Leading the ZEvolution™

2022 Q1 Results

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May 5, 2022

Cautionary Statement

Certain statements in this presentation are “forward looking statements,” which reflect the expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements are made as of the date of this presentation and NFI assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws. See the Appendix to this presentation for more details about the forward-looking statements.

In addition, certain financial measures used in this presentation are not recognized earnings measures and do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”). Therefore, they may not be comparable to similar measures presented by other issuers. See the Appendix to this presentation and the Company’s related Management Discussion & Analysis (“MD&A”) for more information and detailed reconciliation to the applicable IFRS measures.

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

Key Terms

- Buses manufactured by New Flyer and ADL's single and double deck buses are classified as "**transit buses**". ARBOC manufactures body on-chassis or “**cutaway**” and "**medium-duty**" buses that service transit, paratransit, and shuttle applications. Collectively, transit buses, medium-duty buses and cutaways, are referred to as "**buses**".
- A “**motor coach**” or “**coach**” is a 35-foot to 45-foot over-the-highway bus typically used for intercity transportation and travel over longer distances than heavy-duty transit buses and is typically characterized by (i) high deck floor, (ii) baggage compartment under the floor, (iii) high-backed seats with a coach-style interior (often including a lavatory), and (iv) no room for standing passengers.
- **Zero-emission buses** ("**ZEBs**") consist of trolley-electric, hydrogen fuel cell-electric, and battery-electric buses and coaches.
- One **equivalent unit** (or “**EU**”) represents one production “slot”, being one 30-foot, 35-foot, 40-foot, 45-foot heavy-duty transit bus, one double deck bus, one medium-duty bus, one cutaway bus or one motor coach, whereas one articulated transit bus represents two equivalent units. An articulated transit bus is an extra-long transit bus (approximately 60-feet in length), composed of two passenger compartments connected by a joint mechanism. The joint mechanism allows the vehicle to bend when the bus turns a corner yet have a continuous interior.
- Many public customer contracts include options to purchase transit buses and motor coaches in the future, and a large portion of the Company’s order book is represented by “**options**” as opposed to “**firm orders**.”

Who is NFI?

NFI Leading the ZEvolution™

NFI is a leading global independent bus and motor coach solution provider leading the evolution to zero-emission mobility.

Market and technology leader in each of our major markets.

We Exist to Move People

A better product.
A better workplace.
A better world.

Vision

To enable the future of mobility with innovative and sustainable solutions.

Mission

To design and deliver exceptional transportation solutions that are safe, accessible, efficient and reliable.

Turnkey Mobility Solutions Provider

Buses & Coaches

NEW FLYER

MCI

PLAXTON

ALEXANDER DENNIS

ARBOC SPECIALTY VEHICLES

Infrastructure Solutions

NFI Infrastructure Solutions™

Connected Vehicles & Diagnostics

NFI Connect™

Parts, Publications, Training & Service

nfi.parts®

AD24

VIC VEHICLE INNOVATION CENTER

Financing

NFI Financial Solutions™

Leadership Assignment Due to CEO Temporary Medical Leave

Brian Dewsnup

Acting President & Chief Executive Officer, NFI Group

- Joined NFI in 2013 through the Company's acquisition of North American Bus Industries (NABI)
- Was Chief Financial Officer of NABI and became President post-acquisition by NFI, leading the integration with New Flyer's operations
- Held numerous executive leadership roles within NFI culminating with President of NFI Parts which he has led since 2017
- Prior to joining NFI served as Controller of Johns Manville's Waterville operations – a Berkshire Hathaway Company
- Also held various finance roles at Ford Motor Company and Visteon Corporation
- MBA in Finance, Masters and Bachelor Degrees in Mechanical Engineering from Brigham Young University

2022 Q1 Financial Summary

- First quarter was a reflection of the Company's broader operating environment:
  - \+ Significant increases in demand metrics:
    - North American active public bid universe up 21% year-over-year; ZEBs now represent 43% of the total Bid Universe
    - Year-over-year order growth of 45% with several major awards in Q1
    - At 8,908 EUs ($4.9 billion[1]), ending total backlog up 5% from 2021 Q4; 17% of backlog is ZEBs
    - 1,192 EUs in bid awards pending in the quarter, which will drive strong second quarter order activity
  - \- Offset by supply chain disruptions and heightened inflation on supply components and wages
    - New shortages of critical microprocessor modules expected to result in lower-than-planned deliveries in 2022 Q2 and Q3
- NFI Forward, the Company's strategic cost reduction and sourcing initiative, realized Adjusted EBITDA[1] savings of $16 million in 2022 Q1 (equating to a $63 million annualized run rate), and a further $4 million of Free Cash Flow[1] savings in 2022 Q1; on target to achieve $67 million run rate by 2023
- NFI is leading the ***ZE***volution to zero-emission mobility with 31% of 2022 Q1 deliveries being ZEBs, over 65 million electric service miles completed, and over 280 EV chargers installed. Projects-in-progress with 18 customers, which will add 107 new chargers in 2022 and 2023.
- NFI continues to advance negotiations with its banking partners and expects to obtain covenant amendments on its credit facilities by the end of 2022 Q2; discussions have been supportive and detailed plans are being evaluated that would see new covenant levels appropriate for NFI's updated financial projections
- Aftermarket revenue up 16% year-over-year, driven by increased volumes in North America, United Kingdom and Europe regions due to market recovery and inflationary price increases

1. Backlog and Liquidity represent supplemental financial measures. Adjusted EBITDA and Free Cash flow represent non-IFRS measures, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at www.sedar.com.

