Leading the ZEvolution.™

Investor Presentation

Scotiabank Transportation & Industrials Conference

November 16, 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.

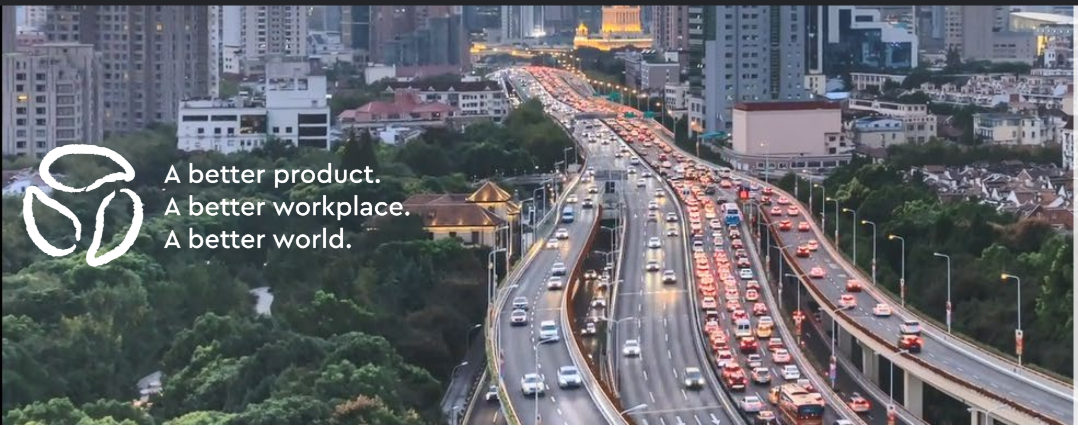
Key Terms

- 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

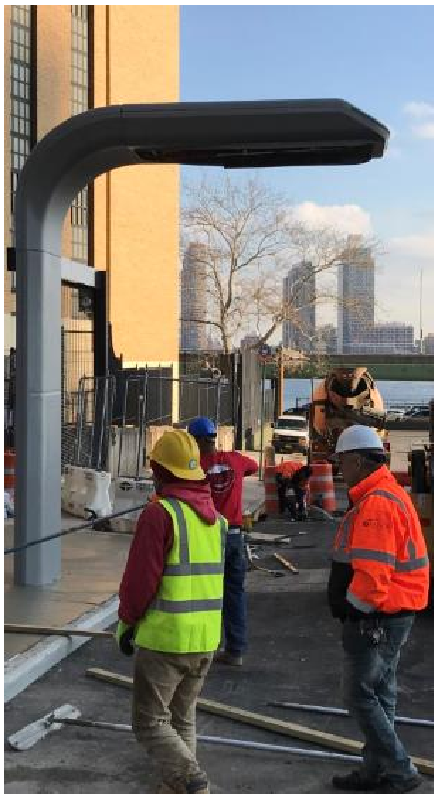
WE FOSTER smart leadership

WE BELIEVE in sustainability

WE VALUE honesty, hard work and teamwork

From bus manufacturer to solutions provider

Infrastructure Solutions	Buses and Coaches	Connected Vehicles and Diagnostics	Aftermarket, Warranty & Service



Leading the ZEvolution.™

450+
years of bus and coach experience

50+
years of electric bus experience

13
countries with NFI buses in service

105k
vehicles in service

Clean Diesel | Natural Gas | Hybrid Electric | Trolley Electric | Battery Electric | Fuel Cell Electric

50+ million
Electric service miles since 2015[1]

1,701
ZEBs delivered since 2015[2]

153
ZEBs delivered in 2021 Q3 (20% of total); 330 YTD 2021

80+
Cities with an NFI ZEB in service or on order

1,696
ZEBs in backlog (21% of total backlog)[3]

200+
EV chargers installed via Infrastructure Solutions™

~20%
of 2021 production will be ZEBs

8,000
Annual ZEB production capacity[4]

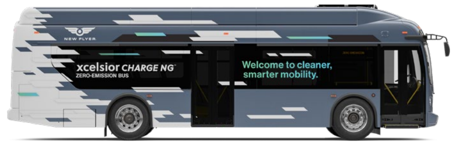
38%
of the Total Bid Universe is ZEBs

(1) Service miles driven in North America, the UK and New Zealand; does not include electric trolleys
(2) Includes battery-electric, fuel-cell electric and electric trolleys
(3) Includes firm and option orders
(4) Based on capacity at NFI facilities in North America and the UK

