NFI Announces First Quarter 2022 Results

May 5, 2022

All figures quoted in U.S. dollars unless otherwise noted:

Summary Highlights:

- **2022 Q1 revenue of $459 million; 660 equivalent units ("EUs") delivered, including 202 EUs of battery- and fuel cell-electric vehicles ("ZEBs"), which equates to 31% of total deliveries.**
- **2022 Q1 Adjusted EBITDA[(2)] of ($17) million; Net Loss per Share of $0.36 and Adjusted Net Loss per Share[(2)] of $0.53.**
- **Ending liquidity[(2)] position of $649 million. Quarterly dividends per share of C$0.05.**
- **Ending total backlog position (both firm and options) of 8,908 EUs (valued at $4.9 billion[(2)]); ZEB backlog now 1,496 EUs, or 17%, of total backlog. Active public bid universe up 21% year-over-year; ZEBs now represent 43% of the Total Bid Universe.**
- **In 2022 Q1, "NFI Forward", the Company's strategic cost reduction and sourcing initiative, realized Adjusted EBITDA savings of $16 million (equating to a $63 million annualized run rate), and a further $4 million of Free Cash Flow[(2)] savings.**
- **Reaffirmed Fiscal 2022 financial guidance expectations, as updated on April 29, 2022, for revenue, Adjusted EBITDA and cash capital expenditures. Reaffirmed Fiscal 2025 financial targets.**
- **President and CEO, Paul Soubry, taking temporary medical leave of absence. Brian Dewsnup, currently President NFI Parts, will become acting NFI Group President and CEO.**

WINNIPEG, Manitoba, May 05, 2022 (GLOBE NEWSWIRE) -- **(TSX: NFI, OTC: NFYEF, TSX: NFI.DB)** NFI Group Inc. ("NFI" or the "Company"), a leader in zero-emission electric mobility solutions, today announced its unaudited consolidated financial results for the first quarter of 2022 and that Paul Soubry, its President and Chief Executive Officer, will be taking an immediate temporary medical leave of absence after being diagnosed with an aortic aneurysm that requires treatment. NFI's Board of Directors (the "Board") has appointed Brian Dewsnup, President of NFI Parts, to be acting President and CEO of NFI Group during Paul's absence. Paul will remain a member of the Board during his leave.

"Following today's results release, conference call, and the annual meeting of shareholders, I will be taking a temporary leave of absence to focus on my health and treatment plan. It is in my best interest and that of NFI that I take this time away while Brian Dewsnup and the rest of our excellent team continue to execute our strategy and navigate the current supply chain turbulence affecting our industry," said Mr. Soubry. "I am committed to actively return to the business as my health permits and plan to be back as soon as possible."

"We commend Paul and support his request to take this leave and wish him the best as he focuses on his health," said the Honourable Brian Tobin, O.C. P.C., Chair of NFI's Board. "The Board has complete confidence in the strong management team that Paul has built, which includes standalone leadership of each business unit. Brian Dewsnup is an excellent choice for the interim role as he has a deep track record within our Company and industry, having been President of NFI Parts since 2017, President of North American Bus Industries ("NABI"), following its acquisition by NFI in 2013, and previously served as NABI's Chief Financial Officer. Brian Dewsnup and the entire team are well positioned to continue to implement the businesses strategy and run day-to-day operations while Paul is away."

First Quarter 2022 Financial Results

Key financial metrics of the quarter are highlighted below:

in millions except deliveries and per Share amounts. Unaudited		2022 Q1	Change[(1)]		2022 Q1 LTM	Change[(1)]
Deliveries (EUs)		660	*(31)*%		3,488	*(14)*%
IFRS Measures						
Revenue	$	459	*(20)*%	$	2,229	*(2)*%
Net loss		(28)	*(499)*%		(50)	*41%*
Net loss per Share		(0.36)	*(427)*%		(0.66)	*50%*

Non-IFRS Measures[2]						
Adjusted EBITDA	$	(17)	*(131)%*	$	89	*(42)%*
Adjusted Net Loss		(41)	*(770)%*		(59)	*(46)%*
Adjusted Net Loss per Share		(0.53)	*(689)%*		(0.81)	*(27)%*
Free Cash Flow		(41)	*(362)%*		(33)	*(215)%*
Liquidity (as at April 3, 2022)	$	649	*103%*	$	649	*103%*

(1) Results noted herein are for the 13-week period ("2022 Q1") and the 53-week period ("LTM 2022 Q1") ended April 3, 2022. The comparisons reported in this press release compare 2022 Q1 to the 13-week period ("2021 Q1") and LTM 2022 Q1 to the 52-week period ("LTM 2021 Q1") ended March 28, 2021. Comparisons and comments are also made to the 14-week period ("2021 Q4") ended January 2, 2022.

(2) Adjusted EBITDA, Adjusted Net Earnings (loss), and Free Cash Flow represent non-IFRS measures, Adjusted Net Earnings (loss) per Share and Return on Invested Capital (ROIC) are non-IFRS ratios, and Liquidity and Backlog are supplementary financial measures. Such measures and ratios are not defined terms under IFRS and do not have standard meanings, so they may not be a reliable way to compare NFI to other companies. Adjusted Net Earnings (loss) per Share is based on the non-IFRS measure Adjusted Net Earnings (Loss). ROIC is based on net operating profit after tax and average invested capital, both of which are non-IFRS measures. See "Non-IFRS Measures" and detailed reconciliations of IFRS Measures to Non-IFRS Measures in Appendix B of this press release. Readers are advised to review the unaudited consolidated financial statements (including notes) (the "Financial Statements") and the related Management's Discussion and Analysis (the "MD&A") that are available at the Company's website at www.nfigroup.com and under the Company's profile at www.sedar.com.

"The first quarter reflected our broader operating environment, as we saw significant increases in demand metrics, including increases in new orders, backlog and bid activity, offset by supply chain disruptions and heightened inflation. Manufacturing segment results reflect the impacts of lower deliveries stemming from unreliable battery, chassis and electronics supply, as well as other missing components, and unfavourable sales mix. The Aftermarket segment was a bright spot, as it delivered year-over-year revenue growth in North American and UK markets, and solid Adjusted EBITDA and cash contribution.