New Flyer Module Shortage Workaround

CONTEXT

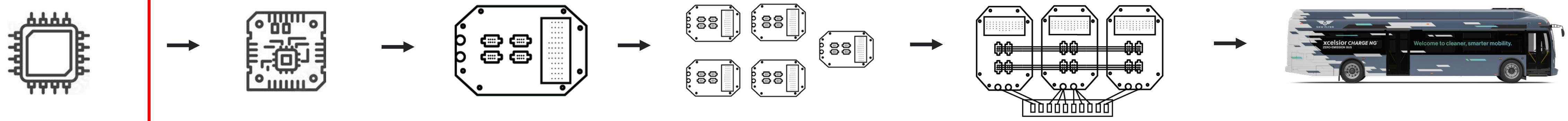
Microprocessor

PCB Board

Multiplexing Control Module

Each bus requires ~5 to 8 multiplexing control modules

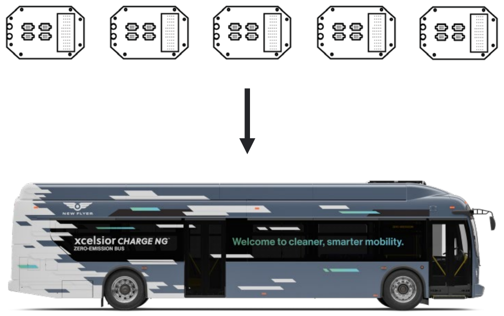
Bus PLC System

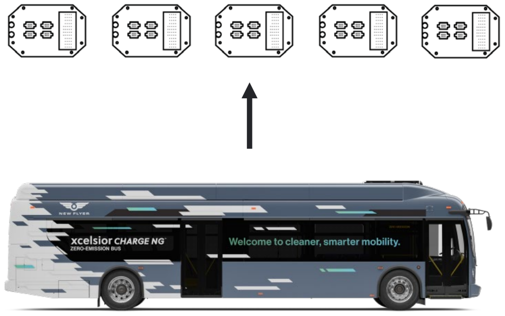


Shortage

Build and Hold Plan

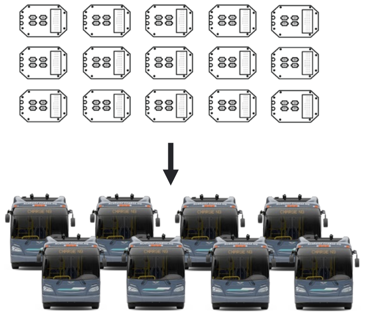
Bus produced with modules installed → Vehicle inspection completed at facility. Modules removed and put back into production → Vehicles parked awaiting modules → Modules installed on waiting vehicles, which are then shipped





Buses parked, essentially complete, awaiting modules

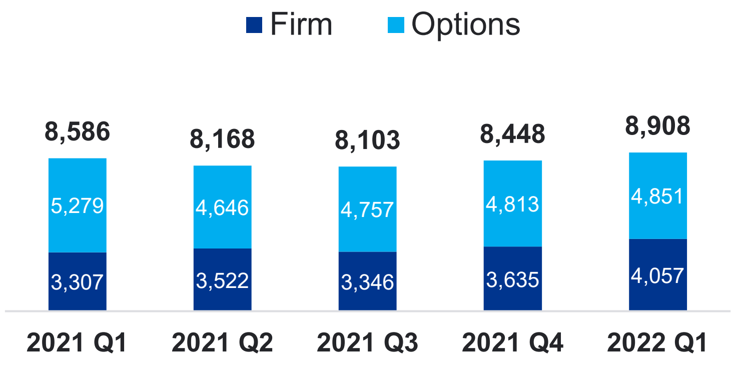
New modules



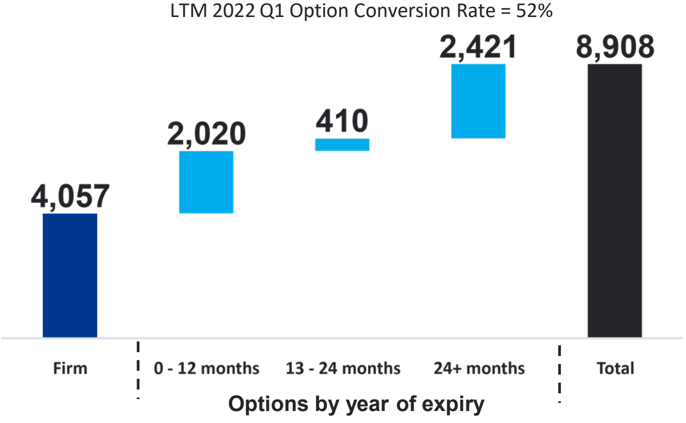
Backlog and Deliveries 2022 Update

Backlog: 2022 Q1 EUs

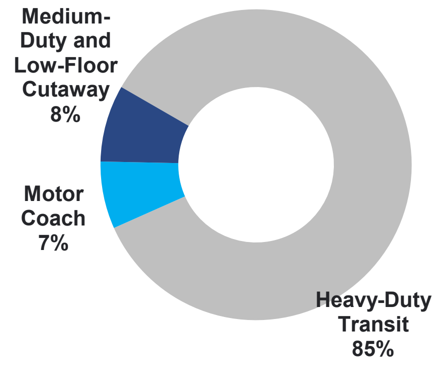
Backlog – Firm and Option



Backlog – Timing



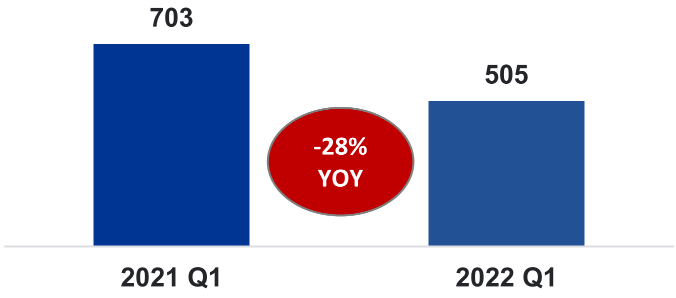
Backlog – By Product



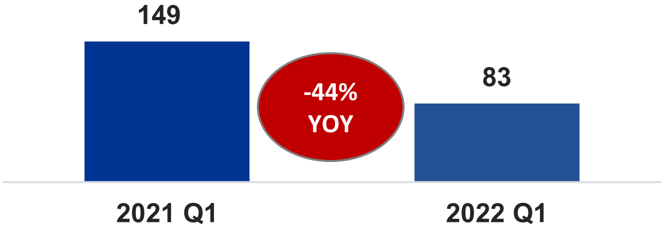
(1) Options for ARBOC vehicles are held by dealers, rather than the operator, and are not included as an option in the NFI backlog.

Deliveries: 2022 Q1 EUs

Heavy-Duty Transit



Coach



Low-Floor Cutaway and Medium-Duty

Inflation Exposure on Backlog

Firm Orders

(46% of 2022 Q1 backlog)

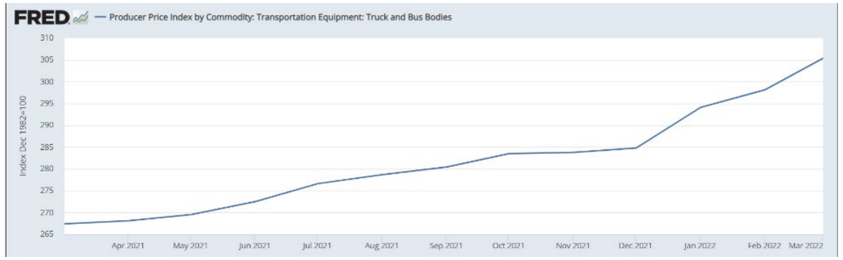
- Generally manufactured and delivered within 12 to 18 months of an award being received
- Typically, secure pricing for over 50% of a vehicle's component parts
- For non-specified components, NFI mostly uses internal sources: Carfair (fiberglass) and KMG (metal works, electrical kit assembly, etc.)
- NFI typically includes an inflation adjustment within its contracts to account for potential price increases between bid and manufacturing
- Heightened and rapidly moving levels of inflation and surcharges in recent quarters has meant that actual costs have exceeded estimates for some contracts bid prior to 2022 being built in 2022
- 2022 bids now include higher inflation adjustment to reflect current macro environment

