NFI Leading the *ZE*volution.™

Earnings Presentation – 2021 Q3 Results

November 3, 2021

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.
- 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**."

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

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.

WE PLEDGE to be customer focused

WE MUST EARN the trust of those we serve and those they serve

WE FOSTER smart leadership

WE BELIEVE in sustainability

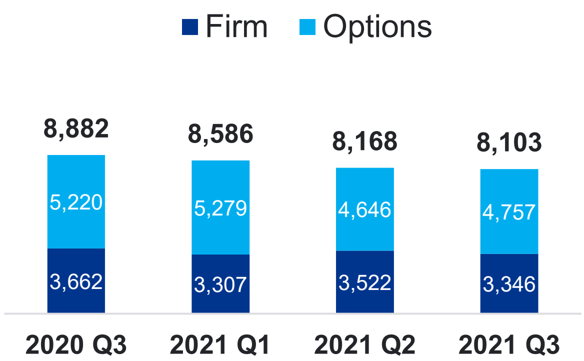
WE VALUE honesty, hard work and teamwork

2021 Q3: Executive Summary

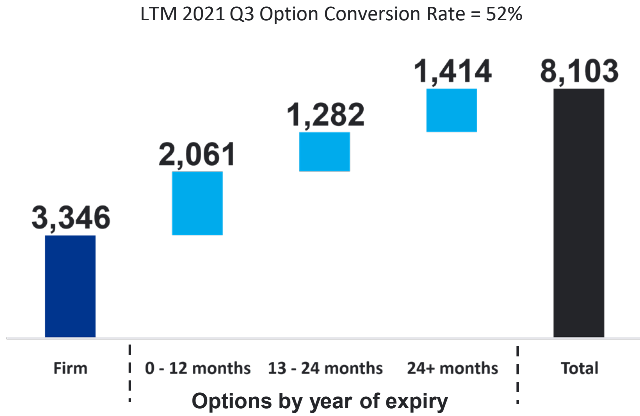
- We are seeing market recovery with Active Bids up 11% from 2020 Q3; Highest number of EU's in bids submitted, 6,307 EUs since 2017 Q2
  - NFI's ZEBs are operating or on order in 15 of the top 25 transit agencies in North America and with 10 of the top 15 transit operators in the UK
- Unfortunately, our 2021 results continue to be impacted by labor and supply challenges primarily related to the COVID-19 pandemic
- With bid activity and successful implementation of our NFI Forward initiatives lowering our fixed cost base, we expect to see margin expansion once the supply challenges subside.
  - NFI Forward: $16 million of Adj. EBITDA savings realized in quarter, $59 million since inception
- For the quarter,
  - Ending total backlog down slightly, at 8,103 EUs ($4.2 billion) with 21% of backlog being ZEBs
  - NFI leading the *ZE*volution to zero-emission mobility with 20% of 2021 Q3 deliveries being ZEBs and over 50 million electric service miles completed
  - NFI vehicles on display at APTA EXPO and Alexander Dennis double deck buses transporting dignitaries at COP26 in Glasgow, Scotland
  - Aftermarket revenue up 21% YOY, even with challenges from the supply chain and pandemic; second consecutive quarter of record Adjusted EBITDA in the Aftermarket segment
- Reaffirmed 2021 guidance and 2025 targets

2021 Q3: Backlog and New Vehicle Deliveries

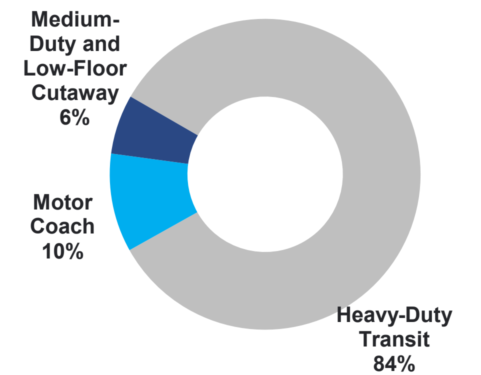
Backlog – Firm & Option



Backlog – Timing



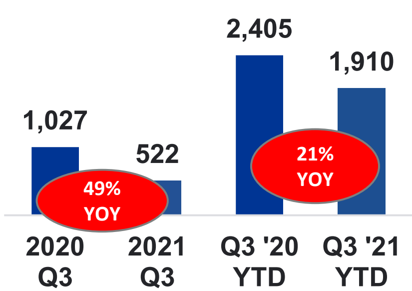
Backlog – By Product[1]