"As we look forward, we know that 2022 will have challenges, driven by unreliable parts supply, but we have a comprehensive plan to work through near-term issues and strong support from our banking partners to help us achieve our goals. The future remains very bright, as demand for our vehicles has never been higher and the first rollouts of record government investments in public transit are starting to reach our customers. Our multi-year backlog, market leading products and positions and deep customer relationships leave us extremely well positioned for recovery as supply chains normalize and parts availability recovers," said Paul Soubry, President and Chief Executive Officer, NFI.

Segment Results

Manufacturing segment revenue for 2022 Q1 decreased by $133 million, or 29%, compared to 2021 Q1. The decrease was primarily due to the reduction in deliveries as a result of the global supply chain and logistics challenges. These challenges are largely the result of suppliers recovering from impacts of the COVID-19 pandemic, which created numerous bottlenecks and disruptions to parts availability. Adjusted EBITDA decreased by $75 million, driven by lower new vehicle deliveries, unfavourable sales mix, heightened inflation and operational inefficiencies directly resulting from global supply chain and logistics challenges, heightened by escalating supply disruption of critical electronic parts from China. In addition, NFI received $22 million in Canadian and UK government wage subsidies, to assist with the retention of skilled personnel, in the first quarter of 2021 and has not received any grants in 2022 Q1.

During 2022 Q1, NFI delivered 202 battery-electric and fuel cell-electric vehicles, representing 31% of total deliveries, up from 10% in 2021 Q1. In addition, NFI recently announced that its battery-electric and fuel cell-electric vehicles have collectively travelled more than 65 million zero-emission miles.

Aftermarket segment revenue was $133 million, with 16% year-over-year growth. The increase was driven by increased volumes in North America, United Kingdom and Europe regions due to market recovery and inflationary price increases. The Company also continues to benefit from a significant, multi-year retrofit program in the Asia-Pacific region, which will continue throughout 2022, but at a lower run rate. 2022 Q1 Aftermarket Adjusted EBITDA reached $23 million, a $0.3 million, or 1%, year-over-year increase.

Net Earnings, Adjusted Net Earnings and Return on Invested Capital

2022 Q1 Adjusted Net Loss of $41 million compared to 2021 Q1 Adjusted Net Earnings of $6 million. The increase in Adjusted Net Loss was driven by the reduction in deliveries as a result of the global supply chain and logistics challenges and escalating supply disruptions of critical electronic parts from China. In addition, the Company did not receive any government wage subsidy grants, as the programs were either discontinued or NFI was no longer eligible. The Adjusted Net Loss was partially offset by strong net earnings in the Aftermarket segment, and $16 million in 2022 Q1 Adjusted EBITDA savings generated by NFI Forward.

2022 Q1 net loss of $28 million increased by $35 million from 2021 Q1, primarily due to the same items that impacted Adjusted Net Loss. The net loss was somewhat offset by higher mark-to-market adjustments to the Company's interest rate swaps and the fair value adjustment to the Company's convertible debenture cash conversion option.

LTM 2022 Q1 ROIC decreased by 2.5% from LTM 2021 Q4, due to the decrease in Adjusted EBITDA and a lower invested capital base. The decrease in invested capital is primarily due to repayments of long-term debt and fair market value adjustments to the interest rate swaps that reduced the associated liability, partially offset by the issuance of new shares and convertible debentures which occurred in the last twelve months.

Liquidity and Credit Amendments

The Company's liquidity position, which combines cash on-hand plus available capacity under its credit facilities, was $649 million as at the end of 2022 Q1, down $145 million from the end of 2021 Q4, primarily due to growth in inventory and other working capital balances related to supply chain disruptions.

NFI continues to advance negotiations with its banking partners and expects to obtain covenant amendments on its credit facilities. Discussions have been supportive, and detailed plans are being evaluated that would see new covenants appropriate for NFI's updated financial projections with expectations that amendments can be completed within the second quarter of 2022.

The need for covenant amendments is primarily being driven by lower trailing Adjusted EBITDA combined with the Company's anticipated financial performance and debt profile, rather than a liquidity or cash consumption related challenge.

NFI believes that its current liquidity is adequate to support the Company's operations as it works through the current supply chain disruption, including planned temporary heightened investments in work-in-process inventory for vehicles being built that are awaiting module installation.

Outlook

In each of NFI's end markets, government support for public transit vehicles and, specifically, zero-emission buses, is at an all-time high. Not only has government support for transit operations remained strong during the global pandemic, governments have also committed billions of dollars for long-term fleet investments in zero-emission vehicles and infrastructure.

As the market leader in North American transit and coach manufacturing and the UK's leading provider of buses and coaches, management believes NFI is extremely well-positioned for both the near- and long-term based on the multi-year commitments being made by governments in all of the Company's core markets.

Due to disruption to the Company's North American control module supply, NFI anticipates a temporary increase in work-in-process inventory as the Company builds and holds contractually sold transit buses during the second and third quarter. As those vehicles are expected to receive control modules in the third quarter and are then planned to be delivered through the late third quarter and throughout the fourth quarter, management expects WIP will be reduced by year-end.

Given NFI's expectations that supply impacts continue to be temporary, and based on the strong signs of market recovery in all of NFI's end markets, cost and capital expenditure reductions will be balanced with the ability to continue to secure new orders, invest in new product development, and deliver on existing customer orders.

While supply issues are anticipated to be near-term headwinds, NFI's longer-term outlook remains strong based on its backlog and broader market conditions. NFI has received significant new orders over the past twelve months that support the Company's plan to ramp-up production and delivery volumes in 2023. These new orders, combined with existing backlog of 8,908 EUs (valued at $4.9 billion), other recent bid activity, and continuing growth in government investments in public transportation, are expected to drive significant revenue and Adjusted EBITDA growth for NFI from 2023 to 2025.

NFI Forward

In 2022 Q1, NFI Forward realized Adjusted EBITDA savings of approximately $16 million and $4 million of additional Free Cash Flow savings. The majority of NFI Forward initiatives are either complete or in the later stages of completion, and NFI Forward has reached an annualized run rate of approximately $63 million in Adjusted EBITDA savings as of 2022 Q1. The program is well on its way to achieving the original target of $67 million in run rate savings by 2023.