Option Orders

(54% of 2022 Q1 backlog)

- The majority of option orders are repriced when the customer converts an option
- At time of repricing, producer price indices (PPIs) or other similar metrics for a respective region are included in the new price
- The PPI calculates the average movement in selling price from production over time;
- Contracts that have a PPI adjustment will add a pricing increase to reflect inflation, helping to shelter NFI from inflationary impacts on historic contracts

PPI Example – Truck and Bus Bodies (WPU1413)[1] April 2021 – May 2022



Inflation exposure is primarily on near-term firm contracts; NFI is working with customers on pricing adjustments plus deposits and/or milestone payments.

1. https://fred.stlouisfed.org/series/WPU1413

2022 Q1: Income Statement and Balance Sheet

2022 Q1 Performance

	2021 Q1	2022 Q1
Sales	$574.1M	$459.3M
Adjusted EBITDA ($M)[1]	$54.8 (9.5% ROS)	($16.9) ((3.7%) ROS)
EPS (reported)	$0.11	($0.36)
EPS (Adjusted)[1]	$0.09	($0.53)

2022 Q1	Revenue	Adjusted EBITDA[1]
Manufacturing	$326.6M	($39.5M)
Aftermarket	$132.7M	$22.8M
Corporate	–	($0.3M)

2022 Q1 Cash Flow & Liquidity

Cash Flow ($M)

	2021 Q1	2022 Q1
Adjusted EBITDA[1]	$54.8	($16.9)
Interest Expense	($16.7)	($16.3)
Current Income Tax	($12.3)	$3.9
Cash Capital Expenditures plus Lease	($12.7)	($11.1)
Acquisition of Intangibles	-	($1.3)
Proceeds from disposition of property	$2.3	$1.1
Free Cash Flow (USD)[2]	**$15.5**	**($40.6)**
FX Rate	1.2576	1.2518
Free Cash Flow (CAD)[2]	**$19.4**	**($50.9)**
Dividends (CAD)	$15.1	$4.1
Payout Ratio	**77.8%**	**(8.1%)**

Liquidity[1] & Working Capital

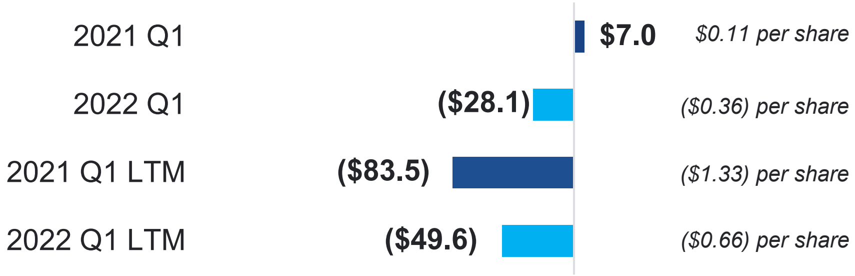
	2021 Q1	2022 Q1
Liquidity[3]	$319.0	$649.0
Working Capital $	$468.2	$395.8
Working Capital Days[3]	68 days	70 days

1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies.
2. Represents a non-IFRS ratio, meaning it is derived from a non-IFRS measure, which does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. The ratio is calculated using adjusted net income, which is a non-IFRS measure.
3. Represents a supplementary financial measure.

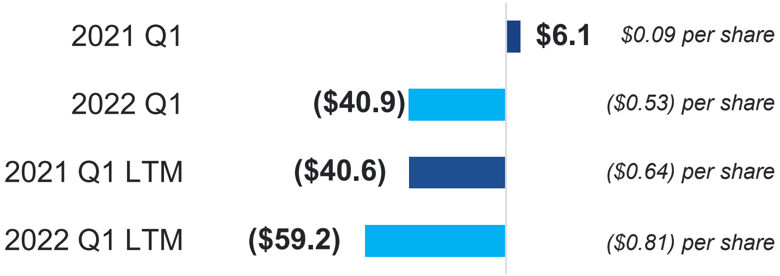
See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at www.sedar.com.

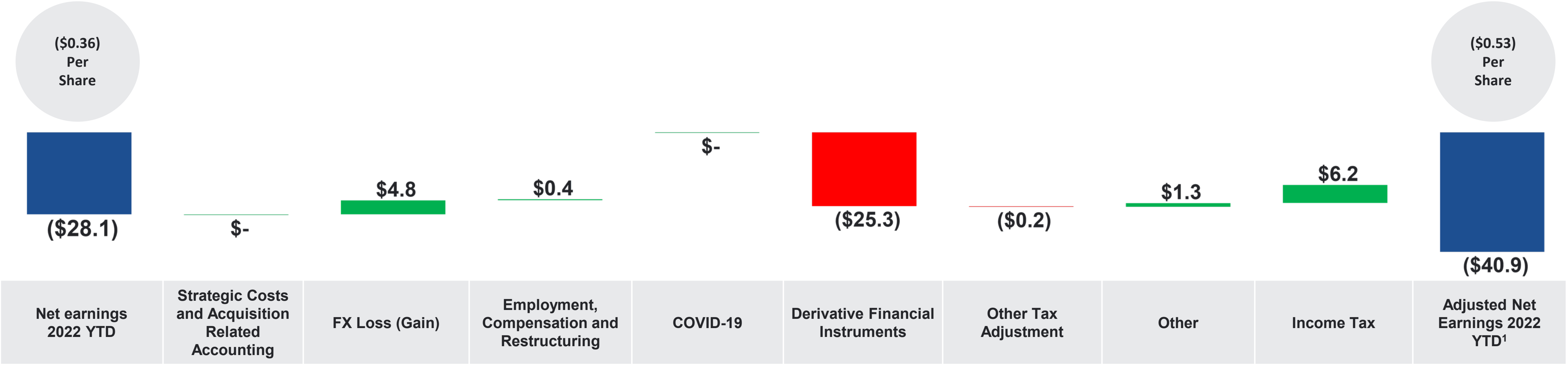
Net Earnings and Adjusted Net Earnings

Net Earnings (Loss) ($M)



Adjusted Net Earnings (Loss) ($M)[1]