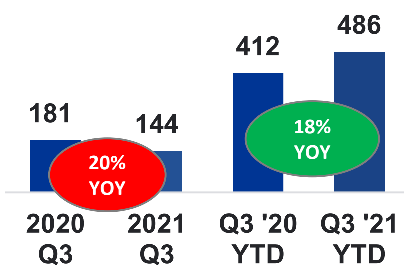
(1) Options for ARBOC vehicles are held by dealers, rather than the operator, and are not included as an option in the NFI backlog.

Deliveries: 2021 Q3 EUs

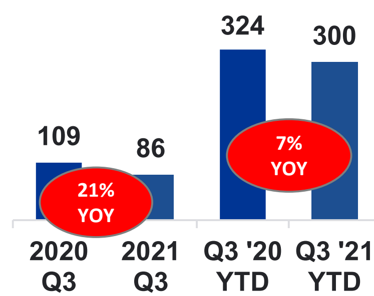
Heavy-Duty Transit



Motor Coach



Medium-Duty / Low-Floor Cutaway



2021 Q3 continued to show early signs of recovery; ZEBs are now 21% of total Backlog

2021 Q3: Income Statement and Balance Sheet

2021 Q3 Performance

	2020 Q3	2021 Q3
Sales	$663.9M	$492.0M
Adjusted EBITDA[1]	$60.9 9.2% ROS	$31.3 6.4% ROS
EPS (reported)	($0.40)	($0.22)
EPS (Adjusted)[1]	$0.09	($0.16)

2021 Q3	Revenue	Adjusted EBITDA[1]
Manufacturing	$373.9M	$2.2M
Aftermarket	$118.1M	$26.2M
Corporate	–	$2.9M

2021 Q3 Cash Flow & Liquidity

Cash Flow ($M)

	2020 Q3	2021 Q3
Adjusted EBITDA	$60.9	$31.3
Interest Expense	($17.3)	($17.1)
Current Income Tax	($8.4)	$8.2
Cash Capital Expenditures plus Lease	($8.1)	($11.0)
Acquisition of Intangibles	-	($0.3)
Proceeds from disposition of property	$0.4	$0.5
Free Cash Flow (USD)[1]	**$27.4**	**$11.7**
FX Rate	1.3393	1.2652
Free Cash Flow (CAD)[1]	**$36.7**	**$14.8**
Dividends (CAD)	$13.3	$15.1
Payout Ratio	**36.2%**	**102.0%**

Liquidity[1] & Working Capital

	2021 Q1	2021 Q2	2021 Q3
Liquidity[1]	**$319.0**	**$389.3**	**$320.1**
Working Capital $	**$468.2**	**$397.9**	**$445.2**
Working Capital Days[2]	**68 days**	**62 days**	**68 days**

(1) Non-IFRS Measure. See Cautionary Statement and Slide 21.
(2) Working Capital Days calculated on a 13-point average basis using 13-month historical average working capital divided by 12-month historical average revenue

NFI Adjusted Effective Tax Analysis

	2021 Q3	2021 YTD
Adj. EBITDA	**$31.3M**	**$138.0M**
D&A	$24.0M	$72.0M
Interest Expense	$17.4M	$53.0M
Adj. EBT	**($10.1M)**	**$13.0M**
Tax Variable	($2.1M)	$2.7M
Tax Fixed	$0.6M	$6.3M
FX Tax Adjust	$2.8M	$0.6M
Total Adjusted Tax	**$1.3M**	**$9.6M**
ETR Adjusted	*(12.7%)*	*73.8%*
Adj. Net Income	($11.3M)	$3.4M
Shares (wt. avg)	~71M[1]	~69M
Adjusted EPS	**($0.16)**	**$0.05**