Industry's widest range of ZEB's already exist

30- & 35-foot
Medium-Duty
Low-Floor Electric

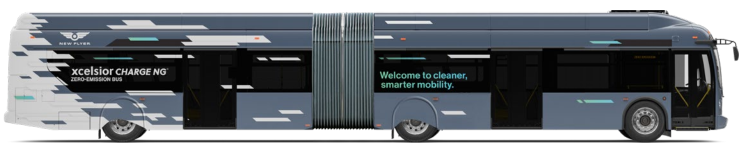
35-foot
Battery-Electric



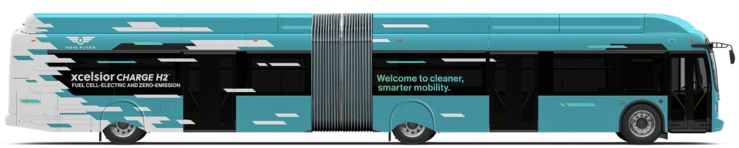
40-foot
Battery-Electric

40-foot
Fuel Cell-
Electric

60-foot
Battery-Electric



60-foot
Fuel Cell-
Electric



Single-Deck
Battery-Electric

Double-Deck
Battery-Electric

Double-Deck
Fuel Cell-Electric

Motor Coach
Battery-Electric

Motor Coach
Battery-Electric
Low-Entry

NFI is pioneering automated bus technology

New Flyer Xcelsior AV™

North America's first SAE Level 4 (SAE J3016) Automated Heavy-Duty Transit Bus

Launched January 2021

ADL's Automated Double Deck

UK's first Automated Heavy-Duty Transit Bus; pilot project with leading customer Stagecoach for depot applications

Launched Glasgow, Scotland pilot in 2019

Strengthening the balance sheet through C$400 Million bought deal financing

- Completed C$400M bought deal financing on Nov 15, 2021, comprised of:
  - C$150M in equity (6.1M shares at C$24.55 per share), and
  - C$250M in debt (5.0% convertible senior unsecured debentures with 35% premium to the C$24.55/share price)
- Proceeds focused on strengthening the balance sheet and deleveraging
  - Financing will also assist with operational and strategic goals, such as investments in zero-emission products and electric propulsion technology, and other potential growth or business enhancement opportunities
- Main senior credit facility also amended to provide flexibility with respect to key covenants for fiscal 2022 and 2023
  - Converts excluded from senior credit facility covenant calculations
  - Dividend remains unrestricted and at current level under the amended credit facility; cash flow test starting in 2022 Q3
- Convertible debentures have three-year no conversion or pre-payment clauses, can be settled with cash upon conversion – 35% premium to C$24.55 price equity offer price

2021 Q3 summary

- Seeing market recovery, with Active Bids up 11% from 2020 Q3; highest number of EUs 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

Rapid escalation in supply chain disruption

Situation Assessment

- Rapid escalation in supply challenges during 2021 Q3
- Bottlenecks and disruptions across the entire industry driven by COVID-19 pandemic
- NFI receiving majority of parts, but missing critical components that does not allow for completion of vehicles
- Variety of issues impacting suppliers including missing inputs, labour issues, transportation and shipping/freight challenges

NFI Response

- Lowered line entries to avoid build-up of excess work-in-process inventory
- Idling facilities to lower direct costs
- Focus on cash conversion and preservation to generate 2021 Q4 working capital and liquidity improvements
- Lowered cash capital expenditures
- Constant communications with suppliers to discuss timelines and mitigation efforts including alternative source of supply

Financial Implications

- Revenue guidance lowered to $2.3 billion - $2.5 billion and Adjusted EBITDA guidance lowered to $165 million - $195 million
- Anticipate year-ending liquidity of more than $400M
- Nearly all vehicles are contractually sold and those originally planned for 2021 delivery will move into Fiscal 2022
- Anticipate 2022 H1 impact to financial metrics driven by ongoing supply chain disruption

NFI view on market recovery

PHASE 1
Initial Recovery and Bid Activity Growth

- North American Public Bid Activity Increasing (+11% from 2020 Q3)
- NA Private Markets at 25% pre-COVID-19 levels
- UK and Scotland driving EV adoption and government funding
- Parts sales recovering as travel resumes and vaccines rolled out plus benefit of APAC program
- Government funding announcements

2021 Q1 | 2021 Q2 | 2021 Q3

PHASE 2
Project Awards

- North American Awards released, government funding structures and policies being finalized
- NA Private Markets at 50% pre-COVID-19 levels
- UK and Scotland seeing benefits of UK funding
- European markets improving
- Parts sales in private growing
- Supply chain challenges plus impact of COVID-19 on 2020/2021 customer orders impacting deliveries across NFI, lowering expected revenue and Adjusted EBITDA