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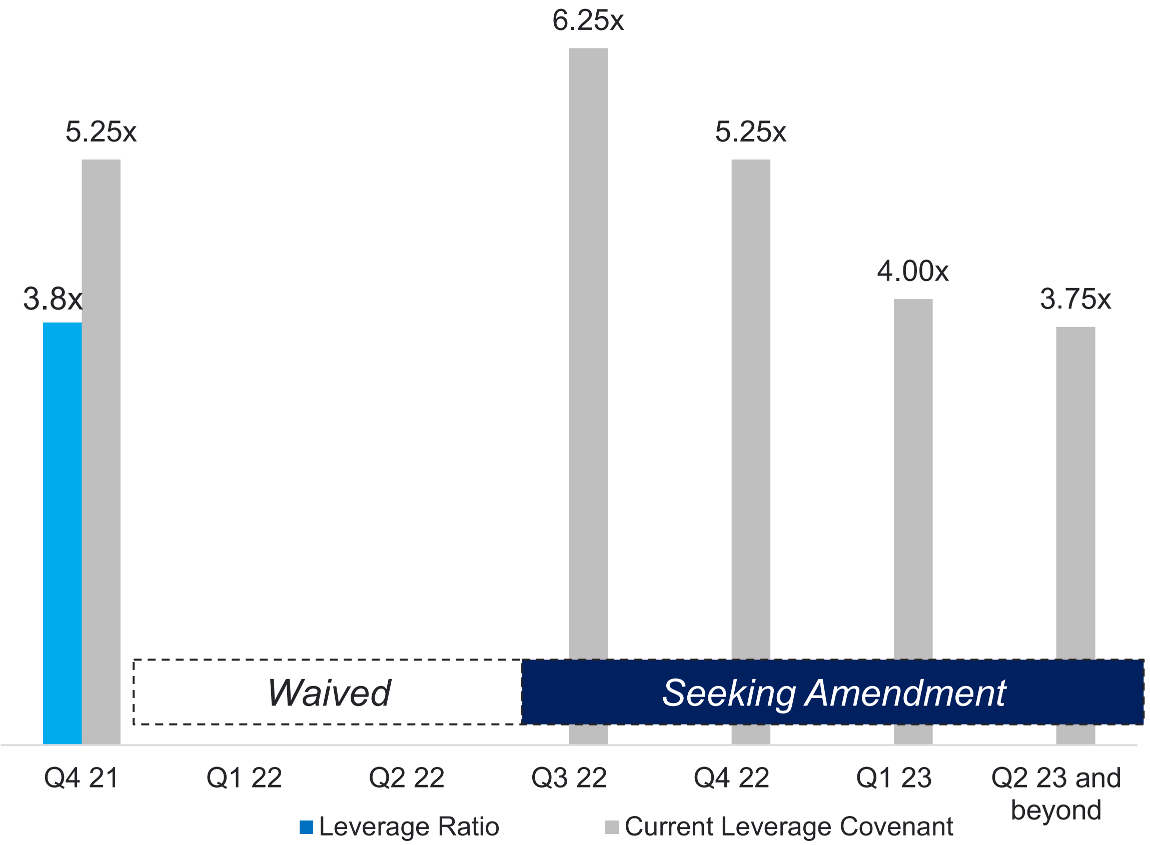
Covenant Amendment Update

- NFI continues to advance negotiations with its banking partners
- Discussions have been supportive, and detailed plans are being evaluated that would see new covenant levels appropriate for NFI's updated financial projections
- Targeting covenant amendments on credit facilities to be completed in the second quarter of 2022
- Need for covenant amendments primarily being driven by lower trailing Adjusted EBITDA combined with the Company's anticipated financial performance and debt profile
- Current liquidity is more than adequate to support the Company's operations as it works through the current supply chain disruption
- Management is currently pursuing other options to lower its net debt to best position the Company for success as it capitalizes on market recovery – have executed on several opportunities including receivables financing

NFI Leverage 2021 Q4 and FY 2022–FY 2023 Covenants



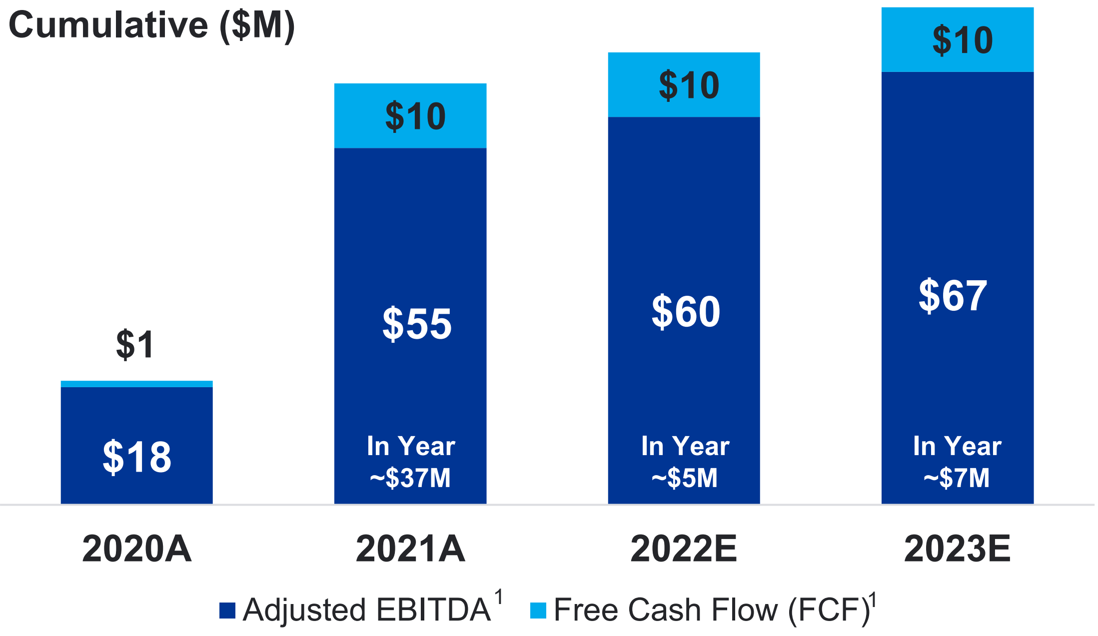
NFI Forward Update

- Reduction of fixed overhead and SG&A expenses by 8% to 10% from 2019 levels will create drop through to Adjusted EBITDA and FCF as volumes recover
- Majority of NFI Forward initiatives related to overhead and SG&A reductions are complete or in the later stages of completion
- Focus now is on direct material cost savings; tied to volume attainment
- Since inception, the Company has invested $12 million of the proposed total investment of $15 million to $20 million into NFI Forward projects
- NFI Forward 2.0 now beginning with first initiative being closure of Delaware, Ohio parts distribution facility

Continued NFI Forward progress in 2022 Q1:

- Adjusted EBITDA savings of approximately $16 million and $4 million of additional Free Cash Flow savings

Timing of Annual NFI Forward Benefits (2020 – 2023)



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NFI Forward now delivering an annualized run rate of approximately $63 million in Adjusted EBITDA savings as of the end of 2022 Q1.