The Company had planned to announce details of "NFI Forward 2.0" this quarter, but, given the current supply chain environment, management has focused its efforts on production and delivery. The Company has started projects under this initiative, including the announced closure of a Delaware Aftermarket parts distribution facility (the original NABI parts warehouses). NFI will continue to advance further facility consolidations and footprint optimization as part of NFI Forward 2.0 and provide full details at a later date.

Financial Guidance

On April 29, 2022, the Company announced that it was lowering its financial guidance for 2022, primarily due to supply chain challenges. The Company reaffirms the Fiscal 2022 revised guidance as outlined in the April 29, 2022 press release.

NFI expects a significant ramp-up in both production and deliveries in 2023 that are expected to drive revenue and Adjusted EBITDA growth. This is supported by NFI's firm and option backlog, recent bid activity, and continuing growth in government investments in transportation.

Despite the near-term challenges, management reaffirms its 2025 longer-term targets, originally announced in January 2021. NFI remains committed to its goals of delivering $3.9 billion to $4.1 billion in revenue, Adjusted EBITDA of $400 million to $450 million, with approximately 40% of vehicle sales coming from zero-emission vehicles, and ROIC of higher than 12% in fiscal 2025. These targets are driven by several factors and expectations including the recovery of the current supply chain disruptions and other COVID-19-related impacts, a higher percentage of ZEB sales, which provide a higher revenue and dollar margin benefit, the mitigation of inflationary pressures, end markets recovery to pre-pandemic levels, realization of NFI Forward benefits driving volume leverage, growth of cutaway and medium-duty products, aftermarket expansion, and continuous improvement initiatives.

Please review the Company's April 29, 2022 press release and the 2022 Q1 MD&A for details on the assumptions that drive Fiscal 2022 guidance and 2025 targets, as well as certain applicable risks. Management's expectations regarding financial guidance and targets above are also subject to the risks and other factors referred to in Appendix B.

Board Retirement

John Marinucci, FCPA, FCA, ICD.D, H.R.C.C.C, previous President and Chief Executive Officer of NFI, has served as a member of the NFI Board of Directors since 2005. With the one-year extension to Mr. Marinucci's 15-year Board term limit expiring in May 2022, Mr. Marinucci has announced that he will be retiring from the Board following the Company's 2022 Annual General Meeting of Shareholders, to be held May 5, 2022. Mr. Marinucci joined NFI as President and Chief Executive Officer in 2002, led the Company through its initial public offering in 2005 and retired as an executive officer of the Company at the beginning of 2009. Mr. Marinucci served on the Board as a member-at-large from 2005 through 2022. Throughout his tenure on both the management team and the Board, he made tremendous contributions to the Company. NFI's Board and management would like to thank Mr. Marinucci for his outstanding contribution to NFI and wish him all the best in all future endeavors.

Board Nomination

Wendy Kei is being nominated for election to the Board at the Company's 2022 Annual General Meeting of Shareholders. Ms. Kei is a corporate director and currently serves as chairperson of the board for Ontario Power Generation Inc. Ms. Kei also serves on the boards of Karora Resources Inc. and Noranda Income Fund. Ms. Kei previously served as Chief Financial Officer of Dominion Diamond Corporation. In 2022, Ms. Kei was honoured as a Fellow from the Institute of Corporate Directors (F.ICD), named BMO Celebrate Women on Boards 2022 Honouree and in 2020, she was selected one of Canada's Top 100 Most Powerful Women and was honoured with a Fellow Chartered Professional Accountant (FCPA-FCA) designation. Ms. Kei is a Fellow of the Chartered Professional Accountants of Ontario and holds a Bachelor of Mathematics from the University of Waterloo.

Environmental, Social & Governance

NFI's 2021 Environmental Social Governance Report will be released on the Company's website in May 2022.

First Quarter 2022 Results Conference Call

A conference call for analysts and interested listeners will be held on May 5, 2022 at 8:30 a.m. Eastern Time (ET). The call-in number for listeners is 404-400-0571 or 866-374-5140, passcode number 48260714. An accompanying results presentation will be available prior to the call at: www.nfigroup.com. A live webcast of the call and presentation will also be available at: https://edge.media-server.com/mmc/p/3giez4og

A replay of the call will be accessible from 11:30 a.m. ET on May 5, 2022 until 11:59 p.m. ET on May 4, 2023 at https://edge.media-server.com/mmc/p/3giez4og. The replay will also be available on NFI's website at: www.nfigroup.com

Annual General Meeting of Shareholders

NFI's Annual General Meeting of Shareholders (the "Meeting") will be held virtually on Thursday, May 5, 2022 at 1:00 p.m. (ET). Details on how to join the Meeting are posted on NFI's website.

About NFI Group

Leveraging 450 years of combined experience, NFI is leading the electrification of mass mobility around the world. With zero-emission buses and coaches, infrastructure, and technology, NFI meets today's urban demands for scalable smart mobility solutions. Together, NFI is enabling more livable cities through connected, clean, and sustainable transportation.

With 8,000 team members in nine countries, NFI is a leading global bus manufacturer of mass mobility solutions under the brands **New Flyer**® (heavy-duty transit buses), **MCI**® (motor coaches), **Alexander Dennis Limited** (single and double-deck buses), **Plaxton** (motor coaches), **ARBOC**® (low-floor cutaway and medium-duty buses), and **NFI Parts** ™. NFI currently offers the widest range of sustainable drive systems available, including zero-emission electric (trolley, battery, and fuel cell), natural gas, electric hybrid, and clean diesel. In total, NFI supports its installed base of over 105,000 buses and coaches around the world. NFI's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol NFI and its convertible unsecured debentures trade on the TSX under the symbol NFI.DB. News and information is available at www.nfigroup.com, www.newflyer.com, www.mcicoach.com, www.nfi.parts, www.alexander-dennis.com, www.arbocsv.com, and www.carfaircomposites.com.

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Appendix A - Reconciliation Tables

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA and Net Operating Profit after Taxes

Management believes that Adjusted EBITDA, and net operating profit after taxes ("NOPAT") are important measures in evaluating the historical operating performance of the Company. However, Adjusted EBITDA and NOPAT are not recognized earnings measures under International Financial Reporting Standards ("IFRS") and do not have standardized meanings prescribed by IFRS. Accordingly, Adjusted EBITDA and NOPAT may not be comparable to similar measures presented by other issuers. Readers of this press release are cautioned that Adjusted EBITDA should not be construed as an alternative to net earnings or loss determined in accordance with IFRS as an indicator of the Company's performance and NOPAT should not be construed as an alternative to earnings or loss from operations determined in accordance with IFRS as an indicator of the Company's performance. See "Non-IFRS Measures" for the definition of Adjusted EBITDA and NOPAT. The following table reconciles net earnings (loss) to Adjusted EBITDA based on the historical Financial Statements of the Company for the periods indicated. The Company defines NOPAT as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%.

