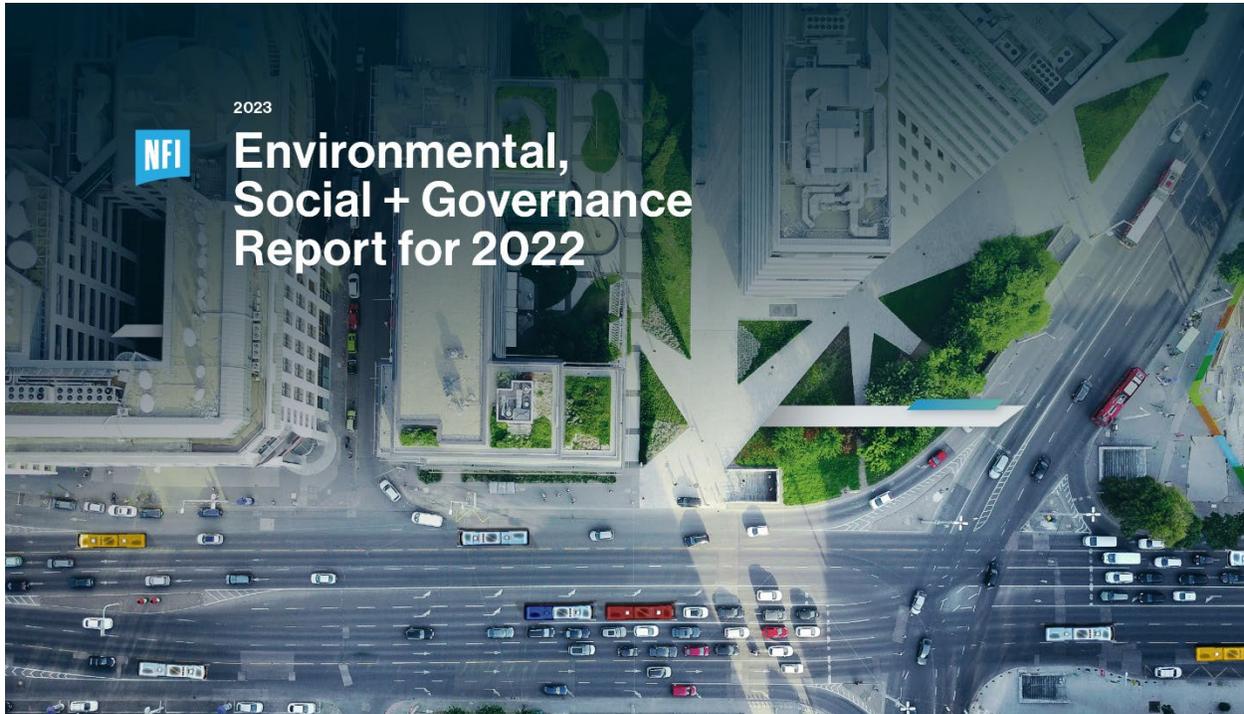




NFI releases its Environmental, Social and Governance Report for 2022



Winnipeg, Manitoba, CANADA – May 31, 2023: (TSX: NFI, OTC: NFYEF, TSX: NFI.DB) The board of directors (the “Board”) of NFI Group Inc. (the “Company”), a leader in zero-emission electric mobility solutions, today released its Environmental, Social and Governance (“ESG”) Report for 2022 (“ESG Report” or “Report”), which can be found at <https://www.nfigroup.com/esg/>

“At NFI, we know that strong ESG practices, policies and initiatives are simply good business. We consider both risks and opportunities as we weave ESG into the fabric of our day-to-day operations and long-term planning,” said Natalia Klumper, Sustainability Manager, NFI. “Our fifth ESG Report provides updates on our performance and some exciting new developments: we expanded our engagement with stakeholders through the completion of our first ESG materiality assessment; implemented our diversity, equity, and inclusion, or DEI, action plan and strategic framework; reported our Scope 1 and Scope 2 greenhouse gas emissions; and initiated our sustainability roadmap, which will guide our overall sustainability strategy.”

NFI’s ESG Report for 2022 provides updated key performance indicators, highlights for 2022, ESG priorities for 2023, as well as some specific projects and initiatives the Company undertook in the year. The Report focuses on the three main components of NFI’s Sustainability Pledge, first adopted in 2006: “Better Product. Better Workplace. Better World”, which guides the Company’s daily actions and long-term planning.



Better Product: In 2022, 23% of NFI's production were zero-emission buses ("ZEB"), and that is expected to rise to 25-30% in 2023, 30-35% in 2024, and to approximately 40% in 2025.¹ Today, 13 countries have NFI buses and coaches in service, and over 130 cities have an NFI ZEB in service or on order. Since 2015, the Company's zero-emission buses, or ZEBs, have travelled more than 115 million miles and prevented the emission of billions of pounds of CO₂ into the atmosphere. NFI Infrastructure Solutions™ has delivered over 390 electric vehicle chargers with a total of over 77 megawatts of charging capacity. NFI also continued to support its customers through the delivery of diesel-electric hybrid vehicles; and the Company's aftermarket teams supported safer journeys by installing driver barriers, seatbelts, and air purification and cleaning systems.

