



Leading the **ZE**volution™

NFI Group Inc. Q4 and Fiscal 2023 Results

February 29, 2024

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, including but not limited to, Backlog, Liquidity, Adjusted EBITDA, Adjusted Net Earnings (Loss) and Free Cash Flow 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”), available on SEDAR (www.sedarplus.ca) 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 Alexander Dennis' 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 accommodation 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**."



We Move People

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

NFI is the market and technology leader in major markets with over 100,000 vehicles in service throughout 12 countries

NFI Leading the **ZE**volution™



NFI's Mobility Solutions

Parts, Publications & Service

NFI Service AD24
nfi.parts

Workforce Development & Training

VIC VEHICLE INNOVATION CENTER AD24 Training Academy
NEW FLYER Institute NFI Learning Institute
MCI MCI Academy Training for Advancing Technology

Buses & Coaches

NEW FLYER MCI
ALEXANDER DENNIS ARBOC SPECIALTY VEHICLES
PLAXTON



Connected Vehicles & Diagnostics

NFI Connect™ CONNECT 360
AD24

Infrastructure Solutions

NFI Infrastructure Solutions™

Financing

NFI Financial Solutions™

Our Values and Our Stakeholders Drive Our Decisions



Safety

The health and wellbeing of our team members and the safety of our products are our top priorities.



Quality

We strive for excellence in our products, services, and all that we do.



Integrity

We act with honesty, transparency, and integrity, treating each other with respect in a diverse, equitable, and inclusive workplace.



Accountability

We take responsibility for our actions, seeking to build trust and earn a reputation for excellence and reliability.



Teamwork

We work with our team members, our supplier partners, and our customers to pursue mutual benefits.



Sustainability

We seek long-term success for our business, our communities, and the environment through responsible sourcing, lean manufacturing, and sustainable operations.

Leader in Zero-Emission Transportation

17

NFI zero-emission bus and coach models offered

150M+

Electric service miles driven

3,603

ZEB EUs delivered since 2015

150+

Cities with NFI ZEBs in service or on order

22%

of 2023 deliveries were ZEB EUs (878 EUs)

52%

of North American Public Bid Universe is ZEBs

3,779

ZEB EUs in the backlog¹

36%

of total backlog¹ is ZEB EUs

445+

EV chargers delivered via Infrastructure Solutions™ since 2018 (72* megawatts of charging capacity)



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

* In the Company's 2023 Q3 financial report, the total number of megawatts (MW) of charging capacity installed by NFI Infrastructure Solutions™ was incorrectly stated as 82 MW due to a calculation error. As of 2023 Q4, the total number of MW installed by NFI Infrastructure Solutions™ is 72 MW.

Continued Commitment to Sustainability

- ✓ In 2023, NFI established a Sustainability Council, consisting of Company leaders with direct Board oversight
- ✓ Also built ESG-related targets into the Company's executive compensation program
- ✓ *NFI's ESG and sustainability related accomplishments for 2023 are detailed in the 2023 Q4 MD&A*



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

NFI's ESG Report for 2023 is expected to be issued in May 2024.

CFO Transition



Brian Dewsnap

Executive Vice President
Chief Financial Officer

- ✓ Brian Dewsnap has been appointed Executive Vice President and CFO, effective March 1, 2024
- ✓ Brian joined NFI through its 2013 acquisition of North American Bus Industries (NABI); served as NABI's CFO and after its acquisition, as its Vice President and General Manager
- ✓ Subsequently held several positions with NFI, including Executive Vice President of Business Development and President of NFI Parts
- ✓ Brian played an instrumental role in consolidating numerous aftermarket businesses into one parts business, grew revenue, combined distribution facilities, improved margins and lowered overall costs
- ✓ In 2022, Brian also took on executive leadership for ARBOC Specialty Vehicles (ARBOC) in addition to his NFI Parts responsibilities
- ✓ A search for Brian's successor as President of NFI Parts and ARBOC is in progress



2023 Q4 and FY Results

 Leading the *ZE*volution™

2023 Q4 Financial Summary



Significant Demand Growth

30,830

EUs in North American Total Bid Universe

113%

Book-to-Bill² for Fiscal 2023

-8%

Decrease in new orders (YoY)

