo family aircraft, and (v) a waiver and release by the IAE Parties of certain liquidated damages claims against Spirit. On February 5, 2026, the Debtors and the IAE Parties entered into the "Restructuring Agreements" to implement the settlement.

H. Carlyle Aviation Restructuring Agreement

On October 17, 2025, the Debtors filed the *Motion for Entry of an Order (I) Approving the Restructuring Term Sheet with Carlyle Aviation Management Limited, (II) Authorizing and Approving the Amendment and Assumption of Certain Aircraft Agreements, and (iii) Granting Related Relief* [ECF No. 289] (the "**Carlyle Motion**"). On December 5, 2025, the Bankruptcy Court entered the order approving the Restructuring Agreement between the Debtors and Carlyle Aviation Management Limited, not in its individual capacity, but solely as servicer ("**Carlyle**"), on behalf of certain Lessors (as defined in the restructuring term sheet appended to the Carlyle Motion (the "**Restructuring Term Sheet**")). *See* ECF No. 546.

Specifically, the Restructuring Term Sheet involved five Airbus A320-200 aircraft, each equipped with IAE V2500 (Select) Engines, and provided for the amendment and later assumption of leases for those five aircraft. Under the terms of the agreement, the Lessors (as defined in the Restructuring Term Sheet) agreed to significant contributions in exchange for Spirit waiving potentially disputed claims, making an election under section 1110(a) of the Bankruptcy Code and thereby agreeing to perform all amended Lease obligations as they come due, curing all defaults, and assuming the Leases as amended pursuant to the Restructuring Term Sheet. In particular, the Lessors agreed to provide the Debtors with a significant liquidity injection in respect of certain maintenance expenses with regards to the Engines, and additional flexibility with respect to certain commercial lease terms including lease duration, rental rates, security deposits and maintenance obligations.

By settling the go-forward terms for the leases with the Lessors, the Debtors will receive an extra liquidity infusion in 2026 and are spared the expense and uncertainty of protracted negotiations and potential litigation with respect to the terms and potential continued use of the aircraft in question. In exchange, as part of the negotiated transaction, the Debtors agreed to provide the Lessors with administrative expense priority for post-petition obligations accruing under the Amended Leases, and an allowed general unsecured claim for each of the Carlyle lessors equal to 80% of the total lessor contribution for its respective aircraft lease.

I. Consensual Agreements with ALPA and AFA to Amend Collective Bargaining Agreements

As of the Petition Date, approximately 9,800 of Spirit's employees were unionized and subject to a collective bargaining agreement ("**CBA**"). These unionized Spirit employees included, among others, approximately 3,100 pilots and 5,300 flight attendants. Spirit's pilots are represented by the Air Line Pilots Association ("**ALPA**"), and Spirit's flight attendants are represented by the Association of Flight Attendants ("**AFA**," and, with ALPA, the "**Unions**"). As of the Petition Date, Spirit was party to CBAs with both ALPA and AFA governing their respective workgroups.

As described above, the DIP Facility incurred by the Debtors was structured to provide the Debtors with new money DIP loans in four draws, subject to satisfaction of certain conditions. Specifically, one of the conditions for Spirit to receive the second tranche of DIP funding was, by November 7, 2025, to have either (i) reached an agreement in principle to modify the collective bargaining agreement of one of its labor groups or (ii) filed a motion under section 1113 of the Bankruptcy Code to reject a CBA. Drawing the fourth tranche of DIP funding would require Spirit to, among other conditions, reach a final amended CBA with one or more unions or otherwise achieve a rejection of a CBA pursuant to section 1113. Accordingly, the Debtors engaged in arm's-length negotiations with the Unions after the Petition Date regarding the terms of Spirit's CBAs with the Unions. These negotiations, whereby Spirit sought to amend the prepetition CBAs with ALPA and AFA with the aim of reducing the expense of Spirit's labor costs and achieving the labor savings required by its DIP Facility, culminated in new CBAs with both groups which reflected substantial and essential concessions from the Unions.

On December 11, 2025, the Debtors filed the *Motion of the Debtors for Entry of an Order Pursuant to §§ 363(b) and 105(a) and Fed. R. Bankr. P. 9019(a) Authorizing Entry into Agreements Establishing New Labor Conditions with ALPA and AFA* [ECF No. 585], seeking authority to enter into agreements establishing new collective bargaining agreements (such agreements, collectively, the "**New CBAs**") with ALPA, the collective bargaining representative for Spirit pilots, and the AFA, the collective bargaining representative for Spirit flight attendants. The New CBAs were ratified by the Unions' members on December 11, 2025, and signed by Spirit and the Unions on December 11, 2025, and the Bankruptcy Court entered an order approving the New CBAs on December 29, 2025. *See* ECF No. 642. In addition to satisfying the conditions to access funding under the DIP Facility, the new two-year collective bargaining agreements with ALPA and AFA are projected to provide the Debtors with approximately $100 million in annual labor cost savings while also helping avoid potentially disruptive, costly and time-consuming litigation, further preserving estate resources.

J. O'Hare Gate Sales

As part of the Debtors' ongoing network optimization process, the Debtors undertook a comprehensive strategic review of their flight operations in an effort to optimize their route offerings and more efficiently serve their guests. In connection with that review, the Debtors determined that while they intend to continue operating out of O'Hare International Airport ("**O'Hare**"), they did not require all of the space associated with their lease at O'Hare. Accordingly, the Debtors sought to (a) assume the Use and Lease Agreement between Debtor Spirit Airlines, LLC (f/k/a Spirit Airlines, Inc.) (the "**Assignor**") and the City of Chicago, pursuant to which the Assignor leased certain premises at O'Hare which contained, without limitation, the Preferential Use Gate Space at gates G8, G10, G12 and G14 at O'Hare, and (b) assign the Assigned Premises, including certain space associated with two O'Hare preferential gates, to American Airlines, Inc. (the "**Assignee**") in accordance with the Assignment Agreement, as consideration for which the Assignee would remit to Spirit a one-time $30 million assignment fee.

On November 17, 2025, the Debtors filed the *Motion of the Debtors for Entry of an Order Authorizing and Approving Debtor Spirit Airlines, LLC's (I) Performance Under the Assignment Agreement and (II) Assumption of the Use and Lease Agreement* [ECF No. 468], seeking authority to perform under the Assignment Agreement and assume the Use and Lease Agreement. On December 15, 2025, the Bankruptcy Court entered the order granting the relief sought therein. *See* ECF No. 596.

Following the assignment of two gates American Airlines, the Debtors determined, in good faith and using their sound business judgment, that while they intend to continue operating at O'Hare, that they no longer require the use of their exclusive or preferential gate access, and that their current and projected flight schedule can be adequately supported through the use of common use gates under the Use and Lease Agreement. Transitioning from preferential gates to common use gates is expected to provide the Debtors with greater flexibility, while minimizing the fixed costs associated with underutilized gate capacity. Accordingly, on February 3, 2026, the Debtors filed the *Second Motion of the Debtors for Entry of an Order Authorizing and Approving Debtor Spirit Airlines, LLC's Performance Under the Assignment Agreement* [ECF No. 751], seeking authority to assign their two remaining gates at O'Hare, gates G12 and G14, to United airlines, as consideration for which United Airlines will remit to Spirit a one-time $30.2 million assignment fee. On February 25, 2026, the Bankruptcy Court entered the order granting the relief sought therein. *See* ECF No. 803.

K. HFS Aircraft Sale Process

As described in the First Day Declaration, the Debtors own 48 Airbus aircraft, only 36 of which are actively being used for Spirit's operations, and 12 of which are in advanced stages of refurbishment and reactivation. As part of the Debtors' revised business plan, the Debtors have been actively marketing 20 of these 48 aircraft as part of their efforts to optimize their fleet and monetize certain assets to improve the Debtors' financial position for the benefit of the Debtors' stakeholders.

On February 11, 2026, the Debtors filed the *Debtors' Motion for Entry of (I) an Order (A) Approving Bidding Procedures and Bid Protections in Connection with the Sale of Certain*

Aircraft, (B) Approving the Form and Manner of Applicable Notices and (C) Scheduling an Auction and Sale Hearing and (II) an Order (A) Authorizing the Sale of Aircraft and Related Assets Free and Clear of All Liens, Claims and Encumbrances and Other Interests and (B) Granting Related Relief [ECF No. 770], seeking approval to engage in a competitive process to sell the 20 aircraft, as such assets are defined in the Aircraft Sale and Purchase agreement, dated February 9, 2026, as may be amended (the "**Aircraft Sale Agreement**"), by and among Spirit Airlines, LLC and CSDS Asset Management LLC (the "**Stalking Horse Buyer**"), and establish certain bidding procedures which will govern the sale of Spirit's ownership in the 20 aircraft to the Stalking Horse Buyer (or other Successful Bidder as determined at auction).

After conducting a fulsome marketing process, Spirit believes that the transactions reflected in the Aircraft Sale Agreement represent the best offer for the Aircraft, taken as a whole, and are in the best interests of the Debtors based upon (among other factors and without limitation) (a) the marketing process, (b) the purchase price provided in the Aircraft Sale Agreement, (c) the other terms set forth in the Aircraft Sale Agreement, (d) the expected execution benefits from placing all Aircraft with a single buyer and (e) the operational right-sizing (including related cost savings) that Spirit is able to implement based upon the terms of the Aircraft Sale Agreement.

Pursuant to the Aircraft Sale Agreement, Spirit agreed to sell, and the Stalking Horse Buyer agreed to purchase, 20 Airbus model A320ceo aircraft and Airbus model A321ceo aircraft, in each case upon and subject to the terms and conditions of the Aircraft Sale Agreement. In accordance with the terms and conditions of the Aircraft Sale Agreement, for each Aircraft, upon payment of the Purchase Price, Spirit shall, by execution and delivery to the Stalking Horse Buyer of a Bill of Sale, sell to the Stalking Horse Buyer outright good and valid title in and to such Aircraft, free and clear of all Liens, claims and interests (other than Buyer's Liens). Importantly, the consideration for each Aircraft will be sufficient to satisfy the existing debt on the applicable Aircraft, with the balance of the consideration being funded to the Debtors' estates to improve the Debtors' financial position for the benefit of the Debtors' stakeholders. The bidding procedures motion is set for hearing on March 11, 2026, which contemplates an auction on April 20, 2026 (if additional qualified bids are received) and a sale hearing on April 23, 2026. The Debtors anticipate that closing will occur for all aircraft by the end of the fourth quarter of 2026.

L. Entry into the Restructuring Support Agreement

During the course of the Chapter 11 Cases, the Debtors, with the assistance of its Advisors, engaged in extensive, good-faith, arm's-length negotiations with various key financial stakeholders and prospective partners, including the Debtors' funded debt creditors, to explore potential transactions to address the Debtors' capital structure. These negotiations culminated in the execution of the Restructuring Support Agreement that commits the Debtors and the Consenting DIP Lenders to a comprehensive restructuring. A copy of the Restructuring Support Agreement is attached hereto as **Exhibit E** and incorporated herein by reference.

Pursuant to the Restructuring Support Agreement, the Consenting DIP Lenders agreed to support the Plan and the proposed Restructuring Transactions. Specifically, the Restructuring Support Agreement and the Plan attached as Exhibit A thereto contemplate, among other things, (i) the issuance of DIP Roll-Up Equitization Interests to Holders of Roll-Up DIP Loans on a Pro Rata basis on the Effective Date, (ii) the issuance of Exit Secured Loans to Holders of Roll-Up

DIP Loans on a Pro Rata basis on the Effective Date, (iii) the use of $150 million of Encumbered Cash in the Specified Encumbered Accounts (each as defined in the Final DIP Order) to prepay a principal amount of Term Loans (as defined in the DIP Credit Agreement) within (2) Business Days of the Restructuring Support Agreement effective date, (iv) the use of all cash, funds, investments, and securities from the Encumbered Accounts (as defined in the Final DIP Order), during the Agreement Effective Period, upon the satisfaction of negotiated milestones, provided the Debtors maintain at least $239 million in the Encumbered Accounts, which amount shall constitute Encumbered Cash (as defined in the Final DIP Order) and shall not be further used, accessed, or otherwise diminished without the prior written consent of the Required Consenting DIP Lenders (as defined in the Restructuring Support Agreement), further provided that at any time on or after the date that is four (4) weeks following the Agreement Effective Date, the Debtors may provide a written request to the Consenting DIP Lenders (including via email to counsel) to use all cash, funds, investments, and securities from the Encumbered Accounts, during the Agreement Effective Period, provided that the Debtors maintain at all times not less than $200 million in the Encumbered Accounts, which amount shall constitute Encumbered Cash (as defined in the Final DIP Order) and shall not be further used, accessed, or otherwise diminished without the prior written consent of the Required Consenting DIP Lenders (as determined in their sole discretion); *provided* that the Consenting DIP Lenders, constituting Required DIP Lenders, shall be deemed not to have consented to such request unless the Required Consenting DIP Lenders deliver a written response to the Debtors (including via email from counsel) approving such request (as determined in their sole discretion) within two (2) Business Days of receipt thereof; *provided further* that, if the Required Consenting DIP Lenders do not timely approve the Debtors' request, the Restructuring Support Agreement will automatically terminate, (v) the payment of $100 million of Encumbered Cash in the Specified Encumbered Accounts (as such terms are defined in the Final DIP Order) to Holders of Allowed New Money DIP Loan Superpriority Claims and/or Allowed Roll-Up DIP Loan Superpriority Claims on the Effective Date, and (vi) the provision of Distributable Sale Proceeds to Holders of New Money DIP Loan Superpriority Claims and Roll-Up DIP Loan Superpriority Claims in accordance with the Plan.

The Restructuring Support Agreement includes certain milestones, which may be extended with the consent of the Company and the Required Consenting DIP Lenders in accordance with the terms thereof. Key milestones include:

(i) No later than two (2) Business Days following the Agreement Effective Date, the Debtors shall use an aggregate amount equal to $150 million of Encumbered Cash in the Specified Encumbered Accounts (as such terms are defined in the Final DIP Order) to prepay a principal amount of Term Loans (as defined in the DIP Credit Agreement) and accrued and unpaid interest thereon pursuant to Section 2.05(a) of the DIP Credit Agreement;

(ii) No later than two (2) Business Days after the Agreement Effective Date, the Company shall file (i) the Plan, (ii) the Disclosure Statement, and (iii) the Solicitation Procedures Motion with the Bankruptcy Court;

(iii) No later than April 30, 2026, the Bankruptcy Court shall have entered the Solicitation Procedures Order;

(iv) No later than June 15, 2026, the Bankruptcy Court shall have entered the Confirmation Order; and

(v) The Plan shall have become effective in accordance with its terms no later than 30 days from the entry of the Confirmation Order; *provided, however*, such date may be automatically extended until the Outside Date to the extent regulatory approvals are the only outstanding conditions to effectiveness of the Plan.