Better Workplace: NFI takes pride in being an employer of choice, with a focus on maintaining a respectful, inclusive, and vibrant workplace culture. Safety remained a top priority throughout 2022, and the Company also provided a number of employee wellbeing initiatives throughout the year, some of which are detailed in the Report. Currently, 53% of NFI's global workforce are covered by collective bargaining agreements. As of the end of 2022, 100% of NFI's employees at the Company's main transit bus, coach and fabrication manufacturing facilities in Canada and the United States were at or above the living wage standard in their region. Throughout the year, NFI's talent acquisition team, working in collaboration with the Company's workforce development team, established priorities based on the foundation of its Community Benefits Framework, a holistic and national approach to workforce and community well-being. Additionally, NFI has invested \$8.6 million dollars for employee training, and expanded its electrical technician training program to provide high-demand electrical skills for the new EV mobility era.

As of May 2023, NFI's Board of Directors is 80% independent, with 63% of those independent Directors self-identifying as female - above the Company's target for 50% female representation on the Board.

Better World: NFI is focused on being a responsible corporate citizen and creating positive change for all its stakeholders and their communities. In 2022, NFI maintained its ISO 14001 registration for its North American transit and motor coach manufacturing facilities; reported its Scope 1 and 2 greenhouse gas emissions; submitted its second response to the CDP Climate Change Questionnaire; and responded to the S&P Global Corporate Sustainability Assessment for the first time. The Company expanded on its participation in the TRC92 Indigenous Youth Employment Lab; launched its DEI Strategic Framework outlining goals and priorities through to 2024; and continued to identify opportunities to improve energy efficiency and the Company's operational impact on climate change.

NFI continued to build on its partnership with United Way agencies, supporting 18 communities across North America, and raising more than \$380,000 in 2022. Collectively, NFI has donated more than \$3.5 million to the United Way from its workplace campaigns since 2009. For its team efforts this year, NFI was presented with the Campaign Committee award for going above the "call of duty" to rally the team during NFI's 2022 workplace campaign.

¹ Please review the Company's March 1, 2023 press release and the 2022 Q4 and Fiscal Year MD&A for details on the assumptions that drive Fiscal 2023 and Fiscal 2024 guidance, and 2025 targets, as well as certain applicable risks.



In addition, the Alexander Dennis team raised funds for Macmillan Cancer Support, a leading UK charity. Teamwork, community involvement, and a collaborative spirit are important aspects of NFI's culture. Through the dedicated work of the Company's employee-led social committees and initiatives, NFI continues to work on creating connections and building stronger communities to support a healthier world for all.

To develop this Report, NFI consulted with a broad range of internal and external stakeholders on regional and global levels, including key internal departments, customers, suppliers, investors, creditors, and community partners. This Report has been reviewed and published with the approval of NFI's senior executives and the Board of Directors.

About NFI

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 7,700 team members in ten 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 100,000 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.

Forward Looking Statement

This Report 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 vision, strategic initiatives, plans, business prospects and opportunities, including the Company's social, economic, environmental, and governance-related impacts and objectives. The forward-looking information in this ESG Report is included to assist the Company's stakeholders in understanding these matters. This information may not be appropriate for other purposes. The words "believes", "views", "anticipates", "plans", "expects", "intends", "projects", "forecasts", "estimates", "guidance", "goals", "objectives" and "targets" and similar expressions 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 and speak only as of the date of this Report (or as otherwise indicated). 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 vision, strategic initiatives, plans, business prospects and opportunities, including the Company's social, economic, environmental, and governance-related impacts and objectives, will not occur or be achieved. The Company cautions readers and investors not to place undue reliance on these forward-looking statements and information as a number of risk factors could cause the Company's actual results to differ materially from the expectations expressed in such forward-looking statements. These factors – many of which are beyond the Company's and management's control and the effects of which are difficult to predict – include risks related to general economic and market factors; risks related to the Company's business environment; risks related to the Company's operations, strategy, financing, capital structure, tax, regulatory compliance, reputation, environmental and social risk; and the risks discussed in the "Risk Factors" section of the Company's Annual Information Form and other disclosure documents filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com. The Company cautions that the foregoing list of risk factors is not exhaustive and other factors could materially adversely affect the Company's future growth, financial performance and objectives and the Company's vision, strategic initiatives, plans, business prospects and opportunities, including the Company's social, economic, environmental, and governance-related impacts and objectives. Except as required by law, the Company does not undertake to update any forward-looking statement, 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.

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