(U.S. dollars in thousands) - unaudited	2022 Q1	2021 Q1	53-Weeks Ended April 3, 2022	52-Weeks Ended March 28, 2021
Net (loss) earnings	$ (28,068)	$ 7,033	$ (49,585)	$ (83,464)
Addback[1]				
Income taxes	(8,745)	7,586	(6,775)	4,652
Interest expense[16]	(9,344)	10,123	19,569	56,857
Amortization	23,351	24,564	95,941	105,208

Loss (gain) on disposition of property, plant and equipment	(373)	(355)	94	(574)
Fair value adjustment for total return swap[9]	952	(438)	2,071	(2,290)
Unrealized foreign exchange loss (gain) on non-current monetary items and forward foreign exchange contracts	4,768	2,529	14,030	(6,478)
Costs associated with assessing strategic and corporate initiatives[7]	—	—	(106)	1,396
Past service costs and other pension costs (recovery)[11]	—	—	—	55
Proportion of the total return swap realized[10]	(275)	447	(1,434)	862
Equity settled stock-based compensation	285	650	1,373	2,406
Unrecoverable insurance costs[12]	411	—	1,129	—
Prior year sales tax provision[13]	—	40	1,996	280
COVID-19 costs[14]	—	289	3,670	47,651
Restructuring costs[8]	96	2,372	9,192	29,891
Adjusted EBITDA[1]	$ (16,942)	$ 54,840	$ 91,165	$ 156,452
Depreciation of property, plant and equipment and right of use assets	(15,212)	(16,364)	(63,216)	(69,110)
Tax at 31%	9,968	(11,928)	(8,664)	(27,076)
NOPAT	$ (22,186)	$ 26,548	$ 19,285	$ 60,266
Adjusted EBITDA is comprised of:				
Manufacturing	$ (39,459)	$ 35,770	$ (23,675)	$ 102,392
Aftermarket	22,834	22,481	99,022	68,292
Corporate	(317)	(3,511)	17,327	(14,232)

Free Cash Flow and Free Cash Flow per Share

Management uses Free Cash Flow and Free Cash Flow per Share as non-IFRS measures to evaluate the Company's operating performance and liquidity and to assess the Company's ability to pay dividends on the Shares, service debt, and meet other payment obligations. However, Free Cash Flow and Free Cash Flow per Share are not recognized earnings measures under IFRS and do not have standardized meanings prescribed by IFRS. Accordingly, Free Cash Flow and the associated per Share figure may not be comparable to similar measures presented by other issuers. Readers of this press release are cautioned that Free Cash Flow should not be construed as an alternative to cash flows from operating activities determined in accordance with IFRS as a measure of liquidity and cash flow. See "Non-IFRS Measures" for the definition of Free Cash Flow. The following table reconciles net cash generated by operating activities to Free Cash Flow.

The Company defines Free Cash Flow per Share as Free Cash Flow divided by the average number of Shares outstanding.

(U.S. dollars in thousands, except per Share figures)	2022 Q1	2021 Q1	53-Weeks Ended April 3, 2022	52-Weeks Ended March 28, 2021
Net cash generated by operating activities	$ (132,828)	$ (87,665)	$ 70,070	$ (5,221)
Changes in non-cash working capital items[3]	101,209	114,223	(58,843)	(748)
Interest paid[3]	14,536	18,654	60,106	66,255
Interest expense[3]	(16,292)	(16,678)	(70,046)	(64,082)
Income taxes paid (recovered)[3]	(884)	9,131	9,535	23,923
Current income tax expense[3]	2,613	(12,280)	(7,537)	(21,919)
Repayment of obligations under lease	(4,842)	(7,045)	(15,989)	(22,858)
Cash capital expenditures	(6,208)	(5,699)	(34,023)	(23,829)
Acquisition of intangible assets	(1,315)	—	(4,063)	—
Proceeds from disposition of property, plant and equipment	1,085	2,314	4,953	4,979
Costs associated with assessing strategic and corporate initiatives[7]	—	—	(106)	1,396
Defined benefit funding[4]	1,035	1,049	3,638	5,036
Defined benefit expense[4]	(808)	(1,875)	(5,353)	(5,691)
Past service costs and other pension costs (recovery)[11]	—	—	—	55
Proportion of the total return swap realized[10]	(275)	447	(1,434)	862
Unrecoverable insurance costs [12]	411	—	1,119	—
Out of period costs[16]	1,264	—	2,498	—
Prior year sales tax provision [13]	—	40	1,996	281
Restructuring costs[8]	96	580	9,032	22,774
COVID-19 costs[14]	—	289	$ 3,682	47,651
Foreign exchange loss on cash held in foreign currency[5]	564	(33)	(2,300)	(91)
Free Cash Flow[1]	$ (40,639)	$ 15,452	$ (33,065)	$ 28,773
U.S. exchange rate[2]	1.2518	1.2576	1.2637	1.1953

Free Cash Flow (C$)[1]	(50,869)	19,432	(41,784)	34,392
Free Cash Flow per Share (C$)[6]	(0.6595)	0.2988	(0.5723)	0.5447
Declared dividends on Shares (C$)	4,096	15,084	50,657	54,941
Declared dividends per Share (C$)[6]	$ 0.0531	$ 0.2125	$ 0.6906	$ 0.8500

1. Free Cash Flow is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS.

2. U.S. exchange rate (C$ per US$) is the weighted average exchange rate applicable to dividends declared for the period.

3. Changes in non-cash working capital are excluded from the calculation of Free Cash Flow as these temporary fluctuations are managed through the credit facilities which are available to fund general corporate requirements, including working capital requirements, subject to borrowing capacity restrictions. Changes in non-cash working capital are presented on the consolidated statements of cash flows net of interest and income taxes paid.