+143%

Increase in new orders from 2023 Q3

41%

Option conversion rate for Fiscal 2023



Financial Performance

+15%

YoY increase in overall quarterly revenue

11%

Gross margin, up from 3% in 2022 Q4

+642%

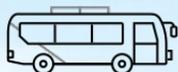
YoY increase in NFI's Adjusted EBITDA¹

(\$2.3)M

Net Loss, improved by 99% YoY

0.8%

ROIC, improvement of 5.2% YoY



Strong Backlog

\$7.9B

Total value of backlog¹

+22%

Increase in YoY backlog average selling price (ASP)

3,832

EUs in bid award pending at year end

+43%

YoY increase in bids submitted (EUs) for Q4

47%/53%

Split of Firm and Option orders in backlog

Supply Chain + Labour



Sustained improvement in supply chain health and performance.

Labour markets remain somewhat challenging.

Closely monitoring as production ramps up.

\$188M

Ending liquidity³

61

Working Capital days³ (down from 68 days as of end Fiscal 2022)

\$434M

Net Working Capital remains elevated, reflecting delivery timing

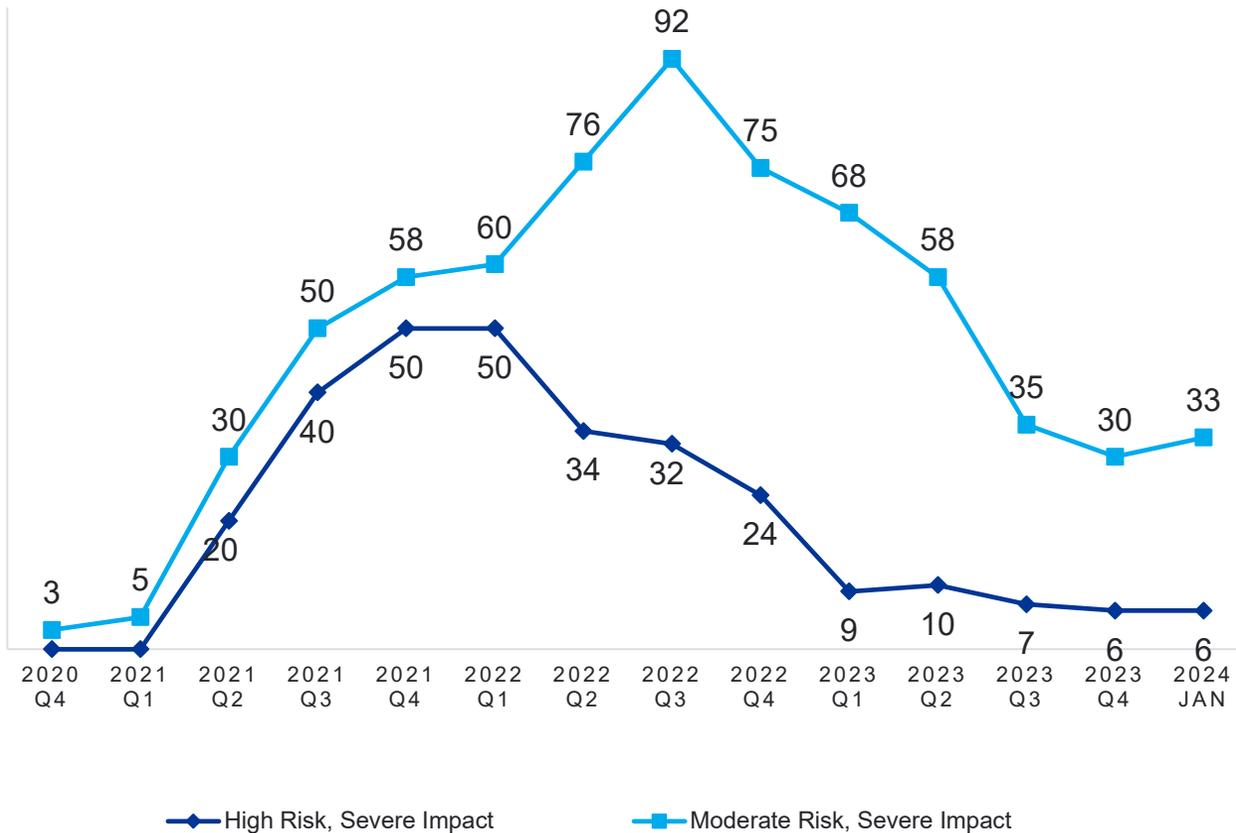
1. Represents a non-IFRS measure, meaning it is not a defined term under IFRS and does not have a standard meaning, so it may not be a reliable way to compare NFI to other companies. See Non-IFRS and Other Financial Measures section of the MD&A available on SEDAR at www.sedarplus.ca.