Components of Tax

*Tax Variable = 21% - 23%

+

Tax Fixed (Annual) = $8M - $14M

Variable and Fixed components of tax creates challenges in quarterly rate and timing of expense recognition

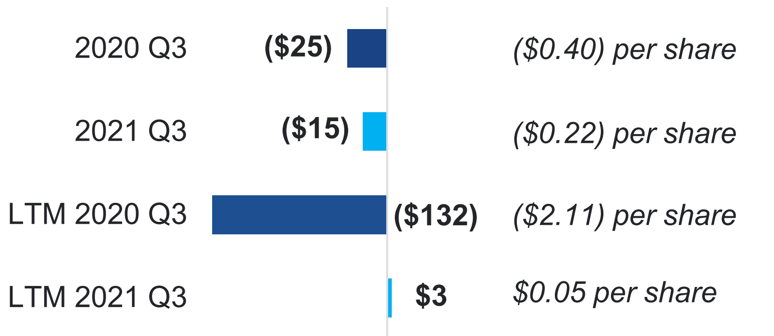
Currency fluctuations may continue to impact full-year adjusted ETR

*Tax is based on full year projection. Quarterly % may vary depending on discrete tax items.

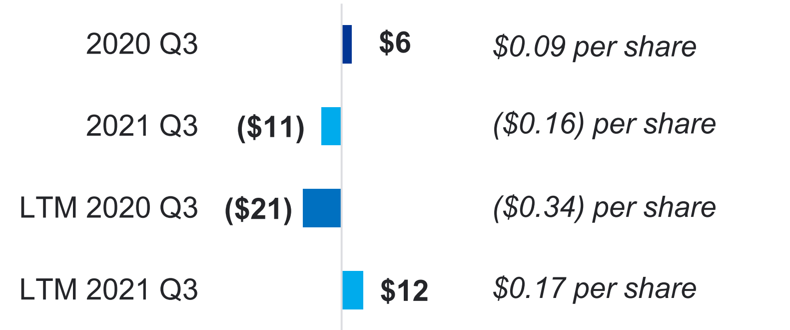
(1) The weighted average number of Shares outstanding for 2021 Q3 was 70,988,234

2021 Q3: Net Earnings and Adjusted Net Earnings

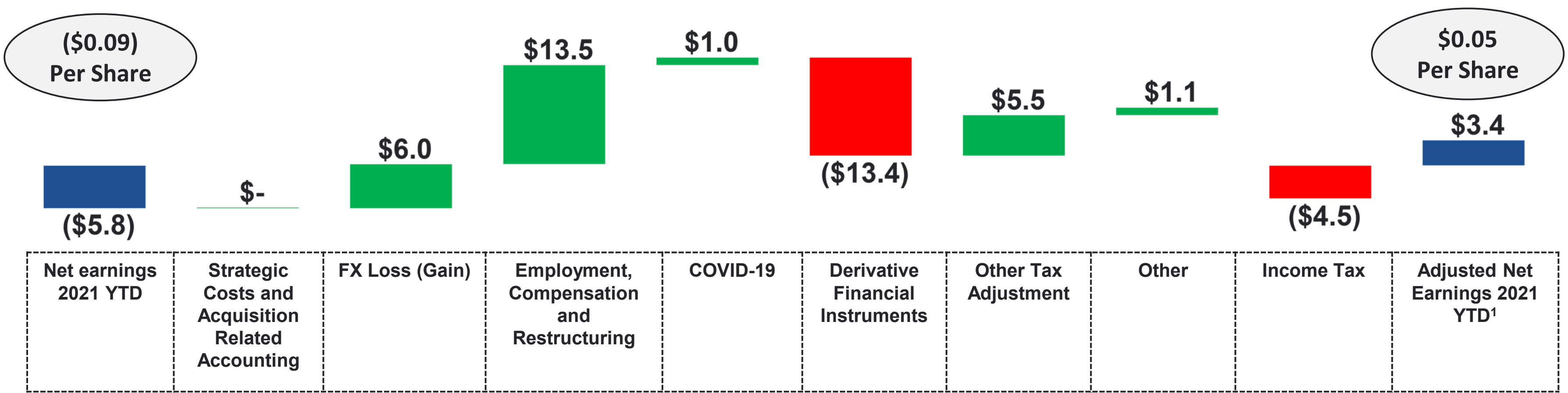
Net Earnings (Loss) ($M)