2021 Q4 | 2022 Q1 | 2022 Q2

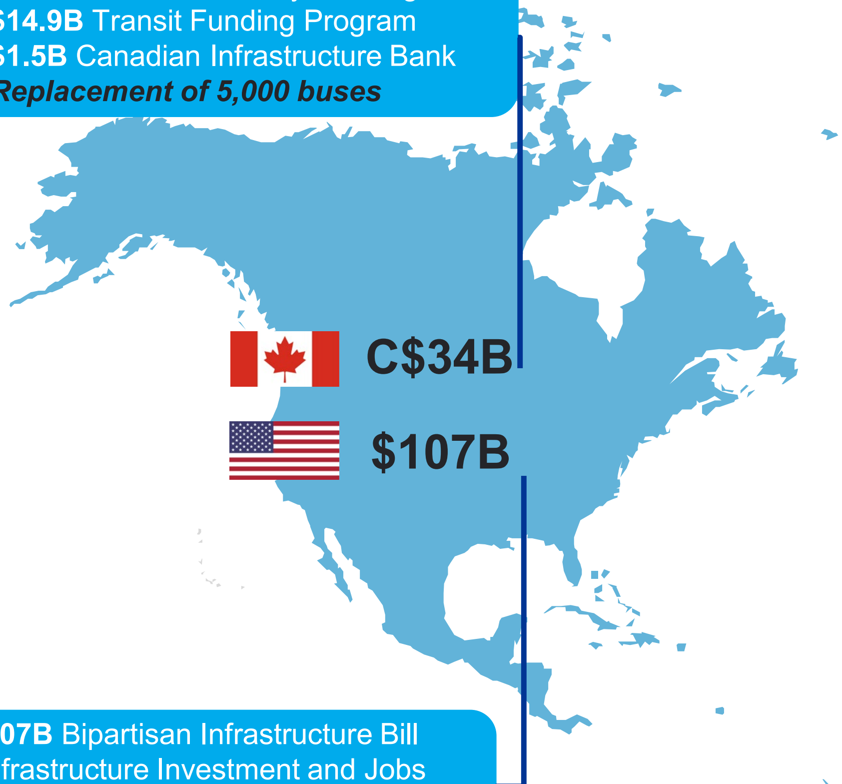
PHASE 3
Production Recovery

- 2021 and 2022 Public Transit awards result in increased production
- NA Private Markets at 75% pre-COVID-19 levels by 2023
- UK and Scotland seeing benefits of UK funding
- European markets improving
- Asia Pacific entering new cycle
- Anticipate recovery from supply chain challenges to generate improvements in revenue and Adjusted EBITDA

2022 Q3 | 2022 Q4 | 2023 Q1

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



$107B Bipartisan Infrastructure Bill (Infrastructure Investment and Jobs Act ("IIJA"))
Replacement of 24,000 buses

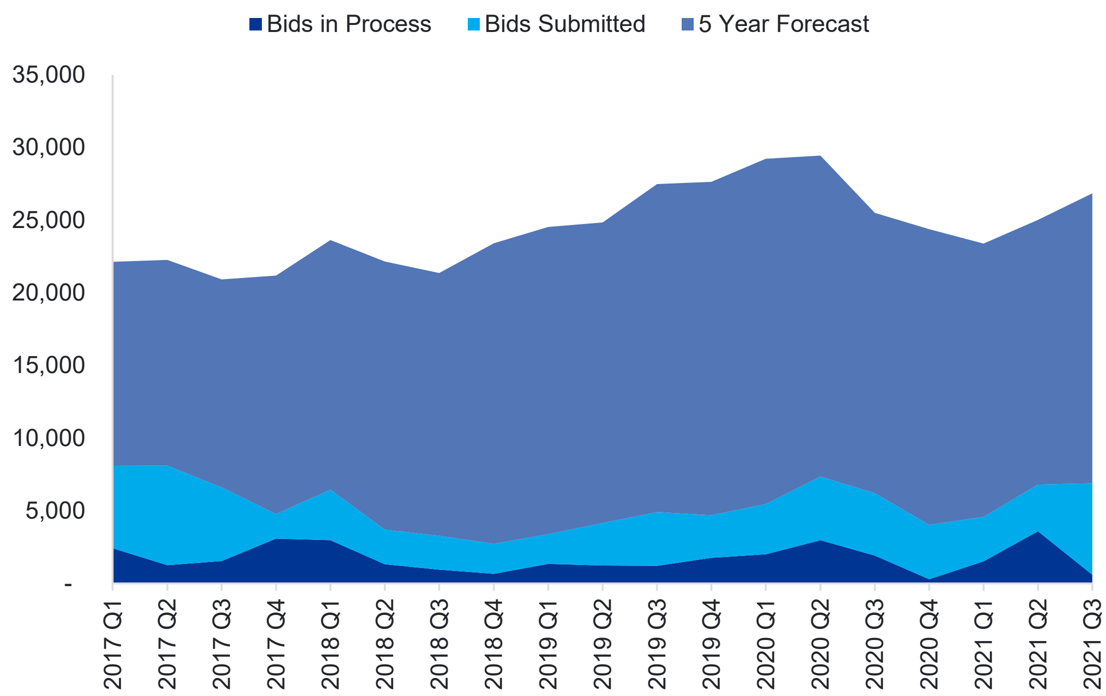
£5.0B transit and cycling program
£90M SULEBS Rounds 1 and 2
Replacement of 4,000 buses