2022 Financial Guidance Reaffirmed

Revenue

$2.3 billion to $2.6 billion

ZEBs expected to make up 20% to 25% of delivered units

- Anticipate year-over-year revenue growth of up to 11% driven by a higher volume of ZEB sales (based on backlog and expected new orders from increased market demand) and product mix
- Reduced production rates as a result of supply chain challenges, including shortage of microprocessors and batteries
- NFI expects a significant ramp-up in both production and deliveries in 2023

Adjusted EBITDA[1]

$15 million to $45 million

Anticipate negative Adjusted EBITDA in the first three quarters with positive Adjusted EBITDA in the fourth quarter

- No government grants in 2022, as compared to $56 million in 2021
- Adjusted EBITDA is expected to be depressed due to operational inefficiencies resulting from ongoing supply chain disruptions lowering production rates, with more pronounced impact in the first three quarters of 2022
- Ongoing inflationary pressures on components and raw materials, and lost time related to the ongoing global pandemic

Cash Capex

$25 million to $35 million

~80% allocated to maintenance and R&D; ~20% allocated to NFI Forward projects

- Continue advancing NFI Forward projects
- Allocate resources based on priority
  - Maintain production run rates
  - Invest in strategic R&D projects

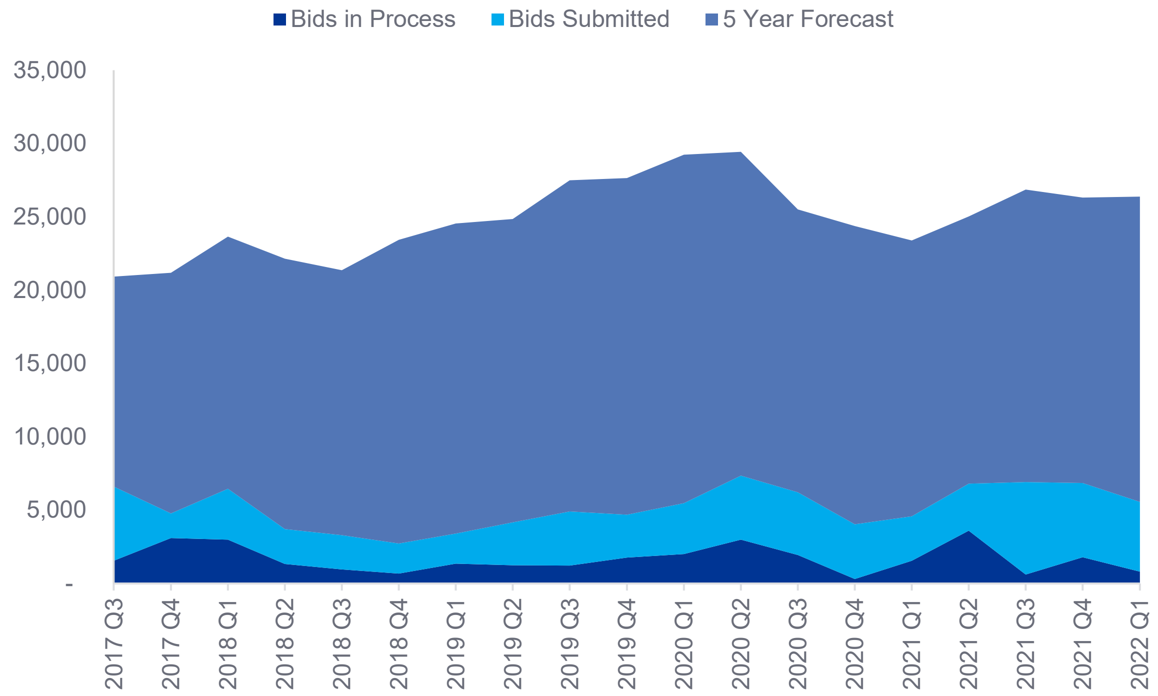
The conflict in Ukraine has not materially impacted NFI's production or operations to date; NFI's outlook for 2022 and beyond does not reflect any potential escalated impact on supply or other factors rising directly or indirectly as a result of the Russian invasion of Ukraine.

1. Non-IFRS Measure.

Strong Public Market Bid Universe

Canada and U.S. Public Market Bid Universe

Avg. timeline from bid release to production = 12 to 18 months



805 EUs
Bids in Process

4,757 EUs
Bids Submitted

20,809 EUs
Five-Year Procurement Outlook compiled from Customer Fleet replacements plans

+21%
Active Bids increase from 2021 Q1

The Public Bid Universe does not include Purchasing Schedules:

20+
Purchasing Schedules with NFI named

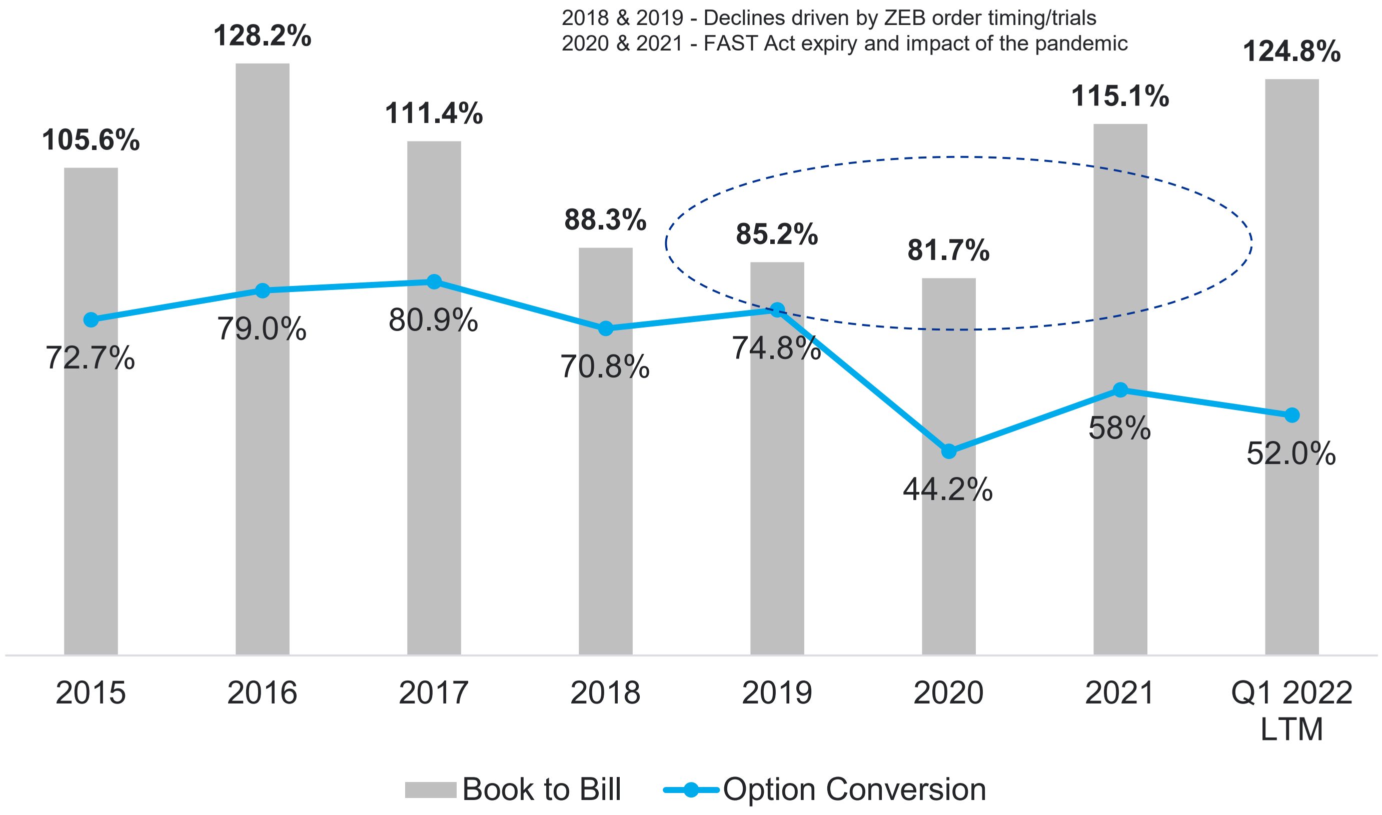
850+
Vehicle awards from Purchasing Schedules[1]