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



Net Earnings to Adjusted Net Earnings Reconciliation Fiscal 2021 YTD



Net Earnings positively impacted by fewer one-time, restructuring and COVID-19-related costs, plus benefits from NFI Forward

(1) Non-IFRS Measure. See Cautionary Statement and Slide 21.

Updated 2021 Guidance Reaffirmed

Revenue
$2.3 billion to $2.5 billion

ZEBs expected to be approximately 20% of 2021 manufacturing revenue

- Deliveries impacted by pandemic-related supply chain challenges
- Growth driven by market recovery in North American Bus and Coach and UK transit
- ADL's international expansion in Europe and APAC

Adjusted EBITDA
$165M to $195M

- Deliveries impacted by pandemic-related supply chain challenges
- Expecting Private markets won't begin to return to pre-COVID-19 levels until 2023
- Significant volume drop-through with cost base reductions generated from NFI Forward initiative

Cash Capex including NFI Forward
$35M

- Lowered estimated capex to reflect lower revenue and Adjusted EBITDA
- Includes maintenance and NFI Forward projects

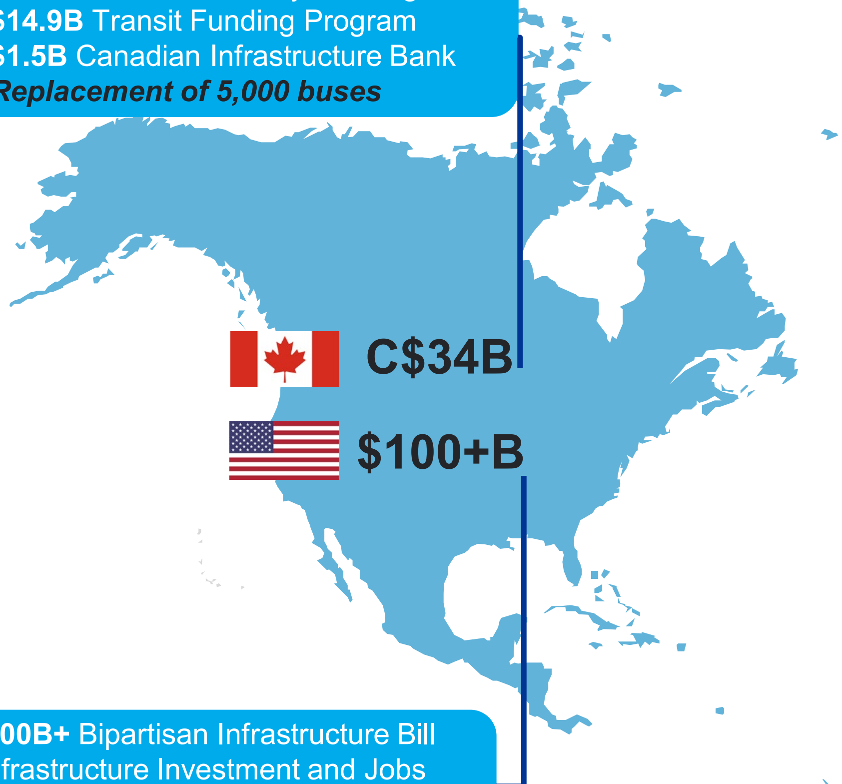
Seasonality
2021 Q4 down

- On a year-over-year basis, Revenue & Adjusted EBITDA:
  - 2021 Q4 expected to be down
  - 2021 Q1, Q2 and Q3 were 13-week periods; Q4 will be a 14-week period