4. The cash effect of the difference between the defined benefit expense and funding is included in the determination of cash from operating activities. This cash effect is excluded in the determination of Free Cash Flow as management believes that the defined benefit expense amount provides a more appropriate measure, as the defined benefit funding can be impacted by special payments to reduce the unfunded pension liability.

5. Foreign exchange loss on cash held in foreign currency is excluded in the determination of cash from operating activities under IFRS; however, because it is a cash item, management believes it should be included in the calculation of Free Cash Flow.

6. Per Share calculations for Free Cash Flow (C$) are determined by dividing Free Cash Flow by the total number of all issued and outstanding Shares using the weighted average over the period. The weighted average number of Shares outstanding for 2022 Q1 was 77,135,057 and 65,036,019 for 2021 Q1. The weighted average number of Shares outstanding for the 53-weeks ended April 3, 2022 and 52-weeks ended March 28, 2021 are 73,007,524 and 63,144,784, respectively. Per Share calculations for declared dividends (C$) are determined by dividing the amount of declared dividends by the number of outstanding Shares at the respective period end date.

7. Normalized to exclude non-operating expenses and recoveries related to the costs of assessing strategic and corporate initiatives.

8. Normalized to exclude non-operating restructuring costs. Costs primarily relate to severance costs, right-of-use asset impairments and inventory impairments associated with NFI Forward restructuring initiatives. Free Cash Flow reconciling amounts are net of right-of-use asset and property, plant and equipment impairments.

9. The fair value adjustment of the total return swap is a non-cash (gain) loss that is excluded from the definition of Adjusted EBITDA.

10. A portion of the fair value adjustment of the total return swap is added to Adjusted EBITDA and Free Cash Flow to match the equivalent portion of the related deferred compensation expense recognized.

11. Costs and recoveries associated with amendments to, and closures of, the Company's pension plans.

12. Normalized to exclude non-operating costs related to an insurance event that are not recoverable.

13. Provision for sales taxes as a result of an ongoing state sales tax review.

14. Normalized to exclude COVID-19 related costs. Costs primarily relate to asset impairments, medical costs directly related to COVID-19 and miscellaneous operating costs associated with COVID-19. Asset impairments are primarily attributable to pre-owned coach inventory. During 2022, management determined costs related to sanitization and masks were an operating cost and would no longer be included in the definition.

15. Includes fair market value adjustments to interest rate swaps and the cash conversion option on the Convertible Debentures. 2022 Q1 includes a gain of $22.5 million and 2021 Q1 includes a gain of $7.7 million for the interest rate swaps. 2022 Q1 includes a gain of $5.4 million and 2021 Q1 includes a gain of $nil for the cash conversion option.

16. Includes adjustments made related to expenses that pertain to prior years. 2021 Q4 includes expenses related to amounts

owed from fiscal years 2016 - 2020, and expenses related to amounts owed from fiscal years 2014 - 2020.

Reconciliation of Net Earnings (Loss) to Adjusted Net Earnings (Loss)

Adjusted Net Earnings and Adjusted Net Earnings per Share are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS. Accordingly, Adjusted Net Earnings and Adjusted Net Earnings per Share may not be comparable to similar measures presented by other issuers. Readers of this press release are cautioned that Adjusted Net Earnings and Adjusted Net Earnings per Share should not be construed as an alternative to net earnings, or net earnings per Share, determined in accordance with IFRS as indicators of the Company's performance. See Non-IFRS Measures for the definition of Adjusted Net Earnings and Adjusted Net Earnings per Share. The following table reconcile net earnings to Adjusted Net Earnings based on the historical Financial Statements of the Company for the periods indicated.

(U.S. dollars in thousands, except per Share figures) - unaudited	2022 Q1	2021 Q1	53-Weeks Ended April 3, 2022	52-Weeks Ended March 28, 2021
Net (loss) earnings	(28,068)	7,033	(49,585)	(83,464)
Adjustments, net of tax (1) (7)				
Fair value adjustments of total return swap(4)	657	(199)	1,166	(1,477)
Unrealized foreign exchange loss (gain)	3,289	1,151	7,503	(5,064)
Unrealized (gain) loss on interest rate swap	(15,533)	(3,491)	(22,580)	(6,802)
Unrealized (gain) on Cash Conversion Option	(3,703)	—	(8,668)	—
Portion of the total return swap realized(5)	(190)	203	(717)	490
Costs associated with assessing strategic and corporate initiatives(2)	—	—	(106)	1,396
Equity settled stock-based compensation	197	296	692	1,507
Loss (gain) on disposition of property, plant and equipment	(257)	(162)	(44)	(313)
Past service costs and other pension costs (6)	—	—	—	37
Unrecoverable insurance costs(12)	284	—	511	—
Prior year sales tax provision(8)	—	18	908	184
Other tax adjustments(10)	(180)	—	2,489	—
COVID-19 costs(9)	—	131	1,670	32,811
Out of period costs(11)	1,264	—	1,826	—
Accretion in carrying value of convertible debt and cash conversion option	1,300	—	1,574	—
Restructuring costs(3)	66	1,079	4,205	20,067
Adjusted Net Earnings (Loss)	$ (40,873)	6,059	$ (59,156)	(40,628)
Net Earnings (Loss) per Share (basic)	$ (0.36)	$ 0.11	$ (0.66)	$ (1.33)
Net Earnings (Loss) per Share (fully diluted)	$ (0.36)	$ 0.11	$ (0.66)	$ (1.33)
Adjusted Net Earnings (Loss) per Share (basic)	$ (0.53)	$ 0.09	$ (0.81)	$ (0.64)
Adjusted Net Earnings (Loss) per Share (fully diluted)	$ (0.54)	$ 0.09	$ (0.81)	$ (0.64)

1. Addback items are derived from the historical financial statements of the Company.
2. Normalized to exclude non-operating expenses related to the costs of assessing strategic and corporate initiatives.
3. Normalized to exclude non-operating restructuring costs. Costs primarily relate to severance costs, right-of-use asset impairments and inventory impairments associated with NFI Forward restructuring initiatives.
4. The fair value adjustment of the total return swap is a non-cash (gain) loss that is excluded from the definition of Adjusted Net Earnings (Loss).
5. A portion of the fair value adjustment of the total return swap is excluded from Adjusted Net Earnings (Loss) to match the equivalent portion of the related deferred compensation expense recognized.
6. Costs and recoveries associated with amendments to, and closures of, the Company's pension plans.
7. The Company has utilized a rate of 54.5% to tax effect the adjustments in periods related to Fiscal 2021. A rate of 31.0% has been used to tax effect the adjustments for all other periods.
8. Provision for sales taxes as a result of a state tax review.
9. Normalized to exclude COVID-19 related costs. Costs primarily relate to asset impairments, medical costs directly related to COVID-19 and miscellaneous operating costs associated with COVID-19. Asset impairments are primarily attributable to pre-owned coach inventory. During 2022, management determined costs related to sanitization and masks were an

operating cost and would no longer be included in the definition.