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:

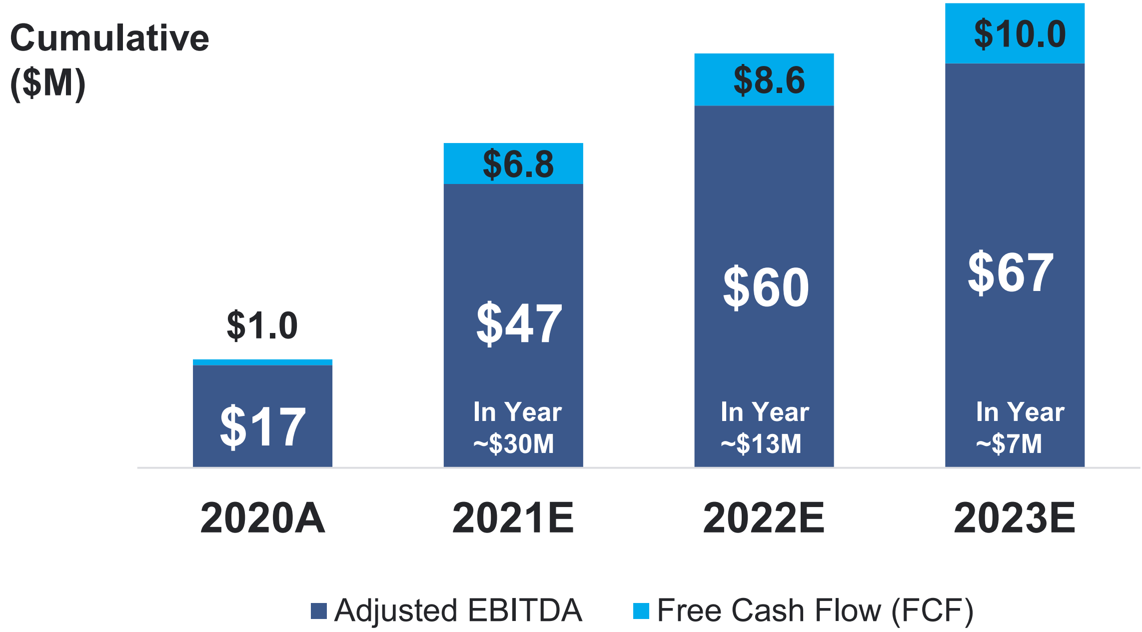
20+
Purchasing Schedules with NFI named

650+
Vehicle awards from Purchasing Schedules[1]

(1) Since 2018

NFI Forward update

Timing for 2020-2023 Benefits



All NFI Forward Initiatives **At or Above Targets**

Cash Flow on Track for $10M+

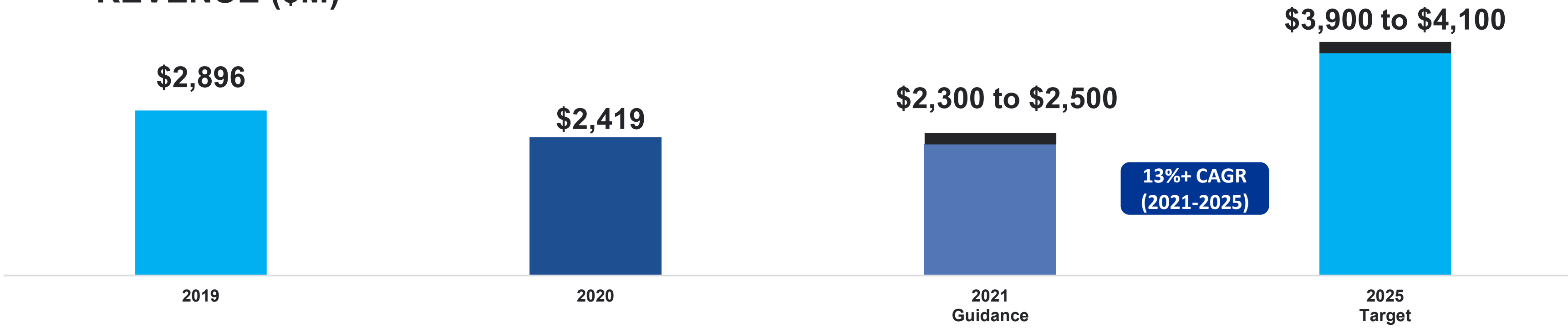
Continued NFI Forward progress in 2021 Q3:

- $16.0 million in Adjusted EBITDA savings, and an additional $5.7 million in annualized Free Cash Flow generation