M. The Disclosure Statement Order

On [●], 2026, the Bankruptcy Court entered the Disclosure Statement Order which, among other things, (1) approved the Disclosure Statement as containing adequate information, in compliance with section 1125(a) of the Bankruptcy Code, for the purpose of soliciting votes on the Plan, (2) approved the forms of Ballots, Solicitation Package, and other related notices, and (3) established certain dates and deadlines in connection with the solicitation and confirmation of the Plan, including the following:[13]

Event	**Date**[14]
Voting Record Date	April 10, 2026
Commencement of Solicitation (the "**Solicitation Deadline**")	Four (4) Business Days after entry of the Proposed Disclosure Statement Order, or as soon as reasonably practicable thereafter
Publication Deadline	Ten (10) Business Days after entry of the Proposed Disclosure Statement Order, or as soon as reasonably practicable thereafter
Deadline to File Contract Notices	May 13, 2026
Voting Deadline	May 15, 2026, at 4:00 p.m.
Deadline to File Voting Report	Seven (7) days before Confirmation Hearing, at 4:00 p.m.
Deadline to File Exit RCF Trigger Notice	Seven (7) days before Confirmation Hearing, at 4:00 p.m., or as soon as reasonably practicable thereafter
Plan Objection Deadline, Contract Objection Deadline	May 20, 2026, at 4:00 p.m.

[13] Subject to the consent rights of the Consenting DIP Lenders on the terms set forth in the Restructuring Support Agreement, the Company may extend the milestones as set forth in the Restructuring Support Agreement.

[14] The dates and times set forth herein are subject to change. The Debtors shall be authorized to extend the Voting Deadline with notice to the Required Consenting DIP Lenders and without further order of the Court.

Event	Date[14]
Deadline to File the Confirmation Brief and Omnibus Reply to Plan Objections (the "**Reply Deadline**")	May 25, 2026, at 12:00 p.m.
Confirmation Hearing Date	May 27, 2026, at 11:00 a.m.

ARTICLE V. CONFIRMATION REQUIREMENTS

The following is a brief summary of the Plan confirmation process. Holders of Claims are encouraged to review the relevant provisions of the Bankruptcy Code and consult their own legal, financial, and other advisors.

A. Disclosure Statement Hearing and Confirmation Hearing

Contemporaneously with the filing of the Disclosure Statement, the Debtors filed the *Motion of Debtors to Approve the (I) Adequacy of Information in the Disclosure Statement, (II) Solicitation and Voting Procedures, (III) Forms of Ballots, Notices and Notice Procedures in Connection Therewith, and (IV) Certain Dates with Respect Thereto* (the "**Disclosure Statement Motion**"). The hearing to consider the Disclosure Statement Motion will be held on **April 15, 2026, at 10:00 a.m.**

The Confirmation Hearing will be held on **May 27, 2026, at 11:00 a.m.** The deadline to object to the confirmation of the Plan is **May 20, 2026, at 4:00 p.m.** (prevailing Eastern Time). Objections to confirmation of the Plan, if any, must be filed and served in accordance with and in the manner set forth in the Disclosure Statement Order.

Additionally, section 1128(b) of the Bankruptcy Code provides that a party in interest may object to Confirmation. Objections to Confirmation of the Plan must be filed and served by the Plan Objection Deadline and in accordance with the Disclosure Statement Order.

B. Classification

The Bankruptcy Code requires that, for purposes of treatment and voting, a chapter 11 plan divide the different claims (excluding administrative claims) against, and equity interests in, a debtor into separate classes based upon their legal nature. Pursuant to section 1122 of the Bankruptcy Code, a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class. The Debtors believe that the Plan classifies all Claims and Interests in compliance with the provisions of the Bankruptcy Code because valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims and Interests created hereunder. Accordingly, the classification of Claims and Interests in the Plan complies with section 1122 of the Bankruptcy Code.

C. Consensual Confirmation

In general, the Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section, each class of claims or interests that is impaired under a chapter 11 plan accept the plan. As further set forth in section 1124 of the Bankruptcy Code, a class is impaired unless the plan (1) leaves unaltered the legal, equitable, and contractual rights to which the claim or interest entitles the holder of such claim or interest or (2) cures any default, reinstates the original terms of the obligation, and does not otherwise alter the legal, equitable, or contractual rights to which the claim or interest entitles the holder of such claim or interest. In addition, Classes that receive no Plan Distributions are not entitled to vote on the Plan and are deemed to have rejected the Plan.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two thirds in dollar amount and more than one half in number of allowed claims in that class, counting only those claims that actually voted to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two thirds in amount and a majority in number actually voting cast their ballots in favor of acceptance. For the avoidance of doubt, votes will be tabulated in accordance with the Disclosure Statement Order.

The Bankruptcy Court can confirm the Plan only if it determines that the Plan complies with the technical requirements of chapter 11 of the Bankruptcy Code. One of these technical requirements is that the Bankruptcy Court finds, among other things, that the Plan has been accepted by the requisite votes of all Classes of Impaired Claims and Interests, unless approval will be sought under section 1129(b) of the Bankruptcy Code in spite of the nonacceptance by one or more such Classes.

In addition to the voting requirements, section 1129 of the Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must make a series of findings concerning the Plan and the Debtors, including that (1) the Plan has classified Claims in a permissible manner, (2) the Plan complies with applicable provisions of the Bankruptcy Code, (3) the Plan has been proposed in good faith and not by any means forbidden by law, (4) the disclosure required by section 1125 of the Bankruptcy Code has been made, (5) the Plan has been accepted by the requisite votes of Holders of Claims (except to the extent that cramdown is available under section 1129(b) of the Bankruptcy Code), (6) the Plan is "feasible" and Confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors unless such liquidation or reorganization is proposed in the Plan, (7) the Plan is in the "best interests" of all Holders of Claims in an Impaired Class by providing such holders on account of their Claims property of a value, as of the Effective Date, that is not less than the amount that such holders would receive or retain in a chapter 7 liquidation, unless each holder of a Claim in such Class has accepted the Plan, and (8) all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of such fees on the Effective Date. The Debtors believe that the Plan fully complies with all the applicable requirements of section 1129 of the Bankruptcy Code (see "Best Interests Test" and "Feasibility" below), other than those pertaining to voting, which has not yet concluded.

D. Feasibility and Best Interests of Creditors

1. Best Interests Test

As noted above, even if a plan is accepted by the holders of each class of claims and interests, the Bankruptcy Code requires a court to determine that such plan is in the best interests of all holders of claims or interests that are impaired by that plan and that have not accepted the plan. The "best interests" test, as set forth in section 1129(a)(7) of the Bankruptcy Code, requires a court to find either that all members of an impaired class of claims or interests have accepted the plan or that the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the debtor were liquidated under chapter 7 of the Bankruptcy Code (the "**Best Interests Test**").

To calculate the probable distribution to holders of each impaired class of claims and interests if the debtor were liquidated under chapter 7, a court must first determine the aggregate dollar amount that would be generated from a debtor's assets if its chapter 11 cases were converted to chapter 7 cases under the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the present value of the distributions from the proceeds of a liquidation of the debtor's unencumbered assets and properties, after subtracting the amounts attributable to the costs, expenses, and administrative claims associated with a chapter 7 liquidation, must be compared with the value offered to such impaired classes under the plan. If the hypothetical liquidation distribution to holders of claims or interests in any impaired class is greater than the distributions to be received by such parties under the plan, then such plan is not in the best interests of the holders of claims or interests in such impaired class.

2. Liquidation Analysis

Amounts that Holders of Claims or Interests in Impaired Classes would receive in a hypothetical chapter 7 liquidation are discussed in the liquidation analysis of the Debtors prepared by the Debtors' management with the assistance of the Debtors' financial advisor (the "**Liquidation Analysis**"), which is attached hereto as **Exhibit D**. As described in **Exhibit D**, the Debtors developed the Liquidation Analysis based on forecasted values as of [●], unless otherwise noted in the Liquidation Analysis. The recoveries may change based on further refinements of Allowed Claims and as the Debtors' claims objection and reconciliation process progresses.

As described in the Liquidation Analysis, underlying the analysis are a number of estimates and assumptions that, although developed and considered reasonable by the Debtors' management and financial advisor, are inherently subject to significant economic and competitive uncertainties and contingencies beyond the control of the Debtors and their management or a hypothetical chapter 7 trustee. The Liquidation Analysis is based on assumptions regarding liquidation decisions that are subject to change. Accordingly, the values reflected in the Liquidation Analysis might not be realized if the Debtors were, in fact, to undergo a liquidation.

This Liquidation Analysis is solely for the purposes of (a) providing "adequate information" under section 1125 of the Bankruptcy Code to enable Voting Holders to make an informed judgment about the Plan and (b) providing the Bankruptcy Court with appropriate support for the satisfaction of the "Best Interests Test," pursuant to section 1129(a)(7) of the Bankruptcy Code, and should not be used or relied upon for any other purpose, including the purchase or sale of Securities of, or Claims or Interests in, the (Reorganized) Debtors or any of their Affiliates.

Events and circumstances occurring subsequent to the date on which the Liquidation Analysis was prepared may be different from those assumed, or, alternatively, may have been unanticipated, and thus the occurrence of these events may affect financial results in a materially adverse or materially beneficial manner. The (Reorganized) Debtors do not intend to and do not undertake any obligation to update or otherwise revise the Liquidation Analysis to reflect events or circumstances existing or arising after the date the Liquidation Analysis is initially Filed or to reflect the occurrence of unanticipated events. Therefore, the Liquidation Analysis may not be relied upon as a guarantee or other assurance of the actual results that will occur.

In deciding whether to vote to accept or reject the Plan, Voting Holders must make their own determinations as to the reasonableness of any assumptions underlying the Liquidation Analysis and the reliability of the Liquidation Analysis.

3. Application of the Best Interests Test

The Debtors believe that the continued operation of the Company as a going concern satisfies the Best Interests Test for the Impaired Classes. Notwithstanding the difficulties in quantifying recoveries to Holders of Claims with precision, the Debtors believe that, based on the Liquidation Analysis, the Plan meets the Best Interests Test. As the Plan and Liquidation Analysis indicate, Confirmation of the Plan will provide each Holder of an Allowed Claim in an Impaired Class with an equal or greater recovery than the value of any distributions if the Chapter 11 Cases were converted to cases under chapter 7 of the Bankruptcy Code.

4. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires, as a condition to Confirmation, that the Bankruptcy Court find that Confirmation is not likely to be followed by the liquidation of the Debtors or the need for further financial reorganization, unless such liquidation is contemplated by the Plan. For purposes of demonstrating that the Plan meets this "feasibility" standard, the Debtors, with the assistance of their financial advisor, analyzed the ability of the Reorganized Debtors to meet their obligations under the Plan and to retain sufficient liquidity and capital resources to conduct their businesses. As part of this analysis, the Debtors prepared the financial projections attached hereto as **Exhibit B** (the "**Financial Projections**").

The Financial Projections present information with respect to all the Reorganized Debtors. The Financial Projections do not reflect the full impact of "fresh start reporting" in accordance with American Institute of Certified Public Accountants Statement of Position 90-7 "Financial Reporting by Entities in Reorganization under the Bankruptcy Code." Fresh start reporting may have a material impact on the analysis.

The Debtors prepared the Financial Projections solely for the purpose of (a) providing "adequate information" under section 1125 of the Bankruptcy Code to enable Voting Holders to make an informed judgment about the Plan and (b) providing the Bankruptcy Court with appropriate support that the Plan is feasible, pursuant to section 1129(a)(11) of the Bankruptcy Code, and should not be used or relied upon for any other purpose, including the purchase or sale of securities of, or Claims or Interests in, the (Reorganized) Debtors or any of their Affiliates.

In addition to the cautionary notes contained elsewhere herein, it is underscored that the Debtors make no representation as to the accuracy of the Financial Projections or their ability to achieve the projected results. Many of the assumptions on which the Financial Projections are based are subject to significant uncertainties. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the financial results. Therefore, the actual results achieved throughout the period analyzed in the Financial Projections may vary from the Financial Projections, and the variations may be material. Also, as noted above, the Financial Projections currently do not reflect the full impact of any "fresh start reporting," which may materially impact the Reorganized Debtors' "Consolidated Balance Sheets" and prospective "Results of Operations." All Voting Holders are urged to examine carefully all of the assumptions on which the Financial Projections are based in connection with their evaluation of, and voting on, the Plan.

Based upon the Financial Projections, the Debtors believe that they will be able to make all Plan Distributions and payments under the Plan and that Confirmation of the Plan is not likely to be followed by liquidation of the Debtors or the need for further restructuring.

5. Valuation of the Debtors

In conjunction with formulating the Plan and satisfying its obligations under section 1129 of the Bankruptcy Code, the Debtors deemed it prudent to estimate the post-Consummation going concern value of the Reorganized Debtors. Accordingly, an analysis regarding the imputed estimated post-Consummation going-concern value of the Reorganized Debtors is attached hereto as **Exhibit C** (the "**Valuation Analysis**") and incorporated herein by reference.

E. Confirmation Without Necessary Acceptances; Cramdown

In the event that any impaired class of claims or interests does not accept a plan, a debtor nevertheless may move for confirmation of the plan. A plan may be confirmed, even if it is not accepted by all impaired classes, if the plan has been accepted by at least one impaired class of claims and the plan meets the "cramdown" requirements set forth in section 1129(b) of the Bankruptcy Code, which requires that a court find that a plan (1) "does not discriminate unfairly" and (2) is "fair and equitable" with respect to each non-accepting impaired class of claims or interests.

To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

A plan "does not discriminate unfairly" if (1) the legal rights of a nonaccepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the nonaccepting class and (2) no class receives payments in excess of that which it is legally entitled to receive for its claims or interests.

The Debtors believe that, under the Plan, all Impaired Classes of Claims and Interests are treated in a manner that is consistent with the treatment of other Classes of Claims and Interests that are similarly situated, if any, and no class of Claims or Interests will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims or Allowed Interests in such Class. Accordingly, the Debtors believe that the Plan does not discriminate unfairly as to any impaired Class of Claims or Interests.

The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable." To determine whether a plan is "fair and equitable," the Bankruptcy Code establishes "cramdown" tests for secured creditors, unsecured creditors, and equity holders, as follows:

1. Secured Creditors. Either (a) each impaired secured creditor retains its liens securing its secured claim and receives on account of its secured claim deferred Cash payments having a present value equal to the amount of its allowed secured claim, (b) each impaired secured creditor realizes the "indubitable equivalent" of its allowed secured claim, or (c) subject to section 363(k) of the Bankruptcy Code, the property securing the claim is sold free and clear of liens, with such liens to attach to the proceeds of the sale and the treatment of such liens on proceeds to be as provided in clause (a) or (b) above.