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Significant Supply Chain Improvements in 2023

NFI Group Consolidated High and Moderate Risk Suppliers (2020 Q4 – 2023 Q4)

Note: 6 High Risk Suppliers in NFI top 750



2023 Q4 Update

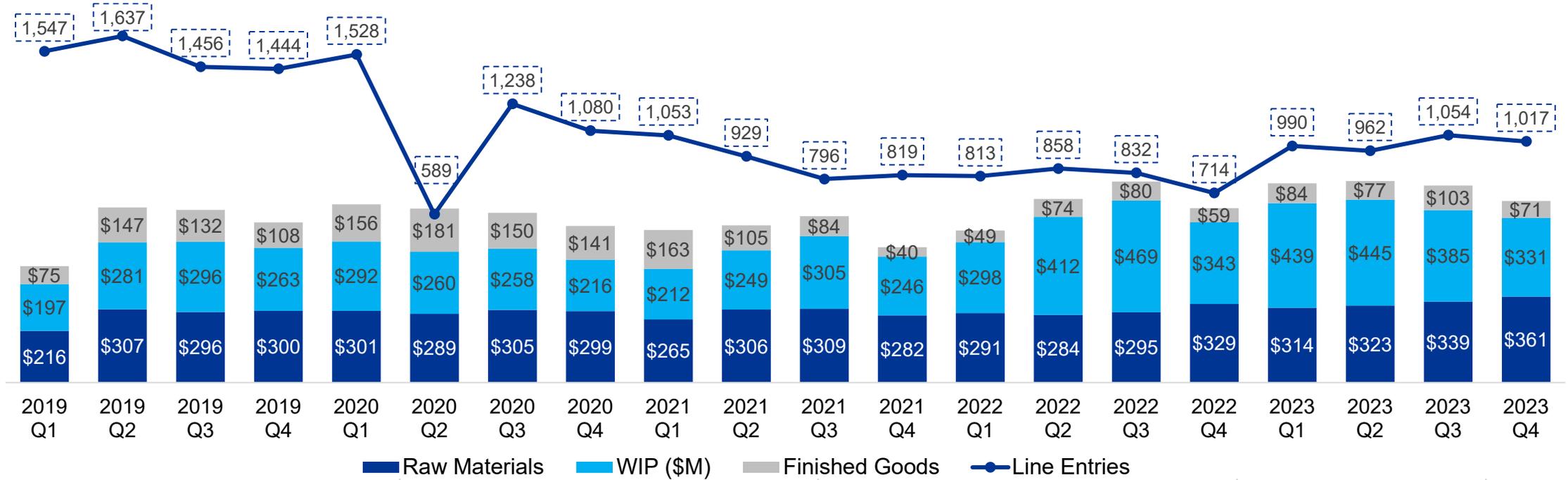
- Very limited supply disruptions; however, supplier delivery performance remains below target as many suppliers continue to address capacity issues to support increased production levels.
- NFI continues to hold additional inventory buffer (>\$40M) to mitigate known risks and currently poor performing suppliers
- Supply development team continues to work closely and monitor High and Moderate risk suppliers

Forward Outlook

- Expect supply performance to continually improve to support completion of line entry ramp-ups in Q2-24
- Strong focus of NABC and ADL supply teams in communicating schedules and validating alignment and capacity with zero-emission suppliers for 2024, where the more significant ramp-ups are occurring

Supply Chain Impacts On Production & WIP Improving

Total NFI Inventory (Raw Materials, WIP and Finished Goods - \$M) and Quarterly Vehicle Line Entries (2019 Q1 – 2023 Q4)



Raw Materials WIP (\$M) Finished Goods Line Entries

Idled facilities in response to initial COVID-19 wave

First major supply disruption experienced in Q3 2021

Improvements in 2022 Q2 offset by further erosion in supply consistency in 2022 Q4