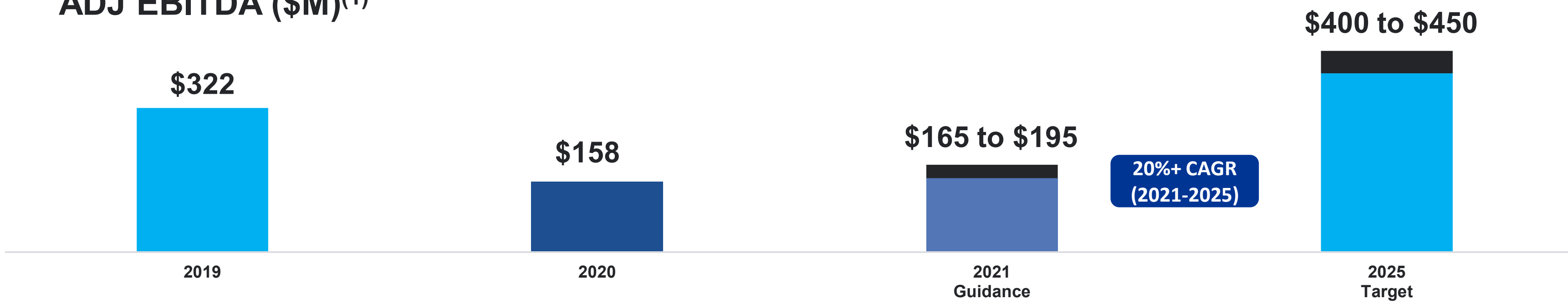
Positioned for growth and margin enhancement

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

Longer-term financial targets for 2025

Revenue

$3.9 billion to $4.1 billion

ZEBs expected to make up approximately 40% of manufacturing revenue

- Driven by market recovery in NA Bus and Coach and UK transit
- Continued growth of ARBOC in cutaway and medium-duty markets
- ADL's international expansion in Europe and APAC

Adjusted EBITDA

$400M to $450M

- 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

>12%

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

Capital allocation priorities

1 **DEBT MANAGEMENT & LEVERAGE REDUCTION**

2 **INVEST IN HIGHEST RETURN PROJECTS:** EPS expansion comes from funding highest ROIC projects

3 **DIVIDENDS:** Provide dividends to shareholders, as we have since 2005

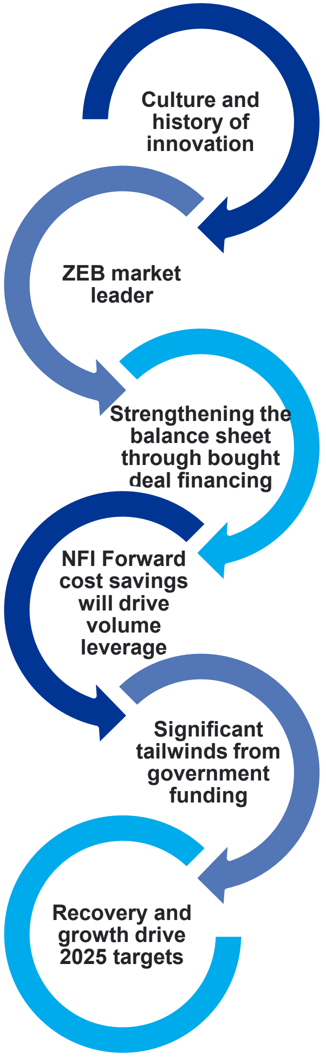
4 **ACQUISITIONS:** Continue to acquire companies that provide diversification, channel expansion, technology, and geography advantages

5 **SHARE REPURCHASE (NCIB):** Depends on stock price to value

Focused approach to drive value creation

NFI investment thesis

- ✓ Market dynamics position bus and coach transition to EV; NFI is the industry's leader with the deepest customer relationships and in prime position to capitalize on the zero-emission evolution *(**ZE**volution™*)
- ✓ Unprecedented government support in all core markets with commitments to replace 59,000 buses (transit and school) with zero-emission vehicles
- ✓ NFI was built through decades of investment, innovation and product development
- ✓ NFI has the largest manufacturing capacity (8,000 EUs annually), largest installed fleet and most reliable aftermarket network
- ✓ NFI is a turnkey mobility solutions provider supporting the transition from legacy to EV propulsion: infrastructure solutions, vehicles, telematics, parts support
- ✓ Today, NFI's Backlog is 21% ZEBs, and 38% of our total Public bid universe is ZEBs, driving profitable growth
- ✓ Management is positioning NFI for market recovery with a streamlined, leaner operation to drive volume leverage through NFI Forward
- ✓ Longer-term targets for 2025 highlight strong annual growth: Adjusted EBITDA $400M to $450M, with approximately 40% of production coming from ZEBs