Guidance updated in September 2021 to reflect escalating supply chain challenges that are continuing to impact NFI operations

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



$100B+ Bipartisan Infrastructure Bill (Infrastructure Investment and Jobs Act ("IIJA")), American Jobs Plan
Replacement of 50,000 buses

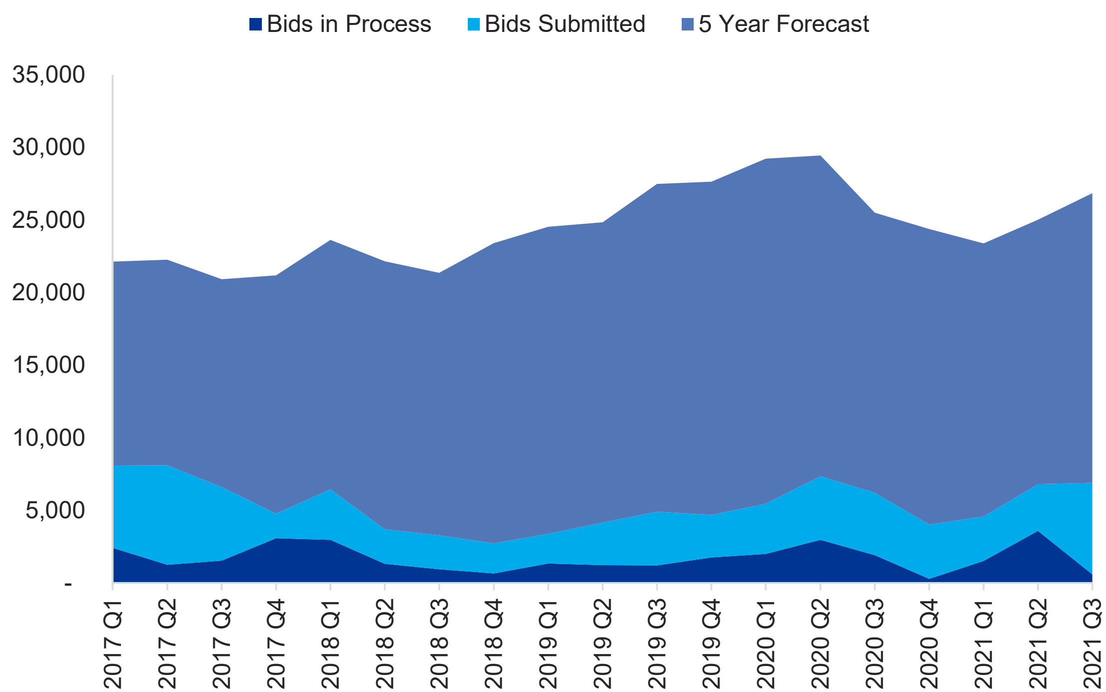
£5.0B transit and cycling program
£90M SULEBS Rounds 1 and 2
Replacement of 4,000 buses

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

Public Market Bid Universe Showing Signs of Recovery

Canada and U.S. Public Market Bid Universe

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



- **Infrastructure Solutions™ projects completed in 9 cities with projects-in-progress in a further 19 cities**

594 EUs
Bids in Process

6,307 EUs
Bids Submitted

19,954 EUs
Five-Year Procurement Outlook compiled from Customer Fleet replacements plans

+11%
Active Bids increase from 2020 Q3

The Public Bid Universe does not include Purchasing Schedules:

20+
Purchasing Schedules with NFI named

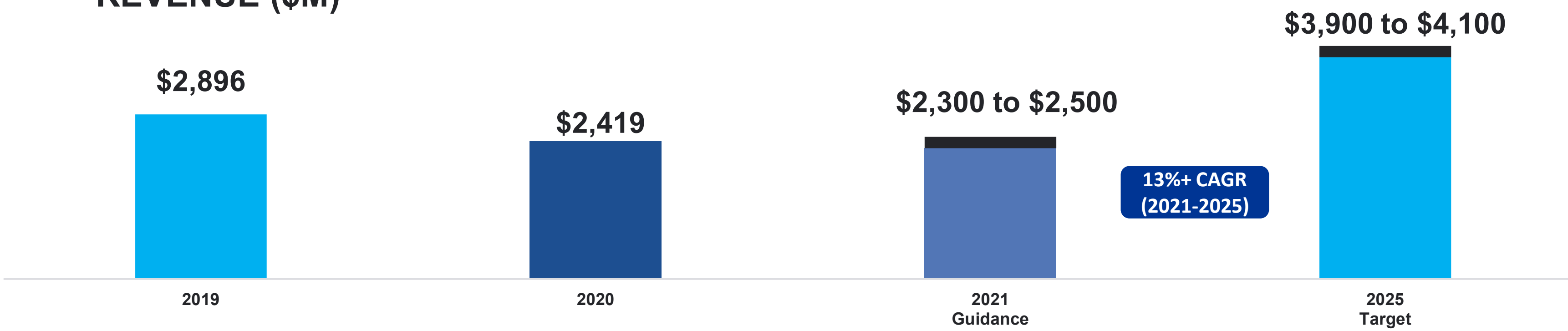
650+
Vehicle awards from Purchasing Schedules[1]

(1) Since 2018

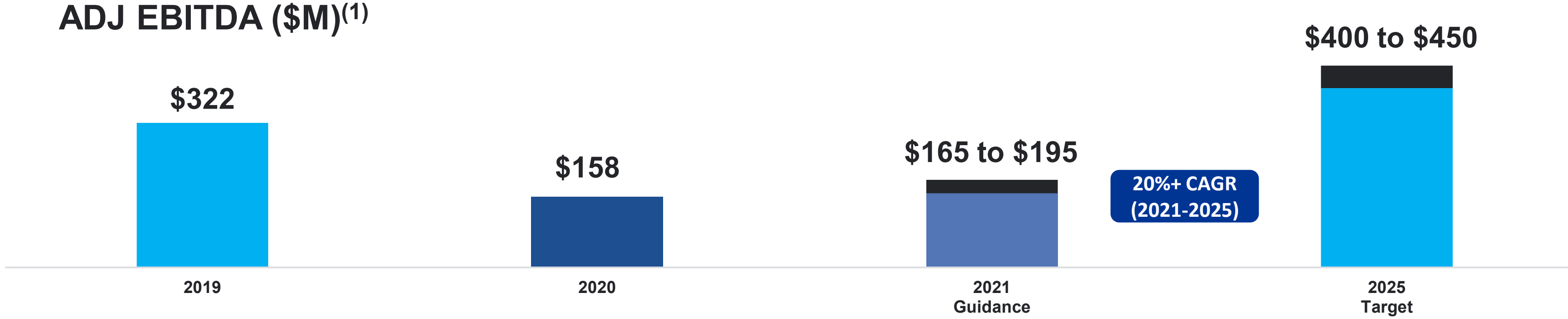
Positioned for Growth and Margin Enhancement

Recovery, NFI Forward, and Leading the *ZE*volution 2020 – 2025

REVENUE ($M)



ADJ EBITDA ($M)(1)

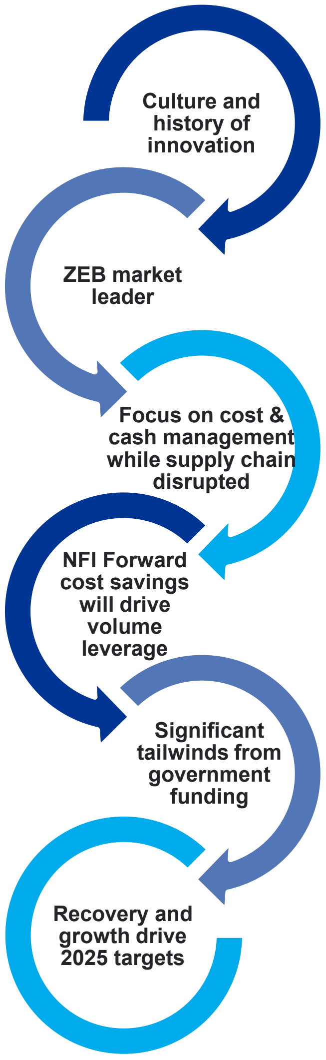


- **The global COVID-19 pandemic significantly impacted NFI's 2020 results and 2021 has been impacted by supply chain challenges created by the pandemic**
- **Longer-term growth expected from government funding, ZEB growth, international expansion and volume leverage from NFI Forward**

(1) Non-IFRS Measure. See Cautionary Statements and Slides 20 and 21.