10. Includes the impact of changes in deferred tax balances as a result of substantively enacted tax rate changes. The 2021 and 2022 amounts include the impact of the revaluation of deferred tax balances due to the increase in the UK corporate tax rate from 19% to 25% in 2021 Q2. The 2020 amounts result from the reversal of previously enacted UK tax rate decline in 2020 Q2.

11. Includes adjustments made related to expenses that pertain to prior years. 2021 Q4 includes expenses related to amounts owed from fiscal years 2016 - 2020, and expenses related to amounts owed from fiscal years 2014 - 2020.

12. Normalized to exclude non-operating costs related to an insurance event that are not recoverable, or are related to the deductible.

Reconciliation of Shareholders' Equity to Invested Capital

The following table reconciles Shareholders' Equity to Invested Capital. The average invested capital for the last twelve months is used in the calculation of ROIC. ROIC is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. Accordingly, ROIC may not be comparable to similar measures presented by other issuers. See Non-IFRS Measures for the definition of ROIC.

(U.S. dollars in thousands)	**2022 Q1**	**2021 Q4**	**2021 Q3**	**2021 Q2**
Shareholders' Equity	850,323	871,772	787,010	814,502
Addback				
Long term debt	677,996	586,411	1,049,273	963,630
Capital leases	139,129	143,675	150,212	153,967
Convertible Debentures	229,673	225,768	—	—
Derivatives	4,806	31,883	20,920	21,609
Cash	(26,604)	(77,318)	(64,822)	(47,695)
Bank indebtedness	1,233	—	—	—
Invested Capital	1,876,554	1,782,191	1,942,593	1,906,013
Average of invested capital over the quarter	1,829,373	1,862,392	1,924,303	1,945,438

	2021 Q1	**2020 Q4**	**2020 Q3**	**2020 Q2**
Shareholders' Equity	824,643	620,141	602,178	627,907
Addback				
Long term debt	1,008,733	1,125,685	1,123,281	1,112,602
Capital leases	150,553	150,577	152,912	156,177
Convertible Debentures	—	—	—	—
Derivatives	23,996	29,656	35,493	40,829
Cash	(23,063)	(55,769)	(1,176)	(10,363)
Bank indebtedness	1	—	10,000	7,773
Invested Capital	1,984,863	1,870,290	1,922,688	1,934,925
Average of invested capital over the quarter	1,927,576	1,896,489	1,928,807	1,973,970

Appendix B - Non-IFRS Measures

References to “Adjusted EBITDA” are to earnings before interest, income taxes, depreciation and amortization after adjusting for the effects of certain non-recurring and/or non-operations related items that do not reflect the current ongoing cash operations of the Company. These adjustments include gains or losses on disposal of property, plant and equipment, fair value adjustment for total return swap, unrealized foreign exchange losses or gains on non-current monetary items and forward foreign exchange contracts, costs associated with assessing strategic and corporate initiatives, past service costs and other pension costs or recovery, non-operating costs or recoveries related to business acquisition, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, proportion of the total return swap realized, equity settled stock-based compensation, recovery of currency transactions, prior year sales tax provision, COVID-19 costs and impairment loss on goodwill and non-operating restructuring costs.

References to "NOPAT" are to Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%.

“Free Cash Flow” means net cash generated by or used in operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes paid, current income tax expense, repayment of obligation under lease, cash capital expenditures, acquisition of intangible assets, proceeds from disposition of property, plant and equipment, costs associated with assessing strategic and corporate initiatives, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, defined benefit funding, defined benefit expense, past service costs and other pension costs or recovery, proportion of total return swap, unrecoverable insurance costs, prior year sales tax provision, non-operating restructuring costs, extraordinary COVID-19 costs, foreign exchange gain or loss on cash held in foreign currency.

References to "ROIC" are to NOPAT divided by average invested capital for the last twelve-month period (calculated as to shareholders’ equity plus long-term debt, obligations under leases, other long-term liabilities and derivative financial instrument liabilities less cash).

References to "Adjusted Net Earnings (Loss)" are to net earnings (loss) after adjusting for the after tax effects of certain non-recurring and/or non-operational related items that do not reflect the current ongoing cash operations of the Company including: fair value adjustments of total return swap, unrealized foreign exchange loss or gain, unrealized gain or loss on the interest rate swap, impairment loss on goodwill, portion of the total return swap realized, costs associated with assessing strategic and corporate initiatives, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, equity settled stock-based compensation, gain or loss on disposal of property, plant and equipment, past service costs and other pension costs or recovery, recovery on currency transactions, prior year sales tax provision, COVID-19 costs and non-operating restructuring costs .

References to "Adjusted Net Earnings (Loss) per Share" are to Adjusted Net Earnings (Loss) divided by the average number of Shares outstanding.

Management believes Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Net Earnings per Share are useful measures in evaluating the performance of the Company. However, Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Net Earnings per Share are not recognized earnings or cash flow measures under IFRS and do not have standardized meanings prescribed by IFRS. Readers of this press release are cautioned that ROIC, Adjusted Net Earnings and Adjusted EBITDA should not be construed as an alternative to net earnings or loss or cash flows from operating activities determined in accordance with IFRS as an indicator of NFI's performance, and Free Cash Flow should not be construed as an alternative to cash flows from operating, investing and financing activities determined in accordance with IFRS as a measure of liquidity and cash flows. A reconciliation of net earnings to Adjusted EBITDA, based on the Financial Statements, has been provided under the headings "Reconciliation of Net Earnings to Adjusted EBITDA". A reconciliation of net earnings to Adjusted Net Earnings is provided under the heading "Reconciliation of Net Earnings (Loss) to Adjusted Net Earnings (Loss)".