Appendices

NFI's zero-emission journey started in 1969…

1994
First Compressed Natural Gas (CNG) bus

2005
First Diesel Hybrid with BAE and first Gas Engine Hybrid

2012
First battery-electric bus

2015
Launched NF Connect

2018
Launched NF Infrastructure Solutions™

1969
First North American electric trolley

1998
First diesel hybrid vehicle produced with Allison

2010
20 Fuel Cell buses for 2010 Olympics

2014
First production of fuel-cell range extender

2017
Opened VIC and launched next generation electric-battery bus

2019
Acquired ADL and launched NF Connect 360

…and continues in 2021

New Flyer Xcelsior CHARGE AV™
North America's first SAE Level 4 automated heavy-duty transit bus; zero-emission, battery-electric

Li-Cycle™

Battery Recycling Pilot
Successful launch of battery recycling pilot with Li-Cycle Corporation

ADL H2.0
Next-generation hydrogen fuel-cell electric double-deck

MCI D45 CRT LE CHARGE
Next-generation hydrogen fuel-cell electric double-deck

+ more to come

New Flyer Xcelsior CHARGE NG™
Next-generation, zero-emission, battery-electric transit bus

ARBOC Equess CHARGE™
Zero-emission, battery-electric, medium-duty low-floor transit

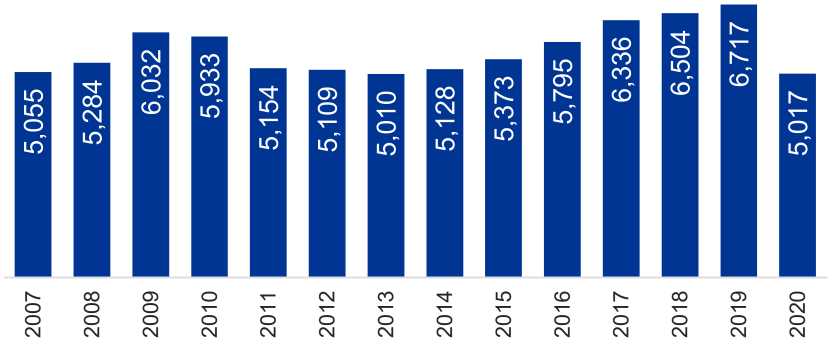
MCI J4500 CHARGE™
Zero-emission, battery-electric, luxury motor coach

ADL Enviro500EV CHARGE
Zero-emission, battery-electric, double-deck bus

Core markets annual deliveries

North American Heavy-Duty Transit[1]

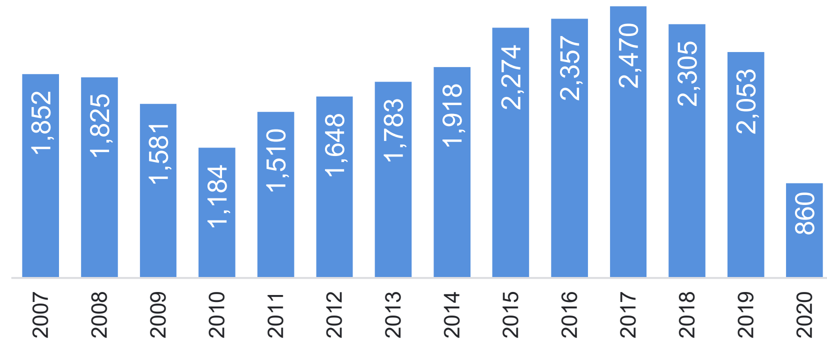
NFI's 2020 Market Share: 43%



(1) Metro Magazine and management estimates. Deliveries in equivalent units.

North American Motor Coach (public and private)[2]

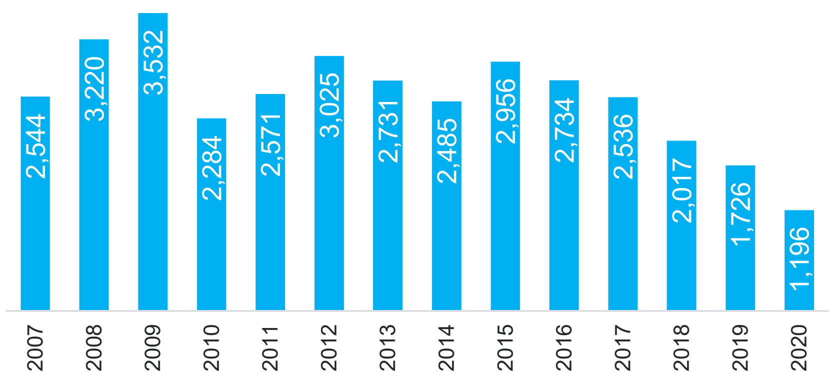
NFI's 2020 Market Share: 74%



(2) American Bus Association

United Kingdom Bus & Coach (public and private)[4]