2. Unsecured Creditors. Either (a) each impaired unsecured creditor receives or retains under the plan property of a value equal to the amount of its allowed claim or (b) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

3. Holders of Interests. Either (a) each holder of an equity interest will receive or retain under the plan property of a value equal to the greatest of the fixed liquidation preference to which such holder is entitled, the fixed redemption price to which such holder is entitled or the value of the interest or (b) the holder of an interest that is junior to the nonaccepting class will not receive or retain any property under the plan.

The Debtors believe that the Plan Distributions provided under the Plan satisfy the "fair and equitable" standard, where required, in accordance with section 1129(b) of the Bankruptcy Code.

ARTICLE VI.
PLAN-RELATED RISK FACTORS

THE PLAN AND ITS IMPLEMENTATION ARE SUBJECT TO CERTAIN RISKS, INCLUDING THE RISK FACTORS SET FORTH BELOW. HOLDERS OF CLAIMS WHO ARE ENTITLED TO VOTE ON THE PLAN SHOULD READ AND CAREFULLY CONSIDER THE RISK FACTORS, AS WELL AS THE OTHER INFORMATION SET FORTH HEREIN AND THE DOCUMENTS DELIVERED TOGETHER HEREWITH, REFERRED TO, OR INCORPORATED BY REFERENCE HEREIN, BEFORE

DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

A. Certain Bankruptcy Considerations

1. The Plan May Not Be Accepted

The Debtors can make no assurances that the requisite acceptances to the Plan will be received, and the Debtors may need to obtain acceptances to an alternative plan for the Debtors, or otherwise, that may not have the support of the Holders, or may liquidate their Estates under chapter 7 or chapter 11 of the Bankruptcy Code. There can be no assurance that the terms of any such alternative plan would be similar to or as favorable to Holders as those proposed in the Plan.

2. The Plan May Not Be Confirmed

Even if the Debtors receive the requisite acceptances, there is no assurance that the Bankruptcy Court will confirm the Plan. Even if the Bankruptcy Court determines that the Disclosure Statement, the balloting procedures, and the results were appropriate, the Bankruptcy Court could still decline to confirm the Plan—if it found that any of the statutory requirements for Confirmation had not been met. Moreover, there can be no assurance that modifications to the Plan will not be required for Confirmation or that such modifications would not necessitate the resolicitation of votes. If the Plan is not confirmed, it is unclear what distributions Holders of Claims ultimately would receive with respect to their Claims in a subsequent plan.

3. Parties in Interest May Object to the Amount or Classification of Claims

Section 1122 of the Bankruptcy Code requires that the Plan classify Claims against, and Interests in, the Debtors. The Bankruptcy Code also provides that the Plan may place a Claim or Interest in a particular Class only if such Claim or Interest is substantially similar to the other Claims or Interests of such Class. The Debtors believe that all Claims and Interests have been appropriately classified in the Plan.

To the extent that the Bankruptcy Court finds that a different classification is required for the Plan to be confirmed, the Debtors may seek (a) to modify the Plan to provide for whatever classification might be required for Confirmation or (b) to use the acceptances received from any Holder of Claims pursuant to this Solicitation for the purpose of obtaining the approval of the Class or Classes of which such Holder ultimately is deemed to be a member. Any such reclassification of Claims, although subject to the notice and hearing requirements of the Bankruptcy Code, could adversely affect the Class in which such Holder was initially a member, or any other Class under the Plan, by changing the composition of such Class and the vote required for approval of the Plan. There can be no assurance that the Bankruptcy Court, if it were to find that a classification was inappropriate and required a reclassification, would approve the Plan based upon such reclassification. Except to the extent that modification of classification in the Plan requires resolicitation, the Debtors will, in accordance with the Bankruptcy Code and the Bankruptcy Rules, seek a determination by the Bankruptcy Court that acceptance of the Plan by any Holder of

Claims pursuant to this Solicitation will constitute a consent to the Plan's treatment of such Holder, regardless of the Class as to which such Holder is ultimately deemed to be a member.

The Bankruptcy Code also requires that the Plan provide the same treatment for each Claim or Interest of a particular Class unless the Holder of a particular Claim agrees to a less favorable treatment of its Claim. The Debtors believe that the Plan complies with the requirement of equal treatment. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such requirement, the Bankruptcy Court could deny confirmation of the Plan.

Issues or disputes relating to classification or treatment could result in a delay in the Confirmation or Consummation of the Plan and could increase the risk that the Plan will not be consummated.

4. The Debtors May Object to the Amount or Classification of a Claim

Except as otherwise provided herein, the Debtors reserve the right to object to the amount or classification of any Claim or Interest under the Plan. The estimates set forth herein cannot be relied upon by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described therein.

5. Nonconsensual Confirmation

In the event that any Impaired Class of Claims or Interests does not vote to accept the Plan, the Bankruptcy Court may nevertheless confirm the Plan if at least one Impaired Class has accepted the Plan, and, as to each Impaired Class that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting Impaired Class. The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual confirmation in accordance with section 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation may result in, among other things, increased expenses relating to professional compensation.

6. The Chapter 11 Cases May Be Converted to Cases under Chapter 7 of the Bankruptcy Code

If the Bankruptcy Court finds that it would be in the best interest of creditors or any Debtor, the Bankruptcy Court may convert such Debtor's Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate such Debtor's assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in the Plan because of (a) the likelihood that the Assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time rather than reorganizing or selling the businesses as going concerns at a later time in a controlled manner, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during a liquidation, including

Claims resulting from the rejection of Unexpired Leases and Executory Contracts in connection with cessation of operations.

7. Plan Releases May Not Be Approved

There can be no assurance that the third-party release, exculpation, discharge, and injunction provisions, as provided in the Plan will be granted. Failure of the Bankruptcy Court to grant such relief may result in a plan of liquidation that differs from the Plan or the Plan not being confirmed.

8. Allowance of Claims May Substantially Dilute the Recovery to Holders of Claims under the Plan

There can be no assurance that the estimated Claim amounts set forth herein are correct, and the actual Allowed amounts of Claims may differ from these estimates. These estimated amounts are based on certain assumptions with respect to a variety of factors. Should these underlying assumptions prove incorrect, the actual Allowed amounts of Claims may vary from those estimated herein. Because certain Plan Distributions are linked to the amount and value of Allowed Claims, any material increase in the amount of Allowed Claims over the amounts estimated by the Debtors would materially reduce the recovery to certain Holders of Allowed Claims under the Plan.

9. Certain Tax and Securities Implications of the Plan

There are a number of material tax and securities law considerations, risks, and uncertainties associated with the Plan, which are discussed in Article VII and Article VIII of this Disclosure Statement, entitled "Certain U.S. Federal Income Tax Consequences of the Plan," and "Certain Securities Law Matters" (which Holders of Claims and other interested parties should read carefully). Each Holder should consult its own advisors regarding these matters, based upon the particular circumstances pertaining to such Holder.

10. The Chapter 11 Cases

Although the Plan is designed to minimize the length of the Chapter 11 Cases, and the Debtors believe that, after Confirmation of the Plan, the Chapter 11 Cases will be of short duration and will not be materially disruptive to their businesses, the Debtors cannot be certain that this will be the case. It is impossible to predict with certainty the amount of time that one or more of the Debtors may spend in bankruptcy (irrespective of whether Confirmation occurs). Even if the Plan is confirmed on a timely basis, matters may arise after the date hereof, including in the Chapter 11 Cases, that could have an adverse effect on the Debtors' businesses. The uncertainty surrounding a prolonged restructuring could have other adverse effects on the Debtors (*e.g.*, it could adversely affect (a) the Debtors' ability to raise additional capital, (b) the Debtors' liquidity, (c) how the Debtors' businesses are viewed by investors, lenders, and credit ratings agencies, (d) the Debtors' enterprise value, and (e) the Debtors' business relationships). The Chapter 11 Cases will also involve additional expense and may divert some of the attention of the Debtors' management away from business operations.

11. Failure To Consummate the Plan

The Plan provides for certain conditions that must be satisfied (or waived) prior to Confirmation and for certain other conditions that must be satisfied (or waived) prior to the Effective Date. As of the date hereof, there can be no assurance that any or all of the conditions in the Plan will be satisfied (or waived). Accordingly, even if the Plan is confirmed by the Bankruptcy Court, there can be no assurance that the Effective Date will occur.

12. Any Valuation of Any Assets for Plan Distributions is Speculative and Could Potentially Be Zero

The Debtors have not obtained or requested an opinion from any bank or other firm as to the value of the Plan Distributions. As such, any valuation of any of the Plan Distributions is necessarily speculative, and the value of certain of such assets could potentially be zero. Accordingly, the ultimate value, if any, of the Plan Distributions could materially affect, among other things, recoveries to the Debtors' creditors, including Holders of Allowed Claims in Classes 3, 4 and 5.

13. Support of the Consenting DIP Lenders is Subject to the Terms of the Restructuring Support Agreement

Pursuant to the Restructuring Support Agreement, the Consenting DIP Lenders have agreed to support the Plan. Nevertheless, the Restructuring Support Agreement is subject to termination upon the occurrence of certain termination events set forth therein. Accordingly, the Restructuring Support Agreement may be terminated after the date of this Disclosure Statement, and such a termination would present a material risk to Confirmation or Consummation of the Plan because the Plan may no longer have the support of creditors holding Claims in number and amount sufficient to obtain Confirmation of the Plan.

14. The Reorganized Debtors May Not Be Able To Achieve Their Projected Financial Results

Actual financial results may differ materially from the Financial Projections. If the Reorganized Debtors do not achieve projected revenue or cash flow levels, the Reorganized Debtors may lack sufficient liquidity to continue operating their businesses consistent with the Financial Projections after the Effective Date. The Financial Projections represent management's view based on currently known facts and hypothetical assumptions about their future operations; they do not guarantee the Reorganized Debtors' future financial performance.

15. The Financial Projections Are Subject to Inherent Uncertainty Due to the Numerous Assumptions Upon Which They Are Based

The Financial Projections are based on numerous assumptions, including the timing for Confirmation and Consummation of the Plan, the anticipated future performance of the Reorganized Debtors, industry performance, general business and economic conditions, and other matters, many of which are beyond the control of the Reorganized Debtors and some or all of which may not materialize. Particular uncertainties with respect to the Reorganized Debtors' operations and financial results arise from the risks and uncertainties including those pointed out in Article IV.B of this Disclosure Statement. Because the actual results achieved throughout the periods covered by the Financial Projections may vary from the projected results, the Financial Projections may not be relied upon as an assurance of the actual results that will occur.

Except with respect to the Financial Projections and except as otherwise specifically and expressly stated herein, this Disclosure Statement does not reflect any events that might occur subsequent to the date hereof (including finalizing the Exit Financing Documents) or the date of any Financial Projections or any other analysis herein (whichever is earlier), as such events could have a material impact on the information contained herein. Neither the Debtors nor the Reorganized Debtors intend to update the Financial Projections. The Financial Projections, therefore, may not reflect the impact of any subsequent events not already accounted for in the assumptions underlying the Financial Projections.

16. Historical Financial Information May Not Be Indicative of Future Financial Performance

The Debtors' capital structure will be significantly altered under any plan ultimately confirmed by the Bankruptcy Court. Under fresh start reporting rules that may apply to the Reorganized Debtors upon the Effective Date (the impact of which is not reflected in the Financial Projections), the Reorganized Debtors' assets and liabilities would be adjusted to fair values and its accumulated deficit will be restated to zero. Accordingly, if fresh start reporting rules apply, the Reorganized Debtors' financial condition and results of operations following their emergence from chapter 11 would not be comparable to the financial condition and results of operations reflected in their historical financial statements. In connection with the Chapter 11 Cases and the development of the Plan, it is also possible that additional restructuring and related charges may be identified and recorded in future periods. Such charges could be material to the Debtors' consolidated financial position and results of operations in any given period.

17. The Terms of the Plan Documents are Subject to Change Based on Negotiations and Approval of the Bankruptcy Court

The terms of the Plan Documents (including, without limitation, any documents filed with the Plan Supplement, the Exit Financing Documents, the New Organizational Documents and the DOT Warrants Agreement) are subject to material change based on negotiations between the Debtors, the Consenting DIP Lenders, and the lenders under each Exit Financing Facility. As a result, the final terms of the Plan Documents may be less favorable to certain Holders (though, in any event, such final terms would be consistent with the Plan and the requirements of the Bankruptcy Code). Moreover, the Bankruptcy Court may require changes to the terms of certain Plan Documents before approving them.

18. Certain Significant Holders of New Equity Interests May Have Substantial Influence Over the Reorganized Debtors Following the Effective Date

Holders of Claims who receive a substantial percentage of the outstanding shares of the New Equity Interests may be able to influence matters not requiring approval by smaller holders of the New Equity Interests, including, among other things, the election of directors and the approval of a change of control of the Reorganized Debtors, pursuant to the terms of the New

Organizational Documents. This concentration of ownership could also facilitate or hinder a negotiated change of control of the Reorganized Debtors and may consequently affect the value of the New Equity Interests. Further, the possibility that one or more Holders of a significant portion of New Equity Interests may sell all or a large portion of their New Equity Interests in a short period of time may adversely affect the market price of the New Equity Interests.

19. Holders of the New Equity Interests May Experience Dilution of Their Ownership Interests

Holders of the New Equity Interests shall be subject to dilution of their ownership interests in connection with any other equity that may be issued post-emergence, including by the MIP Interests and the conversion of any options, warrants, convertible securities, exercisable securities, or other Securities issued post-emergence.

20. The Interests of Holders of the New Equity Interests Will Be Subordinated to the Reorganized Debtors' Indebtedness

In any subsequent liquidation, dissolution, or winding up of the Reorganized Debtors, the New Equity Interests would rank below all debt claims against the Reorganized Debtors, including the Exit Financing Facilities. As a result, Holders of the New Equity Interests would not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of the Reorganized Debtors until after all applicable holders of debt have been paid in full.

21. The Reorganized Debtors May Not Pay Dividends on Account of the New Equity Interests

The Reorganized Debtors may not pay any dividends on account of the New Equity Interests. In such circumstances, the success of an investment in the Reorganized Debtors would depend entirely upon any future appreciation in the value of the New Equity Interests. There is, however, no guarantee that the New Equity Interests would appreciate in value or even maintain their initial implied valuation.

22. The New Equity Interests May Be Subject to Restrictions on Transfers

To the extent that New Equity Interests are issued under the Plan in reliance on the exemption from registration under section 1145(a)(1) of the Bankruptcy Code, such New Equity Interests may be resold by the holders thereof without registration under the Securities Act, and subject to any applicable Blue-Sky Laws, unless the holder is an "underwriter," as defined in section 1145(b) of the Bankruptcy Code with respect to such New Equity Interests. Any New Equity Interests issued to an entity that is an "underwriter," as defined in section 1145(b) of the Bankruptcy Code, would be subject to resale restrictions and may be resold, exchanged, assigned, or otherwise transferred only pursuant to registration or an applicable exemption from registration under the Securities Act and other applicable law. In addition, the New Equity Interests may not be freely tradable if, at the time of a transfer, the holder is an "affiliate" of the Reorganized Debtors, as defined in Rule 144(a)(1) of the Securities Act or had been such an "affiliate" within 90 days of the transfer. "Affiliate" holders would be permitted to sell New Equity Interests without registration only if they comply with an exemption from registration, such as the provisions of Rule 144 under the Securities Act that apply to sales to "control securities." The New Equity

Interests may also be subject to additional restrictions on transfer as set forth in the New Organizational Documents.