NFI's method of calculating Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Net Earnings per Share may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers. Dividends paid from Free Cash Flow are not assured, and the actual amount of dividends received by holders of Shares will depend on, among other things, the Company's financial performance, debt covenants and obligations, working capital requirements and future capital requirements, all of which are susceptible to a number of risks, as described in NFI's public filings available on SEDAR at www.sedar.com.

"Liquidity" is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. The Company defines liquidity as cash on-hand plus available capacity under its credit facilities.

"Backlog" value is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS.

References to NFI's geographic regions for the purpose of reporting global revenues are as follows: "North America" refers to Canada, United States, and Mexico; United Kingdom and Europe refer to the United Kingdom and Europe; "Asia Pacific" or "APAC" refers to Hong Kong, Malaysia, Singapore, Australia, and New Zealand; and the "Other" category includes any sales that do not fall into the categories above.

Forward-Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws, which reflect the expectations of management regarding the Company's future growth, financial performance and objectives and the Company's strategic initiatives, plans, business prospects and opportunities, including the duration, impact of and recovery from the COVID-19 pandemic, supply chain disruptions, and the Company's expectation of receiving further covenant relief under its senior credit facilities. The words "believes", "views", "anticipates", "plans", "expects", "intends", "projects", "forecasts", "estimates", "guidance", "goals", "objectives" and "targets" and similar expressions of future events or conditional verbs such as "may", "will", "should", "could", "would" are intended to identify forward-looking statements. These forward-looking statements reflect management's current expectations regarding future events (including the temporary nature of the supply chain disruptions, the recovery of the Company's markets and the expected benefits to be obtained through its "NFI Forward" initiative) and the Company's financial and operating performance and speak only as of the date of this press release. By their very nature, forward-looking statements require management to make assumptions and involve significant risks and uncertainties, should not be read as guarantees of future events, performance or results, and give rise to the possibility that management's predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the assumptions may not be correct and that the Company's future growth, financial performance and objectives and the Company's strategic initiatives, plans, business prospects and opportunities, including the duration, impact of and recovery from the COVID-19 pandemic and supply chain disruptions, will not occur or be achieved. In connection with obtaining the necessary covenant under the Company's senior credit facilities, it is possible that certain other amendments could be made, including with respect to a reduction in the size of the facilities, an increase in the interest rates and other fees and additional restrictions on dividends and acquisitions. There can be no assurance that the Company will be successful in obtaining the necessary covenant relief under its senior credit facilities or that dividends will continue to be paid.

A number of factors that may cause actual results to differ materially from the results discussed in the forward-looking statements include: the Company's business, operating results, financial condition and liquidity may be materially adversely impacted by the ongoing COVID-19 pandemic and related supply chain, employee absenteeism and inflationary effects; the Company's business, operating results, financial condition and liquidity may be materially adversely impacted by the Russian invasion of Ukraine due to factors including but not limited to further supply chain issues and inflationary pressures and supply chain disruptions; funding may not continue to be available to the Company's customers at current levels or at all, the Company's business is affected by economic factors and adverse developments in economic conditions which could have an adverse effect on the demand for the Company's products and the results of its operations; currency fluctuations could adversely affect the Company's financial results or competitive position; interest rates could change substantially, materially impacting the Company's revenue and profitability; an active, liquid trading market for the Shares and/or the Debentures may cease to exist, which may limit the ability of securityholders to trade Shares and/or Debentures; the market price for the Shares and/or the Debentures may be volatile; if securities or industry analysts do not publish research or reports about the Company and its business, if they adversely change their recommendations regarding the Shares or if the Company's results of operations do not meet their expectations, the Share price and trading volume could decline, in addition, if securities or industry analysts publish inaccurate or unfavorable research about the Company or its business, the Share price and trading volume of the Shares could decline; competition in the industry and entrance of new competitors; current requirements under U.S. "Buy America" regulations may change and/or become more onerous or suppliers' "Buy America" content may change; failure of the Company to comply with the U.S. Disadvantaged Business Enterprise ("DBE") program requirements or the failure to have its DBE goals approved by the U.S. Federal Transit Administration; absence of fixed term customer contracts, exercise of options and customer suspension or termination for convenience; local content bidding preferences in the United States may create a competitive disadvantage; requirements under Canadian content policies may change and/or become more onerous; the Company's business may be materially impacted by climate change matters, including risks related to the transition to a lower-carbon economy); operational risk resulting from inadequate or failed internal processes, people and/or systems or from external events, including fiduciary breaches, regulatory compliance failures, legal disputes, business disruption, pandemics, floods, technology failures, processing errors, business integration, damage to physical assets, employee safety and insurance coverage; international operations subject the Company to additional risks and costs and may cause profitability to decline; compliance with international trade regulations, tariffs and duties; dependence on unique or limited sources of supply (such as engines, components containing microprocessors or, in other cases, for example, the supply of transmissions, batteries for battery-electric buses, axles or structural steel tubing) resulting in the Company's raw materials and components not being readily available from alternative sources of supply, being available only in limited supply, a particular component may be specified by a customer, the Company's products have been engineered or designed with a component unique to one supplier or a supplier may have limited or no supply of such raw materials or components or sells such raw materials or components to the Company on less than favorable commercial terms; the Company's vehicles and certain other products contain electronics, microprocessors control modules, and other computer chips, for which there has been a surge in demand, resulting in a worldwide supply shortage of such chips in the transportation industry, and a shortage or disruption of the supply of such microchips could materially disrupt the Company's operations and its ability to deliver products to customers; dependence on supply of engines that comply with emission regulations; a disruption, termination or alteration of the supply of vehicle chassis or other critical components from third-party suppliers could materially adversely affect the sales of certain of the Company's products; the Company's profitability can be adversely affected by increases in raw material and component costs; the Company may incur material losses and costs as a result of product warranty costs, recalls and remediation of transit buses and motor coaches; production delays may result in liquidated damages under the Company's contracts with its customers; catastrophic events, including those related to impacts of climate change, may lead to production curtailments or shutdowns; the Company may not be able to successfully renegotiate collective bargaining agreements when they expire and may be adversely affected by labor disruptions and shortages of labor; the Company's operations are subject to risks and hazards that may result in monetary losses and liabilities not covered by insurance or which exceed its insurance coverage; the Company may be adversely affected by rising insurance costs; the Company may not be able to maintain performance bonds or letters of credit required by its contracts or obtain performance bonds and letters of credit required for new contracts; the Company is subject to litigation in the ordinary course of business and may incur material losses and costs as a result of product liability and other claims; the Company may have difficulty selling pre-owned coaches and realizing expected resale values; the Company may incur costs in connection with regulations relating to axle weight restrictions and vehicle lengths; the Company may be subject to claims and liabilities under environmental, health and safety laws; dependence on management information systems and cyber security risks; the Company's ability to execute its strategy and conduct operations is dependent upon its ability to attract, train and retain qualified personnel, including its ability to retain and attract executives, senior management and key employees; the Company may be exposed to liabilities under applicable anti-corruption laws and any determination that it violated these laws could have a material adverse effect on its business; the Company's risk management policies and procedures may not be fully effective in achieving their intended purposes; internal controls over financial reporting, no matter how well designed, have inherent limitations; there are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures; ability to successfully execute strategic plans and maintain profitability; development of competitive or disruptive products, services or technology; development and testing of new products or model variants; acquisition risk; reliance on third-party manufacturers; third-party distribution/dealer agreements; availability to the Company of future financing; the Company may not be able to generate the necessary amount of cash to service its existing debt, which may require the Company to refinance its debt; the Company's substantial consolidated indebtedness could negatively impact the business; the restrictive covenants in the Company's credit facilities could impact the Company's business and affect its ability to pursue its business strategies; payment of dividends is not guaranteed; a significant amount of the Company's cash is distributed, which may restrict potential growth; the Company is dependent on its subsidiaries for all cash available for distributions; the Company may not be able to make principal payments on the Debentures; redemption by the Company of the Debentures for Shares will result in dilution to holders of Shares; Debentures may be redeemed by the Company prior to maturity; the Company may not be able to repurchase the Debentures upon a change of control as required by the trust indenture under which the Debentures were issued (the "Indenture"); conversion of the Debentures following certain transactions could lessen or eliminate the value of the conversion privilege associated with the Debentures; future sales or the possibility of future sales of a substantial number of Shares or Debentures may impact the price of the Shares and/or the Debentures and could result in dilution; payments to holders of the Debentures are subordinated in right of payment to existing and future Senior Indebtedness (as described under the Indenture) and will depend on the financial health of the Company and its creditworthiness; if the Company is required to write down goodwill or other intangible assets, its financial condition and operating results would be negatively affected; and income and other tax risk resulting from the complexity of the Company's businesses and operations and the income and other tax interpretations, legislation and regulations pertaining to the Company's activities being subject to continual change.