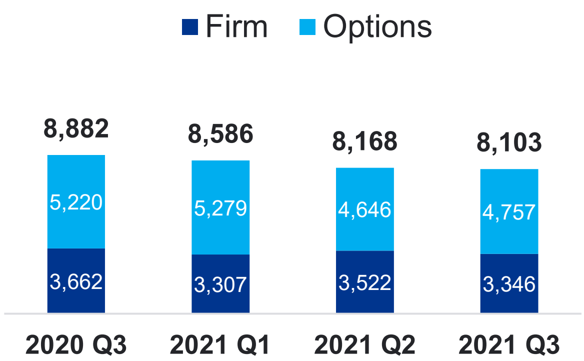
NFI's 2020 Market Share: 75%



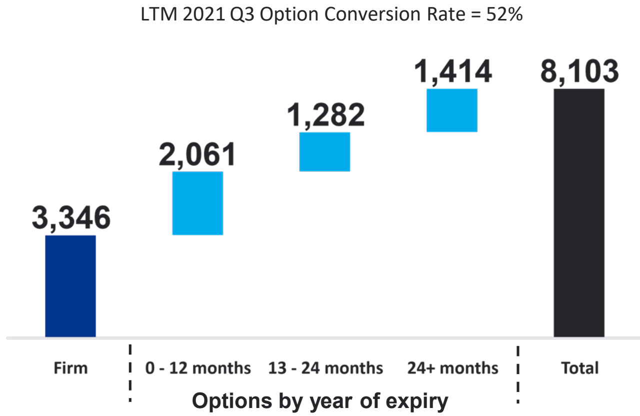
(4) SMMT and Management Estimates

2021 Q3: backlog and new vehicle deliveries

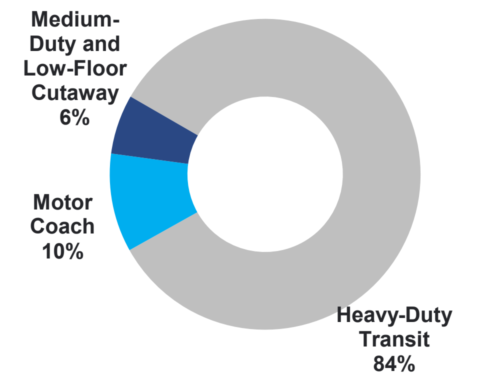
Backlog – Firm & Option



Backlog – Timing



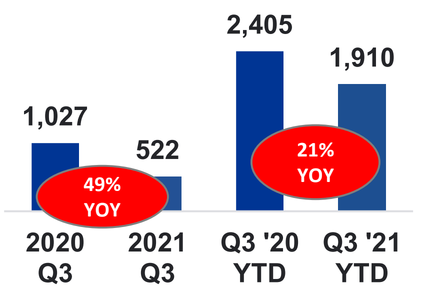
Backlog – By Product[1]



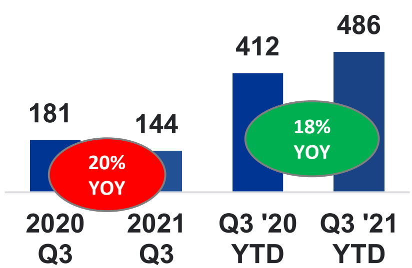
(1) Options for ARBOC vehicles are held by dealers, rather than the operator, and are not included as an option in the NFI backlog.