NFI Summary and Outlook

- ✓ NFI Forward continues to significantly change the way NFI operates; as volumes return, we expect significant volume leverage
- ✓ Challenging operating environment in the third quarter with COVID-19 impacting operations and the timing of customer orders
- ✓ Global supply chain challenges also caused bottlenecks and disruptions to parts availability and reliability
- ✓ North American public transit bid activity strengthening, with the highest number of submitted bids since the second quarter of 2017
- ✓ North American private coach gaining momentum, but will take time to fully recover to pre-COVID levels; NFI plans to resume J Series coach production in early 2022
- ✓ NFI is Leading the ***ZE***volution to a future of electric mobility: vehicles on display at COP26 and APTA EXPO
- ✓ Reaffirm 2021 full year guidance and 2025 targets
- ✓ Focus on ESG initiatives through our sustainability pledge and four-pillar approach to deliver equitable access to mobility and people development



Appendices

Appendix: Financial Highlights

$ M (except EU and EPS)	Q3			YTD		
	2021	2020	Change	2021	2020	Change
Deliveries (EUs)	752	1,317	(42.9%)	2,696	3,141	(14.2%)
Revenue	$492.0	$663.9	(25.9%)	$1,649.0	$1,707.7	(3.4%)
Gross Profit	$39.4	$46.8	(15.8%)	$194.7	$113.1	72.1%
Gross Profit %	*8.0%*	*7.0%*	*1357bps*	11.8%	6.6%	*7832bps*
Adjusted EBITDA	$31.3	$60.9	(48.6%)	$138.0	$92.7	49.0%
Adjusted EBITDA Margin %	*6.4%*	*9.2%*	*-3057bps*	*8.4%*	*5.4%*	*5426bps*
Earnings from operations	($2.8)	($16.5)	83.0%	$50.8	($113.9)	144.6%
Net earnings	($15.4)	($24.9)	38.2%	($5.8)	($166.2)	96.5%
Net earnings per share	($0.22)	($0.40)	45.0%	($0.08)	($2.66)	97.0%
Adjusted Net Earnings	($11.3)	$5.7	(298.2%)	$3.4	($51.7)	106.6%
Adjusted Net Earnings per Share	($0.16)	$0.09	(277.8%)	$0.05	($0.83)	106.0%
Orders – Firm (EUs)	445	399	11.5%	2089	1955	6.9%
Orders – Options (EUs)	340	285	19.3%	1028	566	81.6%
Total Backlog	8,103	8,882	(8.8%)	8,103	8,882	(8.8%)

Appendix: Non-IFRS Reconciliation (2021)