23. There Will Be No Public Market for the New Equity Interests

There will be no public market for the New Equity Interests. Accordingly, the liquidity of such instruments will be limited. The liquidity of any private market for New Equity Interests will depend upon, among other things, the number of holders of New Equity Interests, the Reorganized Debtors' financial performance, and the market for similar securities, none of which can be determined or predicted. Accordingly, there can be no assurance that active trading markets for New Equity Interests will develop, nor can any assurance be given as to the liquidity or prices at which such securities might be traded. In the event active trading markets do not develop or are not maintained, holders of the New Equity Interests may experience substantial difficulty in transferring or reselling such securities or may be unable to transfer or sell them at all. Even if such a market were to exist, such securities could trade at prices higher or lower than the estimated value set forth in this Disclosure Statement depending upon many factors, including prevailing interest rates, markets for similar securities, industry conditions, and the performance of, and investor expectations for, the Reorganized Debtors. Accordingly, holders of the New Equity Interests may bear certain risks associated with holding securities for an indefinite period of time.

24. The Exit Financing Facilities Will Be Secured Only to the Extent of the Value of the Assets Granted as Security Therefor; the Fair Market Value of the Reorganized Debtors Upon Any Foreclosure May Not Be Sufficient to Repay the Exit Financing Facilities in Full

The fair market value of the collateral securing the Exit Financing Facilities may be or become less than the total amount of debt secured by such collateral; therefore, upon any foreclosure, the noteholders or lenders under the Exit Financing Facilities may not be paid back in full, and the amounts such noteholders or lenders would receive upon a sale of the applicable collateral is inherently uncertain at this time.

If a subsequent bankruptcy or similar proceeding is commenced by or against the Reorganized Debtors, and if the indebtedness under the Exit Financing Facilities exceed the value of the collateral securing them, the Exit Financing Facilities noteholders or lenders may be deemed to have unsecured claims to the same extent that such loans exceed the value of the collateral, in which case, such unsecured claims would not be entitled to the benefits of any security in such collateral. Additionally, some or all accrued but unpaid interest may be disallowed in any bankruptcy proceeding.

The security interests granted in favor of the administrative agents or trustees under the Exit Financing Facilities are subject to practical problems generally associated with the realization of security interests in collateral and, accordingly, such agents or trustees may be unable to foreclose upon the collateral.

25. The Exit Financing Facilities May Include Covenants that Impose Restrictions on the Reorganized Debtors' Finances and Business Operations

The Exit Financing Facilities may include restrictive covenants that could limit the Reorganized Debtors' ability to react to market conditions or satisfy any extraordinary capital needs, or otherwise restrict the Reorganized Debtors' financing and operations, and there can be no assurance that the Reorganized Debtors would be able to comply with such covenants. If the Reorganized Debtors were to fail to comply with such covenants and terms, the Reorganized Debtors may be required to obtain waivers from the applicable lenders under the Exit Financing Facilities, and, if such waivers were not obtained, there could be a material adverse effect on the Reorganized Debtors' financial condition and future performance.

26. The Reorganized Debtors May Not Be Able to Service Their Funded Debt, Including the Exit Financing Facilities

The Reorganized Debtors' ability to make scheduled payments on their debt obligations depends on their financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, and other factors beyond the Reorganized Debtors' control. The Reorganized Debtors may not be able to maintain a level of cash flow sufficient to permit them to pay the principal, premium, if any, and interest on their debt, including the loans issued pursuant to the Exit Financing Facilities.

If cash flows and capital resources are insufficient to fund the Reorganized Debtors' debt obligations, they could face substantial liquidity problems and might be forced to reduce or delay investments and capital expenditures, dispose of assets or operations, seek additional capital, or restructure or refinance debt, including the Exit Financing Facilities. These alternative measures may not be successful, may not be completed on economically attractive terms, or may not be adequate to satisfy their debt obligations when due.

Further, if the Reorganized Debtors suffer or appear to suffer from a lack of available liquidity, the evaluation of their creditworthiness by counterparties and rating agencies and the willingness of third parties to do business with them could be adversely affected.

27. The Reorganized Debtors Will Be Subject to Foreign Ownership Restrictions

Under the U.S. Department of Transportation ("**DOT**") regulations and federal law, the Reorganized Debtors must be owned and controlled by U.S. citizens. In order to qualify, at least 75% of Reorganized Debtors' voting stock must be owned and controlled by U.S. citizens, at least 51% of the Reorganized Debtors' outstanding equity must be owned by U.S. citizens, and its president and at least two-thirds of its board of directors and senior management must be U.S. citizens. The Reorganized Debtors may not satisfy such requirements and may not obtain DOT's and other applicable regulatory approvals. The Reorganized Debtors may, with the consent of the Required Consenting DIP Lenders, implement appropriate structures for the issuance of New Equity Interests, including potentially alternative forms of New Equity Interests, pursuant to the Plan in order to comply with any applicable DOT rules and regulations, including to address any applicable limitations on the amount of Reorganized Debtors' equity or voting stock that may be owned or controlled (*i.e.*, voted) by non-U.S. citizens, and any other applicable law or regulations. Appropriate structures may vary and will be subject to DOT approval, but may include the formation of new entities to directly or indirectly hold New Equity Interests or the issuance of varying forms of New Equity Interests.

28. The Effective Date May Not Occur

Although the Debtors believe that the Effective Date will occur relatively soon after the Confirmation Date and that there is not a material risk that the Debtors will not be able to prepare for emergence, including securing the necessary governmental consents and approvals, there can be no assurance as to the occurrence or timing of the Effective Date. As detailed in the Plan, there are a number of corporate transactions and approvals needed prior to the occurrence of the Effective Date. The Effective Date is subject to certain conditions precedent, as set forth in Article IX of the Plan. Failure to meet any of these conditions could prevent the Effective Date from occurring.

If the Effective Date does not occur, the Plan will be null and void in all respects and the Confirmation Order may be vacated. In that case, no Plan Distributions will be made, the Debtors and all Holders of Claims and Interests will be restored to the status quo ante immediately prior to Confirmation, and the Debtors' obligations with respect to Claims and Interests will remain unchanged.

B. Factors Affecting the Debtors' Businesses, Operations, and Financial Condition if the Debtors Reorganize Under the Plan

1. The Debtors' Loyalty Program Contracts Subject Them to Contract Termination and Renewal Risks

The Debtors' loyalty program derives a substantial portion of their revenue from a limited number of co-branding or partner agreements. The loyalty program attracts customers as well as air and non-air partners and builds customer fidelity by offering a variety of awards, benefits, and services in connection with its loyalty program. The Debtors' co-branding or partner agreements provide for circumstances upon which they may be terminated prior to the expiration of their terms by one or both parties, or immediately and automatically with no further action from the Debtors or the applicable counterparty at any time. The failure to satisfy such metrics or standards, unless waived by the counterparty, may give the Reorganized Debtors' partners the right to declare a default, terminate the agreement, renegotiate the agreement, or take other actions that may be detrimental to the Reorganized Debtors. A termination of any of these agreements may have a material adverse effect on our financial condition, operating revenues and/or net income.

2. Risks Related to the Company's Leverage and Liquidity

The Reorganized Debtors will have substantial aircraft-related fixed obligations which, together with other incurred debt, could impair their liquidity and thereby harm their business, results of operations, and financial condition. The Reorganized Debtors' ability to pay the fixed and other costs associated with their contractual obligations depends on operating performance, cash flow, and their ability to secure adequate financing, which in turn depend on success of their business strategy, fuel price volatility, weakening or improvement in the U.S. economy, as well as general economic and political conditions and other factors that are beyond their control.

The amount of aircraft-related fixed obligations, obligations under debt arrangements, and the related need to obtain financing could have a material adverse effect on the Reorganized Debtors' business, results of operations, and financial condition and could: (a) require a substantial portion of cash flow from operations for operating lease and maintenance deposit payments, and principal and interest on indebtedness, thereby reducing the availability of their cash flow to fund working capital, capital expenditures, and other general corporate purposes; (b) limit their ability to make required PDP payments, including those payable to aircraft and engine manufacturers for aircraft and spare engines on order; (c) limit their ability to obtain additional financing to support expansion plans and for working capital; (d) reduce the Reorganized Debtors' flexibility in planning for, or reacting to, changes in their business and the airline industry and, consequently, place the Reorganized Debtors' at a competitive disadvantage to their competitors; and (e) cause the Reorganized Debtors to lose access to one or more aircraft and forfeit rent deposits.

3. <u>Certain Claims May Not Be Discharged and May Have a Material Adverse Effect on the Reorganized Debtors' Financial Condition and Results of Operations</u>

The Bankruptcy Code provides that the confirmation of a plan of reorganization discharges a debtor from substantially all debts arising prior to confirmation. With few exceptions, all Claims that arose prior to the Petition Date or before Confirmation of the Plan (a) will be subject to compromise or treatment under the Plan or (b) will be discharged or transferred in accordance therewith. However, all other remaining Claims could be asserted against the applicable Reorganized Debtor and may have an adverse effect on the Reorganized Debtors' financial condition and results of operations.

4. <u>The Reorganized Debtors' Access to Capital May Be Further Limited due to Deterioration of Conditions in the Global Capital Markets, Weakening of Macroeconomic Conditions, and Negative Changes in Financial Performance</u>

In general, the Company relies on banks and capital markets to fund its operations, contractual commitments, and refinance existing debt. These markets are experiencing, and may in the future experience, high levels of volatility, such that access to capital can be constrained for an extended period. Other factors, including the Reorganized Debtors' financial performance, could cause the Reorganized Debtors to incur increased borrowing costs and to have greater difficulty accessing public and private markets in the future for both secured and unsecured debt. If the Reorganized Debtors are unable to secure financing on acceptable terms, their other sources of capital may not be adequate to fund operations, contractual commitments, and refinance existing debt.

Moreover, a deterioration in worldwide economic conditions may adversely affect the Reorganized Debtors' business, operating results, financial condition, liquidity, and ability to obtain financing or access capital markets. Other negative conditions in the general economy both in the U.S. and globally, including conditions resulting from changes in gross domestic product growth, declines in consumer confidence, labor shortages, inflationary pressures, rising interest rates, and financial and credit market fluctuations, could result in decreases in spending on air travel and otherwise, increases in labor costs and delayed deliveries of aircraft, all of which could materially and adversely affect the growth of our business.

Specifically, interest rates on future credit facilities and debt offerings could be higher than current levels, causing the Reorganized Debtors' financing costs to increase; accordingly, such changes could have an adverse impact on the Reorganized Debtors' ability to issue equity or incur debt for acquisitions or other purposes. As to inflation, while the Reorganized Debtors cannot predict any future trends in the inflation rate, there is currently significant uncertainty in the near-term economic outlook. Continued inflation would further raise Reorganized Debtors' costs for labor, materials, and services, which could negatively impact profitability and cash flows. Additionally, the Reorganized Debtors may be unable to raise fares in amounts equal to the rate of inflation.

Finally, any downgrade in the Reorganized Debtors' ratings for its debt securities and facilities could limit their ability to access the capital markets, increase their borrowing costs, or adversely affect the market price of their outstanding debt. Credit rating agencies will continually review the Reorganized Debtors' ratings and ratings for its debt securities and facilities. Credit rating agencies also evaluate the Reorganized Debtors' industry and may change their credit rating based on their overall view thereof.

5. Disruptions in Technologies or Systems Could Adversely Impact the Reorganized Debtors' Operational Results

The Company is highly dependent on technology and automated systems to operate its businesses and achieve low operating costs. These technologies and systems include computerized airline reservation systems, flight operations systems, financial planning, management, and accounting systems, telecommunications systems, websites, maintenance systems, and check-in kiosks. The execution of the Reorganized Debtors' strategic plans could be negatively affected by (a) their ability to timely and effectively implement, transition, and maintain related information technology systems and infrastructure, (b) their ability to effectively balance their investment of incremental operating expenses and capital expenditures related to their strategies against the need to effectively control cost, and (c) their dependence on third parties with respect to our ability to implement the Reorganized Debtors' strategic plans. Disruption in or changes to these systems could result in an interruption to the Reorganized Debtors' operations or loss of important data. Any of the foregoing could result in a material adverse effect on Reorganized Debtors' business, reputation, operational results, and financial condition.

The Company is subject to cybersecurity risks and may incur increasing costs in an effort to minimize those risks. Its business employs systems and websites that allow for the secure storage and transmission of proprietary or confidential information regarding its customers, employees, suppliers, and others, including personal identification information, credit card data, and other confidential information. Security breaches could expose the Reorganized Debtors to a risk of loss or misuse of this information, litigation, and potential liability. The security measures implemented by the Reorganized Debtors may not be effective, and systems may be vulnerable to theft, loss, damage, and interruption from a number of potential sources and events, including unauthorized access or security breaches, natural or man-made disasters, cyberattacks (including ransom attacks in which malicious persons encrypt their systems, steal data, or both, and demand payment for decryption of systems or to avoid public release of data), computer viruses, power loss, or other disruptive events.

6. The Reorganized Debtors' Ability to Operate Their Businesses Effectively Could Be Impaired if They Fail to Attract and Retain Key Management and Personnel or to Manage Labor Costs

The Reorganized Debtors' ability to operate its businesses will depend on its ability to attract and retain highly skilled management personnel with industry experience. Competition for these persons in the Reorganized Debtors' industry is intense, and the Reorganized Debtors may not be able to continue to employ senior executives and key personnel or attract and retain qualified personnel in the future.

Moreover, the Reorganized Debtors' businesses are labor intensive. Increased labor costs, union disputes, employee strikes, and other labor-related disruption may adversely affect their businesses, results of operations, and financial condition. The Company cannot assure that its labor costs going forward will remain competitive, as labor agreements may be amended or become amendable and new agreements could have terms with higher labor costs; its competitors may significantly reduce their labor costs, thereby reducing or eliminating the Reorganized Debtors' comparative advantages as to one or more of such competitors; or the Company's labor costs may increase in connection with its growth.

7. The Reorganized Debtors' Ability to Operate Their Businesses Effectively Could Be Impaired if They Fail to Attract and Retain Key Suppliers and Service Providers

The Company is party to agreements with third-party service providers to furnish certain facilities and services required for its operations, such as ground handling, catering, passenger handling, engineering, maintenance, refueling, reservations, and airport facilities. Although the Company seeks to monitor performance of third parties, the efficiency, timeliness, and quality of contract performance by third-party service providers are often beyond its control, and any failure by its service providers to perform their contracts, including as a result of operational failures or a force majeure, may have an adverse impact on the Reorganized Debtors' businesses and operations.