Factors relating to the global COVID-19 pandemic include: the magnitude and duration of the global, national and regional economic and social disruption being caused as a result of the pandemic; the impact of national, regional and local governmental laws, regulations and "shelter in place" or similar orders relating to the pandemic which may materially adversely impact the Company's ability to continue operations; partial or complete closures of one, more or all of the Company's facilities and work locations or the reduction of production rates (including due to government mandates and to protect the health and safety of the Company's employees or as a result of employees being unable to come to work due to COVID-19 infections with respect to them or their family members or having to isolate or quarantine as a result of coming into contact with infected individuals); production rates may be further decreased as a result of the pandemic; ongoing and future supply delays and shortages of parts and components, and shipping and freight delays, and disruption to labor supply as a result of the pandemic; the pandemic will likely adversely affect operations of suppliers and customers, and reduce and delay, for an unknown period, customers' purchases of the Company's products and the supply of parts and components by suppliers; the anticipated recovery of the Company's markets in the future may be delayed or increase in demand may be lower than expected as a result of the continuing effects of the pandemic; the Company's ability to obtain access to additional capital if required; and the Company's financial performance and condition, obligations, cash flow and liquidity and its ability to maintain compliance with the covenants under its credit facilities, which may also negatively impact the ability of the Company to pay dividends. There can be no assurance that the Company will be able to maintain sufficient liquidity for an extended period, obtain satisfactory covenant relief under its credit facilities, or access to additional capital or access to government financial support or as to when production operations will return to previous production rates. There is also no assurance that governments will provide continued or adequate stimulus funding during or after the pandemic for public transit agencies to purchase transit vehicles or that public or private demand for the Company's vehicles will return to pre-pandemic levels in the anticipated period of time. The Company cautions that due to the dynamic, fluid and highly unpredictable nature of the pandemic and its impact on global and local economies, supply chains, businesses and individuals, it is impossible to predict the severity of the impact on the Company's business, operating performance, financial condition and ability to generate sufficient cash flow and maintain adequate liquidity and any material adverse effects could very well be rapid, unexpected and may continue for an extended and unknown period of time.

Factors relating to the Company's "NFI Forward" initiative include: the Company's ability to successfully execute the initiative and to generate the planned savings in the expected time frame or at all; management may have overestimated the amount of savings and production efficiencies that can be generated or may have underestimated the amount of costs to be expended; the implementation of the initiative may take longer than planned to achieve the expected savings; further restructuring and cost-cutting may be required in order to achieve the objectives of the initiative; the estimated amount of savings generated under the initiative may not be sufficient to achieve the planned benefits; combining business units and/or reducing the number of production or parts facilities may not achieve the efficiencies anticipated; and the impact of the continuing global COVID-19 pandemic, supply chain issues and inflationary pressures. There can be no assurance that the Company will be able to achieve the anticipated financial and operational benefits, cost savings or other benefits of the initiative.

Factors relating to the Company's financial guidance and targets disclosed in this press release include, in addition to the factors set out above, the degree to which actual future events accord with, or vary from, the expectations of, and assumptions used by, NFI's management in preparing the financial guidance and targets and the Company's ability to successfully execute the "NFI Forward" initiative and to generate the planned savings in the expected time frame or at all.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that could cause actions, events or results not to be as anticipated, estimated or intended or to occur or be achieved at all. Specific reference is made to "Risk Factors" in the Company's Annual Information Form for a discussion of the factors that may affect forward-looking statements and information. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information. The forward-looking statements and information contained herein are made as of the date of this press release (or as otherwise indicated) and, except as required by law, the Company does not undertake to update any forward-looking statement or information, whether written or oral, that may be made from time to time by the Company or on its behalf. The Company provides no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers and investors should not place undue reliance on forward-looking statements and information.