Reconciliation of IFRS to non-IFRS
As of September 26 2021

In '000	First Quarter	Second Quarter	Third Quarter	Full Year
Net Sales	**$ 574,119**	**$ 582,794**	**$ 492,038**	**$ 1,648,951**
Net Earnings	**$ 7,033**	**$ 2,587**	**$ (15,415)**	**$ (5,793)**
% of net sales	1.2%	0.4%	-3.1%	-0.4%
Adjustment, Gross				
Restructuring and Other Corporate Initiatives	$ 2,372	$ 166	$ 9,501	$ 12,039
Goodwill Impairment	$ -	$ -	$ -	$ -
Derivative related	$ (7,663)	$ (3,990)	$ (1,708)	$ (13,361)
Foreign exchange loss/gain	$ 2,529	$ 2,107	$ 1,356	$ 5,992
Equity settled stock-based compensation	$ 650	$ 502	$ 293	$ 1,445
Unrecoverable insurance costs	$ -	$ 718	$ -	$ 718
Asset related	$ (355)	$ 10	$ 643	$ 298
Employment related (past service costs)	$ -	$ -	$ -	$ -
COVID-19	$ 289	$ 464	$ 280	$ 1,033
Other tax adjustment	$ -	$ 6,118	$ (616)	$ 5,502
Other	$ 40	$ -	$ -	$ 40
Income taxes	$ 1,164	$ 15	$ (5,650)	$ (4,473)
Net Earnings - Adjusted	**$ 6,059**	**$ 8,697**	**$ (11,316)**	**$ 3,440**
% of sales	1.1%	1.5%	-2.3%	0.2%
Adjustments:				
Income taxes	$ 6,422	$ 1,908	$ 1,261	$ 9,592
Finance costs	$ 17,795	$ 17,748	$ 17,415	$ 52,958
Amortization	$ 24,564	$ 23,503	$ 23,970	$ 72,037
Adjusted EBITDA	**$ 54,840**	**$ 51,856**	**$ 31,330**	**$ 138,027**
% of net sales	9.6%	8.9%	6.4%	8.4%

Appendix: Non-IFRS Reconciliation (2020)

Reconciliation of IFRS to non-IFRS
As of December 27 2020

In '000	First Quarter	Second Quarter	Third Quarter	Forth Quarter	Full Year
Net Sales	**$ 710,384**	**$ 333,334**	**$ 663,934**	**$ 711,523**	**$ 2,419,175**
Net Earnings	**$ (67,239)**	**$ (74,050)**	**$ (24,912)**	**$ 8,465**	**$ (157,736)**
% of net sales	-9.5%	-22.2%	-3.8%	1.2%	-6.5%
Adjustment, Gross					
Restructuring and Other Corporate Initiatives	$ 22	$ 2,307	$ 25,429	$ 1,180	$ 28,938
Goodwill Impairment	$ 50,790	$ -	$ -	$ -	$ 50,790
Derivative related	$ 23,508	$ 454	$ (2,446)	$ (4,243)	$ 17,273
Foreign exchange loss/gain	$ (43)	$ (2,164)	$ (3,609)	$ (3,235)	$ (9,052)
Equity settled stock-based compensation	$ 14	$ 551	$ 597	$ 608	$ 1,770
Asset related	$ 163	$ 229	$ (191)	$ (257)	$ (56)
Employment related (past service costs)	$ (463)	$ 48	$ 1	$ 6	$ (408)
COVID-19	$ -	$ 17,557	$ 24,392	$ 5,413	$ 47,362
Other	$ (56)	$ (30)	$ 233	$ 37	$ 184
Income taxes	$ (7,176)	$ (5,492)	$ (13,766)	$ 202	$ (26,232)
Net Earnings - Adjusted	**$ (480)**	**$ (60,591)**	**$ 5,728**	**$ 8,176**	**$ (47,167)**
% of sales	-0.1%	-18.2%	0.9%	1.1%	-1.9%
Adjustments:					
Income taxes	$ 11,754	$ (7,416)	$ 10,754	$ 12,785	$ 27,877
Finance costs	$ 14,657	$ 15,632	$ 18,029	$ 17,871	$ 66,189
Amortization	$ 30,140	$ 28,146	$ 26,374	$ 26,124	$ 110,784
Adjusted EBITDA	**$ 56,071**	**$ (24,229)**	**$ 60,885**	**$ 64,956**	**$ 157,683**
% of net sales	7.9%	-7.3%	9.2%	9.1%	6.5%

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 factors relating to the Company’s “NFI Forward” initiatives, the global COVID-19 pandemic, supply chain challenges and the Company’s January 11, 2021 financial guidance (the “Guidance”), updated on September 17, 2021. For more detail regarding the assumptions, factors and risks relating to these “forward looking statements”, please refer to the Company’s press release dated November 3, 2021 and management discussion and analysis (“MD&A”) dated November 2, 2021, 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.


NFI
Leading the ZEvolution.™