Moreover, the Company is party to agreements with third-party distribution channels to distribute a portion of its tickets. To remain competitive, the Reorganized Debtors need to successfully manage their distribution costs and rights, and improve the functionality of third-party distribution channels, while maintaining an industry-competitive cost structure. Negotiations with key third parties designed to manage costs, increase distribution flexibility, and improve functionality could be contentious or result in diminished or less favorable distribution of tickets, and may not provide the functionality required to maximize ancillary revenues. Any inability to manage third-party distribution costs, rights, or functionality at a competitive level or any material diminishment in the distribution of the Reorganized Debtors' tickets could have a material adverse effect on their competitive position and the results of their operations.

The Company also depends on a limited number of suppliers for aircraft and engines. The Company's businesses strategy includes saving costs by operating a single-family aircraft fleet, single-aisle aircraft, powered by engines manufactured by specific parties. Therefore, the Company is exposed to the risk of its suppliers becoming unable to perform their contractual obligations, or to the risk of the Company becoming unable to acquire or lease aircraft or engines from these or other owners, operators, or lessors on acceptable terms.

8. The Reorganized Debtors' Ability to Operate Their Businesses Effectively Could Be Impaired in the event of an Emergency, Accident, or Similar Incident

The Reorganized Debtors' reputation and business could be materially and adversely affected in the event of an emergency, accident, or similar incident involving its aircraft. The Reorganized Debtors could potentially be exposed to significant losses if any of their aircraft is subject to an emergency, accident, terrorist incident, or other similar incident, and significant costs related to passenger claims, repairs, or replacement of a damaged aircraft and its temporary or permanent loss from service. There can be no assurance that the Reorganized Debtors will not be affected by such events or that the amount of their insurance coverage will be adequate in the event such circumstances arise and any such event could cause a substantial increase in the Company's insurance premiums.

9. Reductions in Levels of Business and Leisure Travel

The Debtors' operations, and the airline industry as a whole, are particularly sensitive to changes in economic conditions. Adverse economic conditions such as high unemployment rates, restricted credit markets, low or negative GDP growth, unfavorable exchange rates, increased business operating expenses, reduced consumer confidence and purchasing power can lead to decreased spending on both leisure and business travel. For many consumers, leisure travel is a discretionary expense, and short-haul travelers, in particular, may opt for surface travel as an alternative to air travel. The COVID-19 pandemic further exacerbated these trends, with businesses and other travelers increasingly substituting air travel with virtual communication tools such as videoconferencing and business communication platforms. There is no guarantee that business travel will recover to pre-COVID-19 levels. The reduction in air travel, whether caused by public health crises like, without limitation, COVID-19 and related variants, general economic conditions, terrorist incidents, natural disaster, changes to immigration policy and international travel regulations, or government response to any of the foregoing could materially and adversely affect the Debtors.

10. The Debtors' Businesses Are Subject to Complex Laws and Regulations That Can Adversely Affect the Cost, Manner or Feasibility of Doing Business

The Debtors operate in a complex regulatory and legal environment, exposing them to compliance and litigation risks that could materially affect their results of operations. These laws may change, sometimes significantly, due to political, economic or social events. Some of the key federal, state or local laws and regulations that affect the Debtors include those relating to consumer products, product liability, and consumer protection; those relating to advertising, marketing, and sales practices; labor and employment laws, including wage and hour laws; tax laws or interpretations thereof; data protection and privacy laws and regulations; and securities and exchange laws and regulations.

For instance, data protection and privacy laws are developing to reflect changing cultural and consumer attitudes towards the protection of personal data. These laws may be interpreted in ways that could harm the Debtors' operations. The Debtors cannot assure that they will have sufficient financial resources to comply with new regulations or to successfully compete in a shifting regulatory environment.

Any new laws or regulations enacted or approved in the jurisdictions where the Debtors operate could impose unforeseen regulatory obligations. This may require the Debtors to incur additional costs to implement operational and systemic changes or controls within the required deadlines. If the Debtors are unable to comply, they could face restrictions on their operations.

11. The Debtors Will Be Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases

For the duration of the Chapter 11 Cases, the Debtors' ability to operate, develop, and execute a business plan, and continue as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include the following: (a) the ability to confirm, and consummate the Plan and transactions contemplated thereunder; (b) the ability to obtain Bankruptcy Court approval with respect to motions filed in the Chapter 11 Cases from time to time, including prior to entry of a confirmation order confirming the Plan; (c) the ability to maintain relationships with suppliers, vendors, service providers, customers, employees, and other third parties; (d) the ability to maintain contracts that are critical to the Debtors' operations; (e) the ability of third parties to seek and obtain Bankruptcy Court approval to terminate contracts and other agreements with the Debtors, including prior to entry of a confirmation order; (f) the ability of third parties to seek and obtain Bankruptcy Court approval to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 proceedings; and (g) the actions and decisions of the Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

12. The Debtors' Substantial Liquidity Needs May Impact Revenue

The Debtors operate in a capital-intensive industry. If the Debtors' cash flow from operations is depressed or decreases, the Debtors may not have the ability to expend the capital necessary to improve or maintain their current operations, resulting in decreased revenues over time.

The Debtors face uncertainty regarding the adequacy of their liquidity and capital resources. In addition to the cash necessary to fund ongoing operations, the Debtors have incurred significant professional fees and other costs in connection with preparing for the Chapter 11 Cases and expect to continue to incur significant professional fees and costs throughout the Chapter 11 Cases. The Debtors cannot guarantee that cash on hand, cash flow from operations, and cash provided by the DIP Facility will be sufficient to continue to fund their operations and allow the

Debtors to satisfy obligations related to the Chapter 11 Cases until the Debtors are able to emerge from bankruptcy protection.

The Debtors' liquidity, including the ability to meet ongoing operational obligations, will be dependent upon, among other things: (a) their ability to raise sufficient additional capital, if required, and to comply with the terms and conditions of any debtor-in-possession financing and/or cash collateral order entered by the Bankruptcy Court in connection with the Chapter 11 Cases; (b) their ability to maintain adequate cash on hand; (c) their ability to develop, confirm, and consummate the Plan or other alternative restructuring transaction; and (d) the cost, duration, and outcome of the Chapter 11 Cases. The Debtors' ability to maintain adequate liquidity depends, in part, upon industry conditions and general economic, financial, competitive, public health, regulatory, and other factors beyond the Debtors' control. In the event that cash on hand, cash flow from operations, and cash provided under the DIP Facility are not sufficient to meet the Debtors' liquidity needs, the Debtors may be required to seek additional financing. The Debtors can provide no assurance that additional financing would be available or, if available, offered to the Debtors on acceptable terms. The Debtors' access to additional financing is, and for the foreseeable future likely will continue to be, extremely limited if it is available at all. The Debtors' long-term liquidity requirements and the adequacy of their capital resources are difficult to predict at this time.

13. <u>The Airline Industry Is Highly Competitive and Unpredictable, and Fluctuations in the Cost of Jet Fuel Could Significantly Impact Business Performance</u>

The airline industry is highly competitive, including in the markets in which the Debtors operate. The Company has already faced, and may in the future face, increased competition from existing and new participants in the markets in which it operates, including full-service and low-cost carriers. The air transportation sector is highly sensitive to price discounting and the use of aggressive pricing policies. Other factors, such as flight frequency, schedule availability, brand recognition, and quality of offered services and other amenities) also have a significant impact on market competitiveness. Thus, there can be no assurance that the Reorganized Debtors will be able to preserve their current market positions.

The airline industry has historically experienced substantial seasonal fluctuations in demand, earnings, and cash flow. Because a substantial share of the Debtors' costs are fixed, earnings are disproportionately impacted by the fluctuations in revenue levels. There is a risk that measures undertaken to meet seasonal fluctuations in customer demand are not successful or sufficient.

In addition, recent fluctuations in the price and availability of fuel arising out of the conflict in the Middle East and Iran could negatively impact the Debtors' financial results. The Debtors' operating results are significantly impacted by changes in the price and availability of aircraft fuel. Periods of high volatility in jet fuel costs, increased jet fuel prices, and significant disruptions in the supply of jet fuel could have a material adverse impact on the Company's business, financial condition, and operating results.

Other Risks

1. The Debtors May Withdraw the Plan

Subject to, and without prejudice to, the rights of any party in interest, the Plan may be revoked or withdrawn before the Confirmation Date by the Debtors.

2. No Representations Outside This Disclosure Statement are Authorized

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your vote for acceptance or rejection of the Plan that are other than those contained in, or included with, this Disclosure Statement should not be relied upon in making the decision to vote to accept or reject the Plan.

3. No Legal or Tax Advice is Provided by or in This Disclosure Statement or the Plan

The contents of this Disclosure Statement are not intended to and in no way should be construed as legal, business, or tax advice. Each Holder of a Claim or Interest should consult its own legal counsel, financial advisor, and accountant as to legal, financial, tax, and other matters concerning their Claim or Interest. For the avoidance of doubt, nothing contained herein or in the Plan may be construed as, nor otherwise considered or deemed to be evidence of, the tax or other legal effects of the Plan on the Debtors or Holders of Claims or Interests. Persons are encouraged to seek counsel from their own advisors concerning the tax or other legal effects of the Plan as they affect any such Person's Claims or Interests.

ARTICLE VII.
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN[15]

A. General

The following discussion summarizes certain material U.S. federal income tax consequences of the implementation of the Plan to the Debtors, Reorganized Debtors, and certain U.S. Holders. The following does not address the U.S. federal income tax consequences to U.S. Holders not entitled to vote to accept or reject the Plan. Thus, the following summary applies only to certain U.S. Holders of the Roll-Up DIP Loan Superpriority Claims, Prepetition RCF Claims, and Prepetition Secured Notes and/or Contingent Roll-Up Term Loan Claims (collectively, the "**Applicable Claims**").

The following summary is based on the Tax Code, existing and proposed Treasury Regulations, judicial decisions and authorities, published administrative rules and pronouncements of the IRS, and other applicable authorities, all as in effect on the date hereof and all of which are subject to change or differing interpretations, possibly on a retroactive basis. Any such change could significantly affect the U.S. federal income tax consequences described below. Due to the lack of definitive judicial and administrative authority in several areas, substantial uncertainty may exist with respect to some of the tax consequences described below. The Debtors have not

[15] This section is subject to ongoing review and may be revised or supplemented in subsequent filings.

requested, and do not intend to seek, an opinion of counsel or a ruling from the IRS with respect to any of the tax aspects of the Plan discussed below. The discussion below is not binding on the IRS or the courts and no assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed below.

The following discussion does not address foreign, state, local, or territory tax consequences of the Plan, nor does it purport to address the U.S. federal income tax consequences of the Plan to special classes of taxpayers (including, for example, foreign taxpayers, small business investment companies, regulated investment companies, real estate investment trusts, mutual funds, banks, and certain other financial institutions, insurance companies, tax-exempt organizations, retirement plans, individual retirement and other tax-deferred accounts, Holders that are, or hold Applicable Claims through, S corporations, partnerships, or other pass-through entities for U.S. federal income tax purposes, persons whose functional currency is not the U.S. dollar, U.S. expatriates, dealers in securities or foreign currency, traders that mark-to-market their securities, persons subject to the alternative minimum tax or the "Medicare" tax on unearned income, persons who use the accrual method of accounting and report income on an "applicable financial statement" (as defined in Section 451 of the Tax Code) and persons holding Applicable Claims that are part of a straddle, hedging, constructive sale, or conversion transaction). The following summary does not discuss differences in tax consequences to Holders that act or receive consideration in a capacity different than any other Holder of an Applicable Claim of the same Class, and the tax consequences for such Holders may differ materially from that described below. In addition, the following discussion does not address U.S. federal taxes other than income taxes.

For purposes of this Disclosure Statement, a "**U.S. Holder**" means a beneficial owner of Applicable Claims that is, for U.S. federal income tax purposes: (1) a citizen or resident of the United States; (2) a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state therein or the District of Columbia; or (3) an estate or trust, the income of which is subject to U.S. federal income taxation regardless of its source. If a partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes) is a Holder, the tax treatment of a partner (or other beneficial owner) generally will depend upon the status of the partner (or other beneficial owner) and the activities of the partner (or other beneficial owner) and the entity. Partnerships (or other pass-through entities) and partners (or other beneficial owners) of partnerships (or other pass-through entities) that are U.S. Holders are urged to consult their own respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

The following discussion assumes that the U.S. Holder has not claimed a bad debt deduction with respect to an Applicable Claim (or any portion thereof) in the current or any prior year and such Applicable Claim did not become completely or partially worthless in a prior taxable year. Additionally, the following discussion assumes that (1) the various debt and other arrangements to which any of the Debtors is or will be a party will be respected for U.S. federal income tax purposes in accordance with their form and (2) the Applicable Claims are held as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the Tax Code. The U.S. federal income tax consequences resulting from the implementation of the Plan to the Debtors, Reorganized Debtors, and U.S. Holders may vary from those consequences described below depending on the manner in which the transactions described hereunder are structured.

ACCORDINGLY, THE FOLLOWING DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING OR FOR ADVICE BASED UPON THE PARTICULAR CIRCUMSTANCES PERTAINING TO A HOLDER OF AN APPLICABLE CLAIM. EACH HOLDER OF AN APPLICABLE CLAIM IS URGED TO CONSULT ITS OWN TAX ADVISORS FOR THE U.S. FEDERAL, STATE, LOCAL, TERRITORY, AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES APPLICABLE TO IT UNDER THE PLAN.

B. Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors

1. Entity Classification of the Debtors

Spirit Aviation Holdings, Inc. ("**Parent Debtor**") is a corporation for U.S. federal income tax purposes. Spirit Airlines, LLC, Spirit Finance Cayman 1 Ltd., Spirit Finance Cayman 2 Ltd., Spirit IP Cayman Ltd., and Spirit Loyalty Cayman Ltd. (collectively, the "**Disregarded Entities**") are wholly owned subsidiaries of Parent Debtor. The Disregarded Entities are treated for U.S. federal tax purposes, as entities that are disregarded as separate from Parent Debtor. Accordingly, for U.S. federal tax purposes, Parent Debtor is treated as the issuer of the Prepetition Revolving Credit Facility, Prepetition Secured Notes, and DIP Facility, and the remainder of this discussion assumes that the Disregarded Entities will not be treated as entities separate from Parent Debtor for U.S. federal income tax purposes.

2. Implementation of the Transactions Contemplated by the Plan

The tax consequences of the implementation of the Plan to the Debtors will differ depending on whether the transactions contemplated hereby are structured as a taxable sale of the assets of any Debtor and/or stock of Parent Debtor (a "**Sale Transaction**") or as a reorganization of the debt and equity capital of the Debtors (a "**Reorganization in Place**"). It has not yet been determined how such transactions will be structured, which will depend on, among other things, valuation matters, the ability to offset taxable income arising from a Sale Transaction with tax attributes available to the Debtors, any anticipated tax liabilities associated with a Sale Transaction, and any future tax benefits associated with a step-up in the tax basis of the assets sold pursuant to a Sale Transaction. In light of these various considerations, whether the transactions contemplated hereby will be consummated as a Sale Transaction or a Reorganization in Place is unlikely to be determined until a short time before consummation and, accordingly, U.S. Holders should assume that either option is possible.