Since inception, **NFI Infrastructure Solutions™** has been responsible for the installation of **247** plug-in and **36** on-route charger projects for **46** different customers, with projects-in progress with **18** customers.

Book-to-Bill Recovery to Greater than 100%

Book-to-Bill recovered to over 100% in 2021 and 2022 Q1, driven by increased bid and award activity in H2 2021, in combination with lower delivery volumes. Book-to-Bill anticipated to remain above 100% throughout 2022 and 2023.

Book-to-Bill and Option Conversion (2015 – Q1 2022)

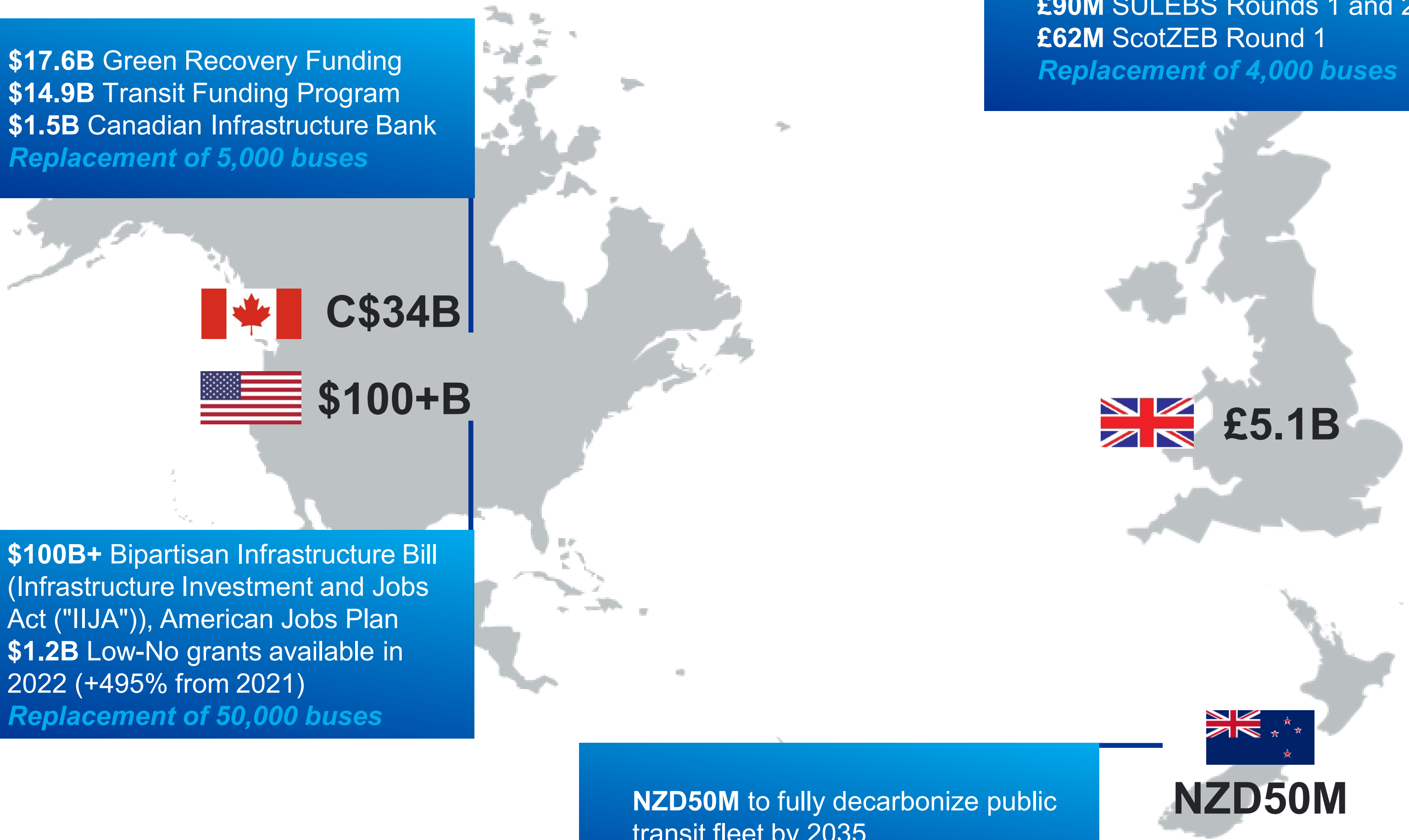


- Bid volume driving order increase
- Book-to-Bill expected to be above 100% throughout 2022
- Some historic ICE options will not convert from backlog
- Overall conversion rate should improve in 2023 through 2025 with more ZEB orders

Continued Public Transit Funding and Financing for ZEBs

$17.6B Green Recovery Funding
$14.9B Transit Funding Program
$1.5B Canadian Infrastructure Bank
Replacement of 5,000 buses

£5.0B transit and cycling program
£90M SULEBS Rounds 1 and 2
£62M ScotZEB Round 1
Replacement of 4,000 buses