Deliveries: 2021 Q3 EUs

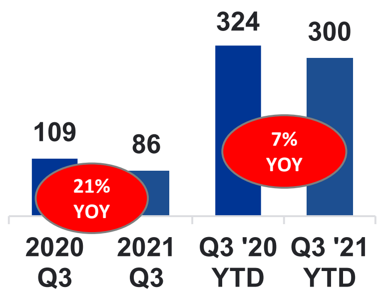
Heavy-Duty Transit



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%**

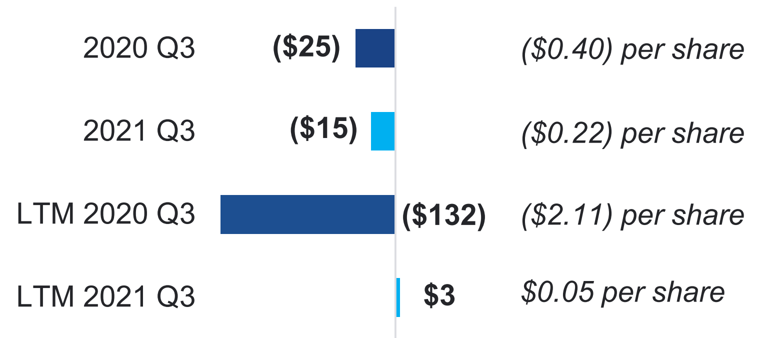
Liquidity[1] & Working Capital

	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**

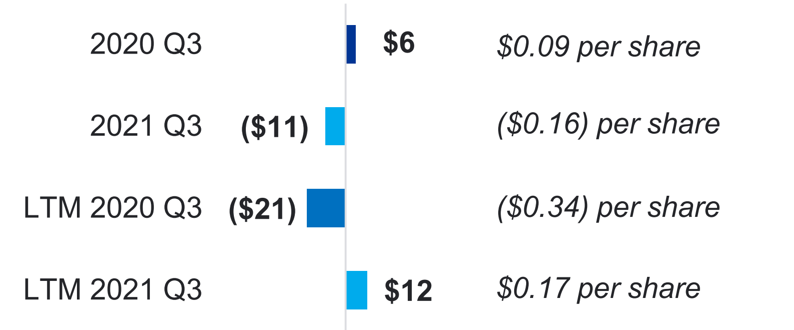
(1) Non-IFRS Measure. See Cautionary Statement and Slide 21.
(2) Working Capital Days calculated on a 13-point average basis using 13-month historical average working capital divided by 12-month historical average revenue

2021 Q3: Net Earnings and Adjusted Net Earnings

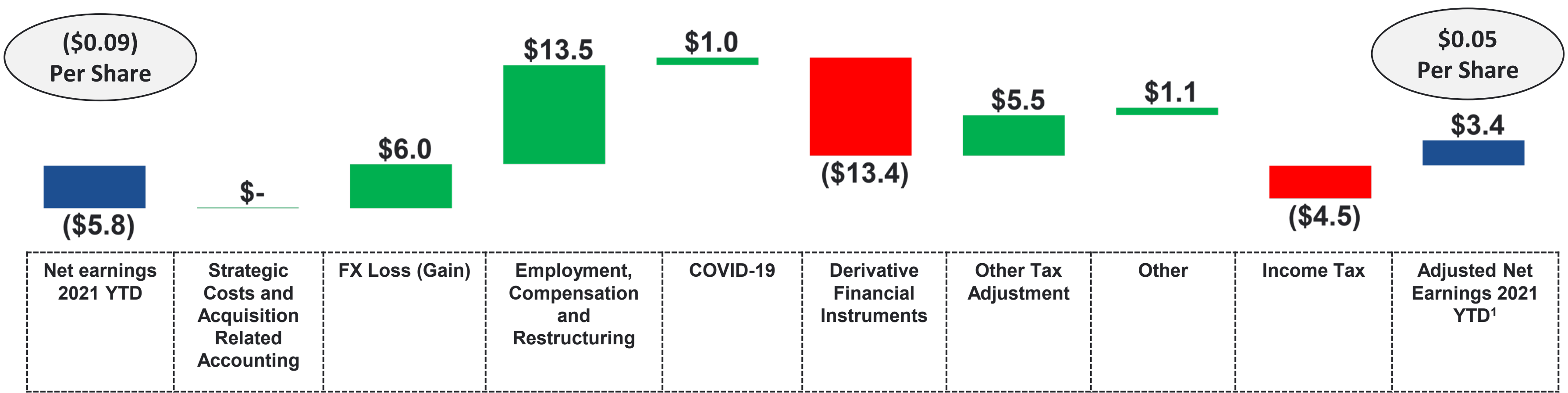
Net Earnings (Loss) ($M)



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

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 August 4, 2021 and management discussion and analysis (“MD&A”) dated August 3, 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, non-recurring restructuring costs, 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, and release of provision related to purchase accounting.
- **Free Cash Flow:** Defined as net cash generated by operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes paid, current income tax expense, effect of foreign currency rate on cash, defined benefit funding, non-recurring transitional costs relating to business acquisitions, past service costs, costs associated with assessing strategic and corporate initiatives, defined benefit expense, cash capital expenditures, proportion of the total return swap realized, proceeds on disposition of property, plant and equipment, gain received on total return swap settlement, fair value adjustment to acquired subsidiary company's inventory and deferred revenue and principal payments on capital leases.
- **Return on Invested Capital ("ROIC"):** Defined as net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment and income taxes at the expected effective tax rate) divided by average invested capital for the last twelve-month period (calculated as to shareholders' equity plus long-term debt, obligations under finance leases, other long-term liabilities, convertible debentures and derivative financial instrument liabilities less cash).
- **Adjusted Net Earnings:** Defined as net earnings 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, portion of the total return swap realized, costs associated with assessing strategic and corporate initiatives, non-recurring costs or recoveries relating to business acquisition, 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, gain on bargain purchase option, past service costs, recovery on currency transactions, prior year sales tax provision, gain on release of provision related to purchase accounting.
- **Adjusted Net Earnings per Share:** Defined as Adjusted Net Earnings divided by the average number of Shares outstanding.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