If the transactions undertaken pursuant to the Plan are structured in whole or in part as a Sale Transaction involving the transfer (or deemed transfer) of the Debtors' assets, the Debtors generally are expected to realize gain or loss in an amount equal to the difference between the value of the consideration received by the Debtors (which generally is expected to equal the fair market value of the assets transferred (or deemed to be transferred) by the Debtors) and the Debtors' tax basis in such assets. Realized gains, if any, may be offset by current-year losses and deductions, which may include interest deductions that may be (or may become) available under Section 163(j) of the Tax Code and by any other available NOLs or other tax attributes, subject to applicable limitations, including any limitations pursuant to the Section 382(l)(6) Rule (discussed below) in connection with the Debtors' emergence from their previous Chapter 11 proceeding on March 12, 2025 ("**Last Emergence Date**"). With respect to the Debtors' NOLs generated in 2025, such Section 382(l)(6) Rule limitations would apply to those NOLs attributable to the period in 2025 preceding the Last Emergence Date. As of December 31, 2024, the Parent Debtor had a net operating loss ("**NOL**") carryforward for U.S. federal income tax purposes of approximately $1.8 billion (relating to losses incurred after 2017), approximately $312.3 million of interest expense deductions that have been deferred under Section 163(j) of the Tax Code (the "**163(j) Deductions**"), foreign tax credits of approximately $0.9 million and general business tax credits of approximately $1.4 million. In addition, though the Parent Debtor is continuing to finalize its U.S. federal income tax returns, the Parent Debtor expects to have generated additional NOLs, 163(j) Deductions and other tax attributes as a result of its 2025 taxable year. Because Parent Debtor's NOL carryforwards arose after 2017, they may not be applied to offset more than 80% of its taxable income (with certain adjustments and subject to applicable limitations) for any taxable year, and Parent Debtor may not have sufficient deductions, losses, or other attributes for U.S. federal income tax purposes to fully offset income recognized in a Sale Transaction. Parent Debtor's NOLs generated in 2026 are generally not subject to the 80% limitation if applied to offset income in 2026.

Any taxable gain remaining after such offsets would result in a cash tax obligation. If the Reorganized Debtors purchase (or are deemed to purchase) assets or stock of any Debtor pursuant to a Sale Transaction, such Reorganized Debtors will take a fair market value basis in the transferred assets. If the Sale Transaction is, or is treated as, a purchase of the Parent Debtor's assets, the Parent Debtors' tax attributes will not carry over to, or otherwise be available for utilization by, the Reorganized Debtors.

If the transactions undertaken pursuant to the Plan are structured as a Reorganization in Place, then (i) it is not expected that the Debtors will recognize gain or loss as a result thereof, other than as a result of cancellation of indebtedness income ("**CODI**") (as described immediately below) or the sale of Specified Assets and (ii) Parent Debtor's tax attributes will, subject to the rules discussed below regarding CODI and Sections 382 and 383 of the Tax Code, survive the restructuring process and carry over to the Reorganized Debtors.

In connection with the anticipated sale of the Specified Assets, the Debtors currently expect to recognize taxable losses in connection with the sale of the DTW Hangar and the Headquarters and recognize taxable gain in connection with the sale of the HFS Aircraft. Those taxable dispositions may occur prior to or following the Consummation. There can be no assurance that the Debtors' losses, credits or NOLs will fully offset any taxable income resulting from the disposition of the Specified Assets.

3. Cancellation of Debt Income

In general, absent an exception, a taxpayer will realize and recognize CODI upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of CODI, in general, is the excess of (a) the adjusted issue price (within the meaning of applicable Treasury Regulations) of the indebtedness satisfied over (b) the sum of the amount of any Cash, the "issue price" of any debt obligations, and the fair market value of any other consideration (including stock of the taxpayer or a party related to the taxpayer) given in satisfaction of such indebtedness. Under Section 108 of the Tax Code, a taxpayer is not required to include CODI in gross income if the taxpayer is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt is granted by the court or is pursuant to a plan approved by the court. Instead, as a consequence of such exclusion, the taxpayer must reduce certain of its tax attributes by the amount of CODI that it excluded from gross income. In general, tax attributes will be reduced in the following order: (1) NOLs; (2) general business credits; (3) minimum tax credits; (4) capital loss carryovers; (5) tax basis in assets, which includes the stock in subsidiaries (but not below the amount of liabilities to which the debtor remains subject immediately after the discharge); (6) passive activity loss and credit carryovers; and (7) foreign tax credits (collectively, the "**Tax Attributes**"). Alternatively, the taxpayer can elect first to reduce the basis of its depreciable assets pursuant to Section 108(b)(5) of the Tax Code, in which case the limitation described in the immediately preceding sentence does not apply. In general, any reduction in Tax Attributes under the CODI rules does not occur until after the tax for the year of the discharge has been determined. 163(j) Deductions are not subject to reduction under these rules. Any excess CODI over the amount of any such Tax Attributes will generally not give rise to U.S. federal income tax and will generally have no other U.S. federal income tax impact.

As discussed above, the Disregarded Entities are entities that are disregarded as separate from Parent Debtor for U.S. federal income tax purposes. Therefore, to the extent that the transactions pursuant to the Plan give rise to CODI, such CODI will be recognized by Parent Debtor for such purposes. Because Parent Debtor is a debtor in bankruptcy, the CODI will be excluded from income by reason of the bankruptcy exception, and Parent Debtor may be required to reduce its Tax Attributes accordingly, as discussed above. Parent Debtor may realize CODI in connection with the transactions contemplated hereby, with a reduction in Tax Attributes (but in the case of tax basis where no election is made to reduce the basis of depreciable assets as described above, only to the extent such tax basis exceeds the amount of the Parent Debtor's liabilities, as determined for these purposes, immediately after the Effective Date). The exact amount of any CODI that will be realized by Parent Debtor will not be determinable until the Consummation of the Plan because the amount of CODI will depend, in part, on the value of the equity interests in the Reorganized Debtors issued in connection with the Plan and the value of other non-Cash consideration, neither of which can be determined until after Consummation. Therefore, the total amount of the reduction of the Tax Attributes as a result of the Plan cannot be determined until after the Effective Date. Depending on the amount of CODI, if the transactions contemplated hereby are structured as a Reorganization in Place, some of the Parent Debtor's tax basis in the Reorganized Debtors' assets may be reduced by CODI that is not absorbed by the NOLs and other Tax Attributes. As a general matter, CODI is not expected to be relevant to the Reorganized Debtors in the event the transactions contemplated hereby are consummated as a Sale Transaction.

4. Other Income

As discussed above, the Disregarded Entities are entities that are disregarded as separate from Parent Debtor for U.S. federal income tax purposes. Therefore, to the extent that the transactions pursuant to this Plan give rise to any income other than CODI, such other income will be recognized by Parent Debtor. Parent Debtor may incur other income for U.S. federal income tax purposes in connection with the Plan that, unlike CODI, generally will not be excluded from Parent Debtor's U.S. federal taxable income. For example, if appreciated assets are transferred in satisfaction of an Applicable Claim or pursuant to a Sale Transaction, Parent Debtor would recognize gain in connection with such transfer and may incur cash tax liability as a result, although such tax liability may be significantly offset by Parent Debtor's Tax Attributes and 163(j) Deductions.

In addition, the U.S. federal income tax considerations relating to the Plan are complex and subject to uncertainties. No assurance can be given that the IRS will agree with Parent Debtor's interpretations of the tax rules applicable to, or tax positions taken with respect to, the transactions undertaken to effect the Plan. If the IRS were to successfully challenge any such interpretation or position, Parent Debtor may recognize additional taxable income for U.S. federal income tax purposes.

5. Limitation on NOLs, 163(j) Deductions, and Other Tax Attributes

After giving effect to the reduction in Tax Attributes pursuant to excluded CODI and to the offset of any other income, the ability of the Reorganized Debtors in a Reorganization in Place to use any remaining Tax Attributes and certain other attributes post-Consummation may be subject to certain limitations under Sections 382 and 383 of the Tax Code as a result of an "ownership change" of the Reorganized Debtors by reason of the transactions consummated pursuant to the Plan. As noted above, in a Sale Transaction, the Parent Debtor's Tax Attributes and other attributes generally will not carry over to or otherwise be available for utilization by the Reorganized Debtors.

Under Sections 382 and 383 of the Tax Code, if Parent Debtor undergoes an "ownership change" as defined under Section 382 of the Tax Code, the amount of any remaining NOL carryforwards, tax credit carryforwards, 163(j) Deductions, and possibly certain other attributes (potentially including losses and deductions that have accrued economically but are unrecognized as of the date of the ownership change and cost recovery deductions) of Parent Debtor allocable to periods prior to the Effective Date (collectively, the "**Pre-Change Losses**") that may be utilized to offset future taxable income generally are subject to an annual limitation. In general, the amount of the annual limitation to which a corporation that undergoes an ownership change would be subject (the "**Section 382 Limitation**") is equal to the product of (a) the fair market value of the stock of the corporation immediately before the ownership change (with certain adjustments), multiplied by (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the three-calendar-month period ending with the calendar month in which the ownership change occurs, currently 3.58% for March 2026). For this purpose, if a corporation has a "net unrealized built-in loss" at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then, generally, built-in losses (including depletion, amortization or depreciation deductions attributable to such built-in losses) recognized during the following five years (up to the amount of the original net unrealized built-in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's net unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10,000,000 or (b) 15% of the fair market value of its assets (with certain adjustments) before the ownership change.

The Debtors expect that the issuance of the Consideration pursuant to the terms of the Plan will give rise to an ownership change for this purpose and that the Reorganized Debtors' use of the Pre-Change Losses will be subject to limitation unless an exception to the general rules of Section

382 of the Tax Code applies. This limitation is expected to apply in addition to the limitation on certain Pre-Change Losses that arose prior to March 12, 2025, as a result of the Debtors' prior ownership change that the Debtors expect was subject to the Section 382(l)(6) Rule, discussed below.

Special rules may apply in the case of a corporation that experiences an ownership change as a result of a bankruptcy proceeding. An exception to the Section 382 Limitation generally applies in bankruptcy if the corporation's pre-bankruptcy shareholders and certain holders of debt receive, in respect of their interests and claims, at least 50% of the stock of the reorganized corporation (or of a controlling corporation if such corporation also is in bankruptcy) pursuant to a confirmed plan of reorganization (the "**Section 382(l)(5) Exception**"). If a corporation qualifies for the Section 382(l)(5) Exception, the annual Section 382 Limitation will not apply to the corporation's Pre-Change Losses. Instead, the corporation's Pre-Change Losses are required to be reduced by the amount of any interest deductions claimed during the three taxable years preceding the effective date of any ownership change, and the portion of the current taxable year ending on the date of the ownership change, in respect of all debt converted into stock pursuant to the bankruptcy reorganization. Additionally, if the Section 382(l)(5) Exception applies and the reorganized corporation undergoes another ownership change within two years after consummation of the plan of reorganization, then the reorganized corporation would be presumed to have an annual Section 382 Limitation of zero beginning with any taxable year ending after the subsequent ownership change. A corporation may elect not to apply the Section 382(l)(5) Exception.

If the Debtors do not qualify for, or elect not to apply, the Section 382(l)(5) Exception described above, the provisions of Section 382(l)(6) of the Tax Code applicable to corporations under the jurisdiction of a bankruptcy court would generally apply in calculating the annual Section 382 Limitation (the "**Section 382(l)(6) Rule**"). Under the Section 382(l)(6) Rule, a corporation in bankruptcy that undergoes an ownership change pursuant to a plan of reorganization values its stock to be used in computing the Section 382 Limitation after taking into account any increase in value resulting from the discharge of creditors' claims in the reorganization (rather than the value without taking into account such increases, as is the case under the general rule for non-bankruptcy ownership changes).

The Debtors have not determined whether they will be eligible for the Section 382(l)(5) Exception or whether they will affirmatively elect out of the Section 382(l)(5) Exception, if available.

C. Certain U.S. Federal Income Tax Consequences of the Plan to Certain U.S. Holders of Applicable Claims

1. Consequences Relating to Receipt of the Consideration

Pursuant to the Plan and in complete satisfaction of their respective Applicable Claims, each U.S. Holder will receive applicable consideration in the following manner (collectively, the "**Consideration**"):

(i) Each Holder of an Allowed Roll-Up DIP Loan Superpriority Claim shall receive its Pro Rata share of (a) the Exit Secured Loans Facility, (b) the DIP Roll-Up Equitization Interests, and (c) the Roll-Up DIP Loan Cash Effective Date Repayment Amount;

(ii) Each Holder of an Allowed Prepetition RCF Claim shall receive (with the consent of the Required Consenting DIP Lenders, not to be unreasonably withheld), as applicable: (I) if (A) any such Holder votes to accept the Plan and elects to participate in its Pro Rata share of the Exit Revolving Credit Facility and (B) the Exit RCF Trigger occurs, then (1) such Holder's Allowed Prepetition RCF Claims shall be deemed repaid and refinanced in full by such Holder's extension and receipt of its Pro Rata share of Exit RCF Loans with a principal amount equal to the amount of such Holder's Allowed Prepetition RCF Claims and (2) such Holder shall assume a commitment with respect to the Exit Revolving Credit Facility equal to its commitment under the Prepetition Revolving Credit Facility immediately prior to the Petition Date, (II) if any such Holder votes to reject the Plan and elects not to participate in its Pro Rata share of the Exit Revolving Credit Facility, then each Holder of an Allowed Prepetition RCF Claim shall receive its Pro Rata share of (x) the Reinstated Revolving Credit Facility under the Reinstated RCF Credit Documents and (y) the Class 4 Term Loan Facility under the Class 4 Term Loan Facility Documents, and (III) if the Exit RCF Trigger does not occur, then each Holder of an Allowed Prepetition RCF Claim shall receive its Pro Rata share of (x) the Reinstated Revolving Credit Facility under the Reinstated RCF Credit Documents and (y) the Class 4 Term Loan Facility under the Class 4 Term Loan Facility Documents; and

(iii) Each Holder of a Prepetition Secured Notes and/or Contingent Roll-Up Term Loan Claim shall receive its Pro Rata share of the Class 5 Settlement Distribution.

Additionally, Holders may receive Cash payments (i) as "adequate protection" for interest accrued on certain Applicable Claims during the pendency of the bankruptcy proceedings or (ii) without duplication, upon consummation of the Plan for any accrued and unpaid interest on certain Applicable Claims at that time. Although the matter is unclear, the Debtors expect that any such Cash payments will be treated in the same manner as Consideration received in respect of accrued but unpaid interest described below in "— *Accrued Interest*.