$100B+ Bipartisan Infrastructure Bill (Infrastructure Investment and Jobs Act ("IIJA")), American Jobs Plan
$1.2B Low-No grants available in 2022 (+495% from 2021)
Replacement of 50,000 buses

NZD50M to fully decarbonize public transit fleet by 2035
Replacement of 6,000 buses

2025 Financial Targets

Revenue

$3.9 billion to $4.1 billion

ZEBs expected to make up 40% of manufacturing revenue

- → Driven by market recovery in North American Bus and Coach and UK transit
- → Continued growth of ARBOC in cutaway and medium-duty markets
- → ADL's international expansion in Europe and APAC
- → More than doubles ZEB percentage of sales from 2021 levels

Adjusted EBITDA(1)

$400 million to $450 million

- → Increased volume of higher dollar margin ZEB sales
- → Private markets begin to return to pre-COVID levels in 2023
- → Significant volume drop-through with cost base reductions generated from NFI Forward initiative
- → Viewed as conservative target

ROIC(2)

>12%

- → Adj. EBITDA performance combined with realizing upon benefits of investments made in facilities, products, acquisitions
- → Potential tax upside may drive higher ROIC

1. Non-IFRS Measure.
2. Represents a non-IFRS ratio, meaning it is derived from a non-IFRS measures, which does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. The ratio is calculated using net operating profit after tax and average invested capital both of which are non-IFRS measures. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at www.sedar.com.

Why Invest in NFI?

Market Leader with Unprecedented Demand

- NFI holds leadership positions in North American heavy-duty transit, motor coach, low-floor cutaway and aftermarket parts
- NFI is the market leader in the UK and the leading seller of double-deck buses in the world
- Historic funding announcements in all core markets including:
  - $100B+ investment in US public transit through the Infrastructure Investment and Jobs Act
  - $30B+ investment in Canadian public transit through dedicated Transit Funding Program and other initiatives
  - £5B investment in UK public transit and cycling
  - Planned replacement of over 35,000 buses from ICE to zero-emission

Key Competitive Advantages

- Full suite of mobility solutions including vehicles, infrastructure, smart connected technology, diagnostics and aftermarket, warranty and service
- Decades of investment, innovation and product development
- Largest manufacturing capacity with the ability to manufacture over 9,000 vehicles annually of which 8,000 can be battery or fuel-cell electric
- Deep customer relationships forged through decades of performance and reliability
- Unparalleled aftermarket support and the largest service networks
- LEAN manufacturing capabilities and Hoshin Kanri execution
- Internal fabrication capabilities with significant insourcing

Compelling Financial Profile

- History of double digit ROIC[1] with expectations for 12%+ by 2025
- Quarterly dividends paid consistently since 2012
- 2025 Growth Targets for $400M to $450M of Adjusted EBITDA with approximately 40% of production from zero-emission buses
- Low-capital intensity
- Strong Free Cash Flow generation with historic 50%+ conversion rate prior to the pandemic
- Diversified debt profile with senior revolving credit facility and subordinated convertible debentures
- Liquidity of greater than $600M

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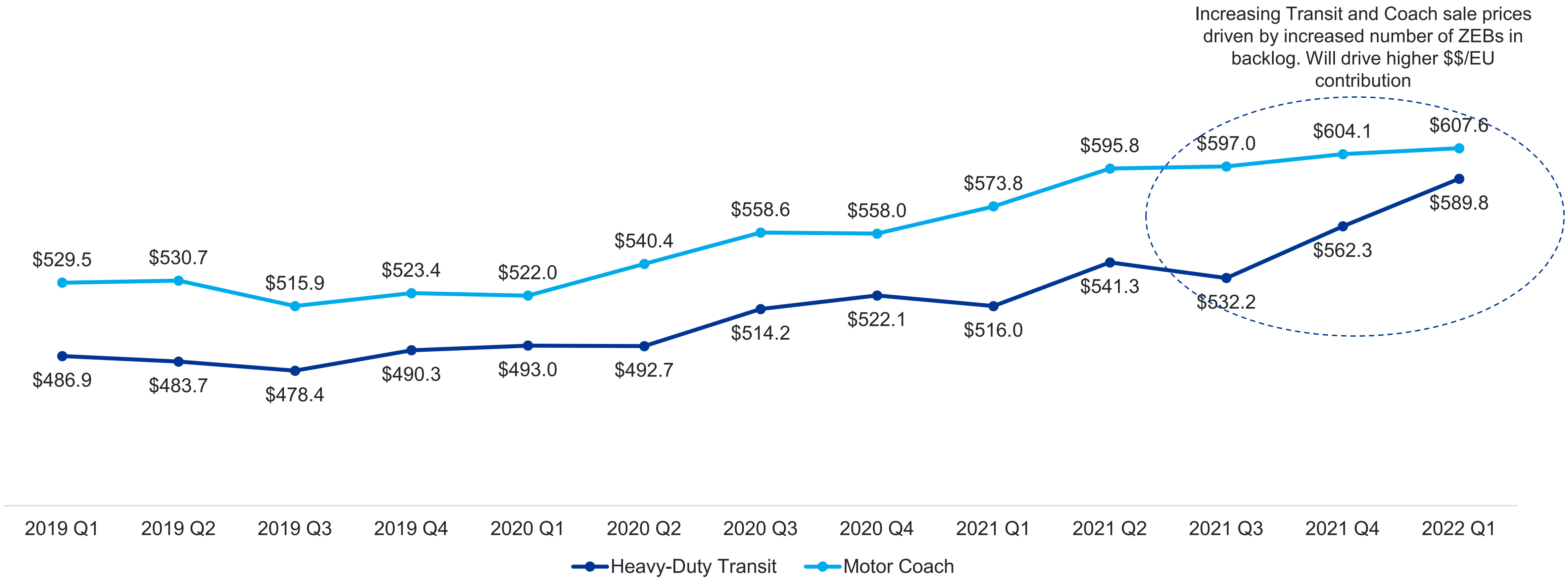
Appendix

NFI Backlog Average Sales Price per EU (2019 to 2022)



ZEBs, on average, command a price premium to ICE vehicles and a dollar margin uplift.
ZEB backlog growth positions NFI on its path to achieve 2025 targets.