(a) Treatment of the Exchange of Applicable Claims for the Consideration

The U.S. federal income tax consequences to a U.S. Holder of an Applicable Claim will depend, in part, on whether (i) for U.S. federal income tax purposes (a) the Applicable Claim surrendered by such U.S. Holder constitutes a "security" of Parent Debtor and (b) the Consideration received by such U.S. Holder includes stock in, or a "security" issued by, Reorganized Parent and (ii) the transactions contemplated hereby are structured as a Reorganization in Place or a Sale Transaction. Neither the Tax Code nor the Treasury Regulations define the term "security." If an Applicable Claim constitutes a "security" and is exchanged for stock in, or a "security" issued by, Reorganized Parent in a Reorganization in Place, the exchange of that Applicable Claim would be a recapitalization for U.S. federal income tax purposes. Otherwise, that exchange would not be a recapitalization.

Whether a debt instrument constitutes a security is determined based on all the facts and circumstances, but most authorities have held that the length of the term of a debt instrument at initial issuance is an important factor in determining whether such instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including, among others, whether the debt instrument is secured, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable, or contingent, and whether such payments are made on a current basis or accrued. Moreover, in published guidance, the IRS has indicated that newly issued debt instruments that would not qualify as securities when viewed in isolation may, in some circumstances, nonetheless qualify as securities if issued in exchange for existing securities.

The Prepetition Revolving Credit Facility has a term of less than five years and therefore is unlikely to be treated as "securities" for U.S. federal income tax purposes. Though the Roll-Up DIP Loan Superpriority Claims have a term of less than five years, they were received in exchange for Prepetition Secured Notes, which have a term of exactly five years and were received under the Debtors' prior plan of reorganization for indebtedness with varying terms. Exit Secured Loans will have a term of exactly five years. Holders of the Roll-Up DIP Loan Superpriority Claims, Prepetition Secured Notes and/or Contingent Roll-Up Term Loan Claims should consult their tax advisors as to whether such Applicable Claims and Exit Secured Loans should be treated as "securities" and whether the exchange qualifies for recapitalization treatment.

If the exchange of the Applicable Claims for the Consideration is treated as a recapitalization, a U.S. Holder will not recognize loss on such exchange but, to the extent of "boot" received in the recapitalization (including Cash and any Consideration that are not "securities"), will recognize any gain realized on the exchange to the extent of Cash and the fair market value of any Consideration that are not "securities." In that case, the U.S. Holder's tax basis in any stock or securities included in the Consideration would be equal to its tax basis for the surrendered Applicable Claims that constitute "securities" and, as applicable, increased by the amount of any gain recognized on the exchange and decreased by the amount of Cash and the fair market value of any "boot" received in the exchange, and the U.S. Holder's holding period for any such stock and securities would include the holding period for the surrendered Applicable Claims that constitute "securities". The U.S. Holder's tax basis in any "boot" (other than Cash) received in the exchange would equal its fair market value, and the U.S. Holder's holding period in the "boot" would begin on the day following the exchange. U.S. Holders should consult their tax advisors with regard to the potential qualification of the exchange as a recapitalization for U.S. federal income tax purposes and the U.S. federal income tax consequences thereof.

If the exchange of the Applicable Claims for the Consideration is not treated as a recapitalization, a U.S. Holder generally will recognize, under Section 1001 of the Tax Code, gain or loss in an amount equal to the difference, if any, between (i) the sum of the amount of any Cash, the "issue price" (discussed below) of any debt instruments and the fair market value of any other Consideration received by the U.S. Holder (in each case, excluding any amount allocable to accrued and unpaid interest on the Applicable Claims, discussed in "— Accrued Interest" below) and (ii) the U.S. Holder's "adjusted tax basis" in the Applicable Claim exchanged therefor. A U.S. Holder's adjusted tax basis in the Applicable Claim generally will equal the cost paid (or deemed paid, if acquired as a result of a prior "significant modification" of the Applicable Claim) for such Applicable Claim, increased by any acquisition discount, market discount or "original issue discount" ("OID") previously included in income, and reduced (but not below zero) by any amortizable bond premium previously amortized with respect to the Applicable Claim. Subject to the rules for market discount discussed below, gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the U.S. Holder has a holding period in the Applicable Claim of more than one year as of the Effective Date. Long-term capital gains recognized by non-corporate U.S. Holders, including individuals, generally will be taxable at a reduced rate. The deductibility of capital losses is subject to certain limitations.

If the exchange of the Applicable Claims for the Consideration is not treated as a recapitalization, a U.S. Holder's tax basis in any debt instruments received generally will be equal to the "issue price" of such debt instruments (as discussed below), and its holding period in such debt instruments will begin on the day after the Effective Date. A U.S. Holder's tax basis in any other Consideration received generally will be equal to their respective fair market values, and its holding period in such other Consideration will begin on the day after the Effective Date. Please see "— Accrued Interest" below for a discussion of accrued but unpaid interest on the Applicable Claims.

Holders of Roll-Up DIP Loan Superpriority Claims may be subject to "installment sale" treatment and imputed interest on the exchange of their Claims for the Consideration as a result of any rights to deferred payment of the Distributable Sale Proceeds. Holders of such Claims are urged to discuss with their tax advisers the consequences of such treatment to the exchange of their Claims for the Consideration, which may materially affect the consequences discussed above.

(b) Accrued Interest

To the extent that any amount (including Cash) received by a U.S. Holder of an Applicable Claim is attributable to accrued but unpaid interest, accrued acquisition discount or OID on the Applicable Claim, the receipt of such amount is generally expected to be taxable to the U.S. Holder as ordinary interest income (to the extent not already included in income by the U.S. Holder). Conversely, a U.S. Holder may be entitled to recognize a deductible loss to the extent that any accrued interest, discount or OID previously was included in the U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point. The tax basis of the Consideration treated as received in satisfaction of accrued but unpaid interest, discount or OID generally is expected to equal the amount of such accrued but unpaid interest, discount or OID. The holding period for such Consideration generally is expected to begin on the day following the receipt of such consideration.

If the fair market value of the Consideration received by a U.S. Holder is not sufficient to fully satisfy all principal and interest on an Applicable Claim, the extent to which such consideration will be attributable to accrued interest, discount or OID is unclear. Under the Plan, the aggregate Consideration received in respect of an Applicable Claim will be allocated first to the principal amount of such Applicable Claim, with any excess allocated to unpaid interest, if any, that accrued on such Applicable Claim before the Petition Date. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, while certain Treasury Regulations treat payments under a debt instrument as allocated first to any accrued but unpaid interest. The IRS could take the position that the Consideration received by a U.S. Holder should be allocated in some way other than as provided in the Plan. U.S. Holders of Applicable Claims should consult their own tax advisors regarding the proper allocation of the Consideration received by them under the Plan.

(c) Market Discount

U.S. Holders of Applicable Claims may be affected by the market discount provisions of Sections 1276 through 1278 of the Tax Code. Under these rules, some or all of any gain realized by a U.S. Holder may be treated as ordinary income (instead of capital gain) to the extent of the amount of market discount on such Applicable Claims.

In general, a debt obligation with a fixed maturity of more than one year that is acquired by a holder on the secondary market (or, in certain circumstances, upon original issuance) is considered to be acquired with market discount as to that holder if the debt obligation's stated redemption price at maturity (or revised issue price, in the case of a debt obligation issued with OID) exceeds the tax basis of the debt obligation in the holder's hands immediately after its acquisition. However, a debt obligation will not be a market discount obligation if such excess is less than a statutory *de minimis* amount (equal to 0.25% of the debt obligation's stated redemption price at maturity or revised issue price, in the case of a debt obligation issued with OID, multiplied by the number of complete years remaining to maturity as of the time the holder acquired the debt obligation).

Any gain recognized by a U.S. Holder on the taxable disposition of an Applicable Claim (determined as described above) that was acquired with market discount generally is expected to be treated as ordinary income to the extent of the market discount that accrued thereon while the Applicable Claim was considered to be held by the U.S. Holder (unless the U.S. Holder elected to include market discount in income as it accrued). If a Roll-Up DIP Loan Superpriority Claim that was acquired with market discount is exchanged in a recapitalization (for U.S. federal income tax purposes) for the Consideration, any market discount that accrued on the Roll-Up DIP Loan Superpriority Claim (*i.e.*, up to the time of the exchange) but was not recognized by the U.S. Holder is carried over to the Exit Secured Loans received therefor and any gain recognized on the subsequent sale, exchange, redemption, or other taxable disposition of such Exit Secured Loans is treated as ordinary income to the extent of such accrued market discount.

2. <u>Consequences Relating to Ownership and Disposition of the Consideration</u>

(a) Exit Revolving Credit Facility

The treatment of holders of the Prepetition RCF Claims receiving the Exit Revolving Credit Facility or Reinstated Revolving Credit Facility is expected to be similar to those described with respect to the Exit Secured Loans, described below. The treatment of holders of the Prepetition RCF Claims receiving the Class 4 Term Loans is generally expected to be similar to those of the Exit Secured Loans, described below, although the consequences will vary depending on their payment terms.

U.S. Holders of Prepetition RCF Claims should discuss with their tax advisors the consequences to them of the Consummation and the providing of commitments under the Exit Revolving Facility or Reinstated Revolving Credit Facility.

(b) Exit Secured Loans

(i) Issue Price

The issue price of the Exit Secured Loans will depend on whether the Exit Secured Loans or the Roll-Up DIP Loan Superpriority Claims are publicly traded (as defined below).

The issue price of a debt instrument issued in exchange for another debt instrument depends on whether either debt instrument is considered "traded on an established market" ("**publicly traded**"). If the Exit Secured Loans are treated as "publicly traded" for U.S. federal income tax purposes, the "issue price" of the Exit Secured Loans will be the fair market value of the Exit Secured Loans as of their issue date. If the Roll-Up DIP Loan Superpriority Claims are, but the Exit Secured Loans are not, treated as publicly traded for U.S. federal income tax purposes, then the issue price of the Exit Secured Loans received in exchange for a Roll-Up DIP Loan Superpriority Claim will be based on the trading price of the publicly traded Roll-Up DIP Loan Superpriority Claims as determined on or within the fifteen day period preceding the issue date of the Exit Secured Loans. If neither the Roll-Up DIP Loan Superpriority Claims nor the Exit Secured Loans are treated as publicly traded, then the issue price of the Exit Secured Loans issued in exchange for the Roll-Up DIP Loan Superpriority Claims will be the principal amount of such Exit Secured Loans.

Debt instruments are considered to be publicly traded if, at any time during the 31-day period ending fifteen days after their issue date, the debt instruments are traded on an "established market." Debt instruments will be considered to trade on an established market if (i) there is a price for an executed purchase or sale of the debt instruments that is reasonably available within a reasonable period of time after the sale, (ii) there is at least one price quote for the debt instruments from at least one reasonably identifiable broker, dealer or pricing service, which price quote is substantially the same as the price for which the person receiving the quoted price could purchase or sell the debt instruments (a "**firm quote**"), or (iii) there is at least one price quote for the debt instruments other than a firm quote, available from at least one such broker, dealer, or pricing service. Debt instruments will be considered publicly traded for this purpose if they meet any of the prongs described above during the same period.

Under the applicable Treasury Regulations, the Debtors may be required to make a determination as to whether the Roll-Up DIP Loan Superpriority Claims or Exit Secured Loans are publicly traded and their "issue price," and to make such determinations available to U.S. Holders in a commercially reasonable fashion, including by electronic publication, within 90 days of the issue date of the Exit Secured Loans. These Treasury Regulations provide that each of these determinations is binding on a U.S. Holder unless the U.S. Holder satisfies certain conditions.

Because the relevant trading period for determining whether the Roll-Up DIP Loan Superpriority Claims and the Exit Secured Loans are publicly traded and the issue price of the Exit Secured Loans has not yet occurred, the Debtors are unable to determine the issue price of the Exit Secured Loans at this time.

(ii) Interest and OID

Payments or accruals of "qualified stated interest" on the Exit Secured Loans generally will be includible in a U.S. Holder's gross income as ordinary interest income and taxable at the time such interest is received or accrued, in accordance with such U.S. Holder's method of tax accounting for U.S. federal income tax purposes. The term "qualified stated interest" generally means stated interest that is unconditionally payable in Cash or in property (other than debt instruments of the issuer such as any interest payments that are payments in kind ("**PIK Interest**") at least annually at a single fixed rate or a single qualified floating rate. Because the Reorganized Debtors have an option to pay PIK Interest on the Exit Secured Loans for the first three years of the term, none of the stated interest payments on the Exit Secured Loans will be qualified stated interest.

The amount of OID on the Exit Secured Loans will be equal to the excess of the stated redemption price at maturity over the issue price (determined as discussed above). The "stated redemption price at maturity" of the Exit Secured Loans generally will equal the sum of all payments required under the Exit Secured Loans other than qualified stated interest.

A U.S. Holder will be required to include such OID in income as it accrues, in accordance with a constant-yield method based on a compounding of interest, before the receipt of Cash attributable to this income, regardless of its method of tax accounting. Under this method, a U.S. Holder will be required to include in ordinary income the sum of the "daily portions" of OID for all days during the taxable year that it owns the Exit Secured Loans. The daily portions of OID are determined by allocating to each day in any accrual period a ratable portion of the OID on the Exit Secured Loans that is allocable to that period. Accrual periods may be any length and may vary in length over the term of the Exit Secured Loans, so long as no accrual period is longer than one year. The amount of OID allocable to each accrual period is determined by multiplying the "adjusted issue price" of the Exit Secured Loans at the beginning of the accrual period by the yield to maturity of the Exit Secured Loans, adjusted to take account of the length of the accrual period. The "adjusted issue price" of the Exit Secured Loans at the beginning of any accrual period will generally be the sum of its issue price and the amount of OID allocable to all prior accrual periods. The "yield to maturity" of the Exit Secured Loans is the discount rate that causes the present value on the issue date of all payments on the Exit Secured Loans other than qualified stated interest to equal the issue price.

Determining the "yield to maturity" of a note (such as the Exit Secured Loans) that provides for alternative interest rates (depending on whether the Reorganized Debtors choose to pay the interest in all Cash, all PIK Interest, or in a mixture of Cash and PIK Interest) is complex and will depend on certain assumptions as to what interest rate should be used.

(iii) Sale, Retirement, Redemption, or Other Taxable Disposition

A U.S. Holder of Exit Secured Loans generally will recognize gain or loss upon the sale, redemption, retirement or other taxable disposition of the Exit Secured Loans equal to the difference, if any, between (i) the amount realized upon the disposition (less a portion allocable to any accrued interest that has not yet been included in income by the U.S. Holder, which generally will be taxable as ordinary interest income) and (ii) the U.S. Holder's adjusted tax basis in the Exit Secured Loans. In general, a U.S. Holder's adjusted tax basis in Exit Secured Loans generally will be its initial tax basis in the Exit Secured Loans, increased by any accrued OID previously included in the U.S. Holder's gross income with respect to the Exit Secured Loans and reduced by any payments other than qualified stated interests. Any gain or loss on the sale, redemption, retirement, or other taxable disposition of the Exit Secured Loans generally will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Exit Secured Loans for more than one year as of the date of disposition. The deductibility of capital losses is subject to certain limitations.

The tax consequences to a U.S. Holder who received Exit Secured Loans in a recapitalization (as described above in "— *Treatment of the Exchange of Applicable Claims for the Consideration*") may have different consequences upon a sale, redemption, retirement, or other taxable disposition of their Exit Secured Loans, including if the U.S. Holder is treated as having acquired the Exit Secured Loans with market discount or amortizable bond premium. U.S. Holders who receive Exit Secured Loans in a recapitalization should consult with their tax advisors as to the tax consequences of a taxable disposition of their Exit Secured Loans.

(b) New Equity Interests

(i) Distributions

The gross amount of any distribution made on account of New Equity Interests that is made out of Reorganized Parent's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) generally is expected to be taxable to a U.S. Holder as ordinary dividend income on the date such distribution is actually or constructively received. Any such dividends generally would be expected to be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations. To the extent that the amount of the distribution exceeds Reorganized Parent's current and accumulated earnings and profits (as determined under U.S. federal income tax principles), such excess amount is generally expected to be treated first as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in its New Equity Interests, and thereafter as capital gain recognized on a sale or exchange. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any distribution received from Reorganized Parent.

Dividends paid by Reorganized Parent to non-corporate U.S. Holders who meet certain requirements are generally expected to be eligible to be treated as "qualified dividend income" and therefore taxable at rates applicable to long-term capital gains. U.S. Holders should consult their own tax advisors regarding the availability of these favorable tax rates on dividends in their particular circumstances.

(ii) Sale, Exchange, or Other Taxable Disposition

Unless a non-recognition provision applies, U.S. Holders generally will recognize capital gain or loss upon the sale, exchange, or other taxable disposition (other than certain redemptions) of the New Equity Interests. Such capital gain generally will be long-term capital gain if at the time of the sale, exchange, or other taxable disposition (other than certain redemptions), the U.S. Holder has a holding period in the New Equity Interests of more than one year. Long-term capital gains of an individual taxpayer generally are taxed at preferential rates. The deductibility of capital losses is subject to certain limitations as described above. U.S. Holders should consult with their tax advisors regarding the tax consequences of a redemption of their New Equity Interests, including the possibility that a redemption could be treated as a dividend for U.S. federal income tax purposes.

As discussed above under "*—Exit Secured Loans—Sale, Retirement, Redemption or Other Taxable Disposition*," additional tax considerations may apply to U.S. Holders who received their New Equity Interests in a recapitalization described above under "*Consequences to U.S. Holders of Applicable Claims of Receiving the Consideration—Treatment of the Exchange of Applicable Claims for the Consideration*."

D. Backup Withholding on Distributions and Information Reporting

Under U.S. federal income tax law, interest, dividends, and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then-applicable withholding rate (currently at a rate of 24%). Under the backup withholding rules, a Holder may be subject to backup withholding with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; (b) in the case of a U.S. Holder, timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9); and (c) in the case of a Non-U.S. Holder, complies with certification procedures to establish that the Holder is not a United States person (generally in the form of a properly executed applicable IRS Form W-8). Backup withholding is not an additional tax but merely an advance payment and may be refunded to the extent it results in an overpayment of tax. Certain persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions. Holders are urged to consult their tax advisors regarding the Treasury Regulations governing backup withholding and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these Treasury Regulations and whether the transactions contemplated by the Plan would be subject to these Treasury Regulations and require disclosure on the Holder's tax returns.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND INTERESTS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY NON-U.S. OR U.S. STATE, LOCAL OR TERRITORY TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAW.

ARTICLE VIII.
CERTAIN SECURITIES LAW MATTERS

The following discussion summarizes certain matters related to securities laws that may affect those that receive certain Plan Distributions pursuant hereto. Given the complex or subjective nature of such matters, including the factual question of whether a particular Holder may be an underwriter, the Debtors make no representation concerning the right of any person to trade in the New Equity Interests or any other Securities. The Debtors recommend that potential recipients of the New Equity Interests or any other Securities consult their own counsel concerning whether they may freely trade such Securities without registration under, or exemption from registration under, the Securities Act, the Securities Exchange Act, or similar state, federal, or foreign laws.

The Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order to any Entity (including DTC or any transfer agent for the New Equity Interests, or any warrant agent for the DOT Warrants) with respect to the treatment of the New Equity Interests to be issued under the Plan under applicable securities laws. DTC, any transfer agent for the New Equity Interests, or any warrant agent for the DOT Warrants, shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the New Equity Interests to be issued under the Plan are exempt from registration or eligible for DTC book-entry delivery, settlement, and depository services, and whether the New Equity Interests are, under the Plan, validly issued, fully paid, and non-assessable. Notwithstanding anything to the contrary in the Plan, no Entity (including DTC, any transfer agent for the New Equity Interests, or any warrant agent for the DOT Warrants) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the New Equity Interests to be issued under the Plan are exempt from registration, and whether the New Equity Interests were, under the Plan, validly issued, fully paid, and non-assessable.

Any transfer agent, or other similarly situated agent (including the warrant agent for the DOT Warrants, if any), trustee, or other non-governmental Entity shall accept and rely upon the Plan and Confirmation Order in lieu of a legal opinion for purposes of determining whether the initial offer and sale of the New Equity Interests were exempt from registration under section 1145(a) of the Bankruptcy Code, and whether the New Equity Interests were, under the Plan, validly issued, fully paid, and non-assessable.

A. New Equity Interests

1. Offering and Issuance of New Equity Interests

The Plan provides for the offering, issuance, and distribution of the New Equity Interests, which are "securities," as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable state securities laws.

After the Effective Date, the Debtors will rely on section 1145(a) of the Bankruptcy Code to exempt from registration under the Securities Act and Blue-Sky Laws the offer, issuance, and distribution, if applicable, of New Equity Interests under the Plan.

Section 1145(a)(1) of the Bankruptcy Code exempts the issuance, offer, sale, and distribution of Securities under a plan of reorganization from registration under section 5 of the Securities Act and state or local Securities laws if the following three principal requirements are satisfied: (a) the Securities must be offered and sold under a plan of reorganization and must be Securities of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (b) the recipients of the Securities must hold prepetition or administrative expense claims against the debtor or interests in the debtor; and (c) the Securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in exchange for such claim or interest and partly for cash or property. *See* 11 U.S.C. § 1145(a)(1).

The offer, issuance, and distribution of the New Equity Interests (including the DIP Roll-Up Equitization Interests and the DOT Warrants) satisfy the requirements of section 1145 of the Bankruptcy Code and, therefore, such offering, issuance, and distribution are exempt from registration under the Securities Act and any state or local law requiring registration. To the extent any "offer or sale" of New Equity Interests may be deemed to have occurred, such offer or sale is made under the Plan and in exchange for Claims against one or more of the Debtors, or principally in exchange for such Claims and partly for cash or property, within the meaning of section 1145(a)(1) of the Bankruptcy Code. The availability of the exemptions under section 1145 of the Bankruptcy Code or any other applicable securities laws shall not be a condition to occurrence of the Effective Date of the Plan.

To the degree that section 1145 of the Bankruptcy Code is not available for the offer, issuance, and distribution of the New Equity Interests, Section 4(a)(2) of the Securities Act provides that the issuance of securities by an issuer in transactions not involving a public offering are exempt from registration under the Securities Act. Regulation D is a non-exclusive safe harbor from registration promulgated by the SEC under the Securities Act. Regulation S provides that the offering or issuance of securities to persons that, at the time of the issuance, were outside of the United States and were not "U.S. persons" (and were not purchasing for the account or benefit of a "U.S. person") within the meaning of Regulation S is exempt from registration under Section 5 of the Securities Act.

2. Subsequent Transfers of New Equity Interests

Subject to any limitations in the New Organizational Documents, the New Equity Interests (including the DIP Roll-Up Equitization Interests issued and distributed under the Plan in reliance on section 1145(a)(1) of the Bankruptcy Code) may be freely transferred by recipients following the initial issuance under the Plan without registration unless, as more fully described below, the holder is an "underwriter" with respect to such securities.

Generally, an "underwriter" (for purposes of section 1145 of the Bankruptcy Code) is any person who:

(a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such a claim or interest;

(b) offers to sell securities offered or sold under the plan for the holders of such securities;

(c) offers to buy securities offered or sold under the plan from the holders of such securities, if such offer to buy is—

(i) with a view to distribution of such securities; and

(ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or

(d) is an issuer, as defined in section 2(a)(11) of the Securities Act, with respect to such securities.

11 U.S.C. § 1145(b)(1). Under section 2(a)(11) of the Securities Act, an "issuer" includes any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control of the issuer. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

To the extent that any Entities who receive New Equity Interests pursuant to the Plan are deemed to be "underwriters" as defined in section 1145(b) of the Bankruptcy Code, resales of such New Equity Interests by such Entities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. However, resales of such New Equity Interests satisfying the applicable requirements of Rule 144 under the Securities Act with respect to "control securities" (or another available exemption under the Securities Act) may be permitted. Rule 144 permits the public resale of Securities received by such persons if current information regarding the issuer is publicly available and if volume limitations and certain other conditions are met.

Whether or not any particular person may be deemed to be an "underwriter" with respect to the New Equity Interests or any other Security issued pursuant to the Plan depends upon various facts and circumstances applicable to that Entity. Accordingly, the Debtors express no view as to whether any particular Entity receiving New Equity Interests or other Securities hereunder may be an "underwriter" with respect to such New Equity Interests or other Securities.

***

CONCLUSION AND RECOMMENDATION

The Debtors and the Consenting DIP Lenders believe that Confirmation and Consummation of the Plan are in the best interests of the Debtors, their Estates, and their creditors. The Plan contemplates a restructuring that will be beneficial to the Company and provides for an equitable distribution of distributable value to Holders of Claims. The Debtors believe that any alternative to Plan Confirmation could result in significant delay, litigation, and additional costs, as well as a reduction in the distributions to Holders of Claims in certain Classes. **Consequently, the Debtors and the Consenting DIP Lenders urge all eligible Holders of Claims eligible to vote on the Plan to vote to ACCEPT the Plan and to complete and submit their Ballots so that they are RECEIVED by the Claims and Solicitation Agent on or before the Voting Deadline.**

Spirit Aviation Holdings, Inc.
on behalf of itself and each of its Debtor affiliates

[•], 2026

____

Name:
Title:

Exhibit A

Organizational Chart

Corporate Structure Chart
(as of March 13, 2026)

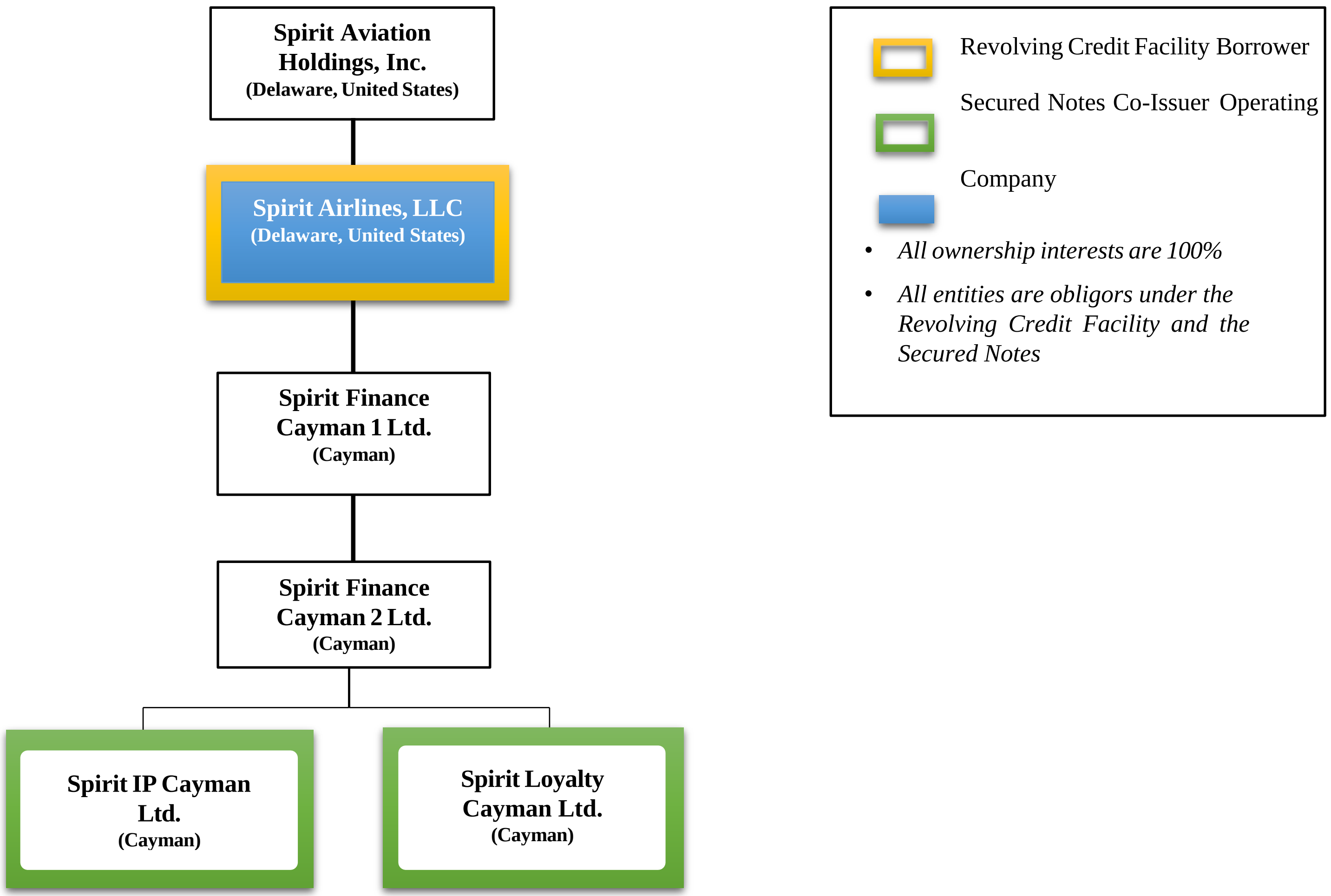

Exhibit B

Financial Projections

[*To be filed subsequently*]

Exhibit C

Valuation Analysis

[*To be filed subsequently*]

Exhibit D

Liquidation Analysis

[*To be filed subsequently*]

Exhibit E

Restructuring Support Agreement

[Filed at ECF No. [849]]

Exhibit F

Joint Chapter 11 Plan of Reorganization

[Filed at ECF No. [848]]