Appendix: Financial Highlights

$ M (except EU and EPS)	Q1		
	2022	2021	Change
Deliveries (EUs)	660	955	(30.9%)
Revenue	$459.3	$574.1	(20.0%)
Gross Profit	$18.0	$85.8	(79.0%)
Gross Profit %	*3.9%*	*15.0%*	*-7374bps*
Adjusted EBITDA	($16.9)	$54.8	(130.8%)
Adjusted EBITDA Margin %	*-3.7%*	*9.6%*	*-13861bps*
Earnings from operations	($41.8)	$26.9	(255.2%)
Net earnings	($28.1)	$7.0	(501.4%)
Net earnings per share	($0.36)	$0.11	(427.3%)
Adjusted Net Earnings	($40.9)	$6.1	(770.0%)
Adjusted Net Earnings per Share	($0.53)	$0.09	(688.9%)
Orders – Firm (EUs)	867	812	6.8%
Orders – Options (EUs)	540	400	35.0%
Total Backlog	8,908	8,586	3.8%

Non-IFRS Reconciliation (2022)

Reconciliation of IFRS to non-IFRS
As of April 3, 2022

In '000	First Quarter	YTD
Net Sales	**$ 459,330**	**$ 459,330**
Net Earnings	**$ (28,068)**	**$ (28,068)**
% of net sales	-6.1%	-6.1%
Adjustment, Gross		
Restructuring and Other Corporate Initiatives	$ 96	$ 96
Derivative related	$ (25,317)	$ (25,317)
Foreign exchange loss/gain	$ 4,767	$ 4,767
Equity settled stock-based compensation	$ 285	$ 285
Unrecoverable insurance costs	$ -	$ -
Asset related	$ (373)	$ (373)
Employment related (past service costs)	$ -	$ -
COVID-19	$ -	$ -
Other tax adjustment	$ (180)	$ (180)
Other	$ 1,676	$ 1,676
Income taxes	$ 6,240	$ 6,240
Net Earnings - Adjusted	**$ (40,874)**	**$ (40,874)**
% of sales	-8.9%	-8.9%
Adjustments:		
Income taxes	$ (16,069)	$ (16,069)
Finance costs	$ 16,650	$ 16,650
Amortization	$ 23,351	$ 23,351
Adjusted EBITDA	**$ (16,942)**	**$ (16,942)**
% of net sales	-3.7%	-3.7%

Non-IFRS Reconciliation (2021)

Reconciliation of IFRS to non-IFRS
As of January 2, 2022

In '000	First Quarter	Second Quarter	Third Quarter	Forth Quarter	Full Year
Net Sales	**$ 574,119**	**$ 582,794**	**$ 492,038**	**$ 694,843**	**$ 2,343,794**
Net Earnings	**$ 7,033**	**$ 2,588**	**$ (15,415)**	**$ (8,691)**	**$ (14,484)**
% of net sales	1.2%	0.4%	-3.1%	-1.3%	-0.6%
Adjustment, Gross					
Restructuring and other corporate initiatives	$ 2,372	$ 166	$ 9,501	$ (677)	$ 11,362
Goodwill impairment	$ 0	$ 0	$ 0	$ 0	$ 0
Derivative related	$ (7,663)	$ (3,990)	$ (1,708)	$ (20,142)	$ (33,503)
Foreign exchange loss/gain	$ 2,529	$ 2,107	$ 1,356	$ 5,799	$ 11,791
Equity settled stock-based compensation	$ 650	$ 502	$ 293	$ 293	$ 1,738
Unrecoverable insurance costs	$ 0	$ 718	$ 0	$ 0	$ 718
Asset related	$ (355)	$ 10	$ 643	$ (186)	$ 112
Employment related (past service costs)	$ 0	$ 0	$ 0	$ 0	$ 0
COVID-19	$ 289	$ 464	$ 280	$ 2,926	$ 3,959
Other	$ 40	$ 6,118	$ (616)	$ 398	$ 5,940
Income taxes	$ 1,164	$ 14	$ (5,650)	$ 4,714	$ 244
Net Earnings - Adjusted	**$ 6,059**	**$ 8,697**	**$ (11,316)**	**$ (15,566)**	**$ (12,123)**
% of sales	1.1%	1.5%	-2.3%	-2.2%	-0.5%
Adjustments:					
Income taxes	$ 6,422	$ 1,909	$ 1,261	$ (2,948)	$ 6,644
Finance costs	$ 17,795	$ 17,748	$ 17,415	$ 19,551	$ 72,509
Amortization	$ 24,564	$ 23,502	$ 23,970	$ 25,117	$ 97,151
Adjusted EBITDA	**$ 54,840**	**$ 51,856**	**$ 31,330**	**$ 26,154**	**$ 164,181**
% of net sales	9.6%	8.9%	6.4%	3.8%	7.0%

Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements”, which reflect the current expectations of management regarding the Company's future growth, financial performance and financial position 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 challenges. A number of factors and risks may cause actual results to differ materially from the results discussed in the forward-looking statements (including the temporary nature of the supply chain disruptions, the recovery of the Company’s markets, the expected benefits to be obtained through its “NFI Forward” initiative, and the Company’s April 29, 2022 financial guidance (the “Guidance”)). For more detail regarding the assumptions, factors and risks relating to these “forward looking statements”, please refer to the Company’s press release dated May 5, 2022 and management discussion and analysis (“MD&A”) dated May 5, 2022, and the factors and risks contained in its Annual Information Form and other materials filed with the Canadian securities regulatory authorities which are available on SEDAR at www.sedar.com. These forward-looking statements are made as of the date of this presentation and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

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

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 as described in the Company’s disclosure documents available on SEDAR at www.sedar.com. References to "ROIC" are to net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%) divided by average invested capital for the last 12-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).

Management believes Adjusted EBITDA and ROIC are useful measures in evaluating the performance of the Company. However, Adjusted EBITDA and ROIC are not recognized earnings measures under IFRS and do not have standardized meanings prescribed by IFRS. Readers of this press release are cautioned that Adjusted EBITDA or ROIC 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. Historical reconciliations of net earnings to Adjusted EBITDA has been provided in the Company’s disclosure documents available on SEDAR at www.sedar.com. NFI’s method of calculating Adjusted EBITDA and ROIC may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers.

Appendix: Key Financial Definitions

- **Adjusted EBITDA:** 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-recurring costs or recoveries relating to business acquisition, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, proportion of the total return swap realized, proportion of the total return swap realized, equity settled stock-based compensation, unrecoverable insurance costs, prior year sales tax provision, extraordinary COVID-19 costs, impairment loss on goodwill and non-recurring restructuring costs.
- **Free Cash Flow:** Defined as 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-recurring restructuring costs, extraordinary COVID-19 costs, foreign exchange gain or loss on cash held in foreign currency.
- **Return on Invested Capital ("ROIC"):** Defined as net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%) divided by average invested capital for the last 12-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).
- **Adjusted Net Earnings (Loss):** Defined as 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, unrecoverable insurance costs, recovery on currency transactions, prior year sales tax provision, other tax adjustments, extraordinary COVID-19 costs and non-recurring restructuring costs.
- **Adjusted Earnings (Loss) per Share:** Defined as Adjusted Net Earnings (Loss) divided by the average number of Shares outstanding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