Supply improvements supporting recovery of production and lowering of WIP

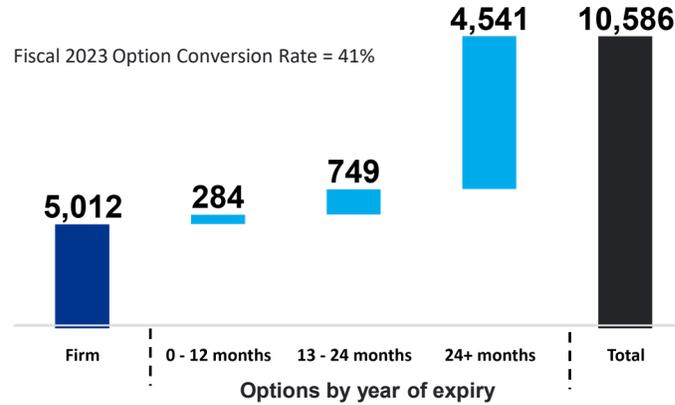
2023 Q4: Backlog and Deliveries

Backlog¹ – Firm and Option

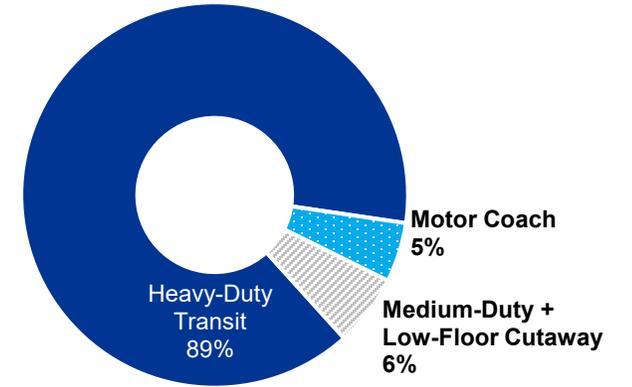
Backlog¹: 2023 Q4 EUs



Backlog¹ – Year Options Expiry



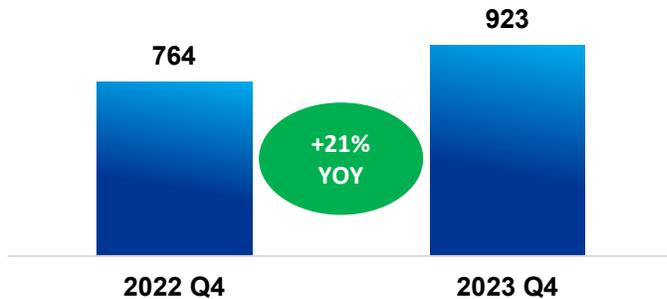
Backlog¹ – By Product Type



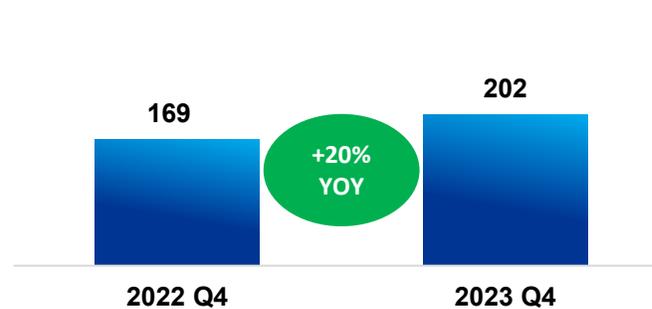
Options for ARBOC vehicles are held by dealers, rather than the operator, and are not included as an option in the NFI backlog.

Deliveries: 2023 Q4 EUs

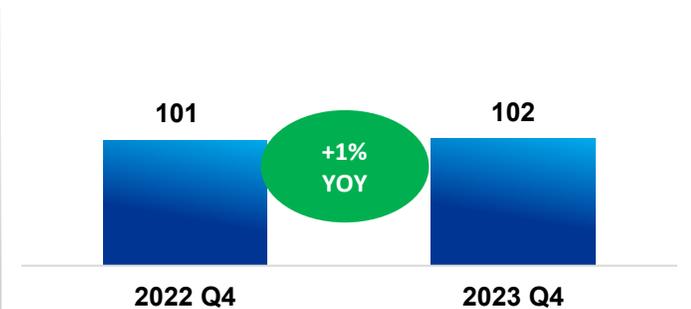
Heavy-Duty Transit Bus



Coach



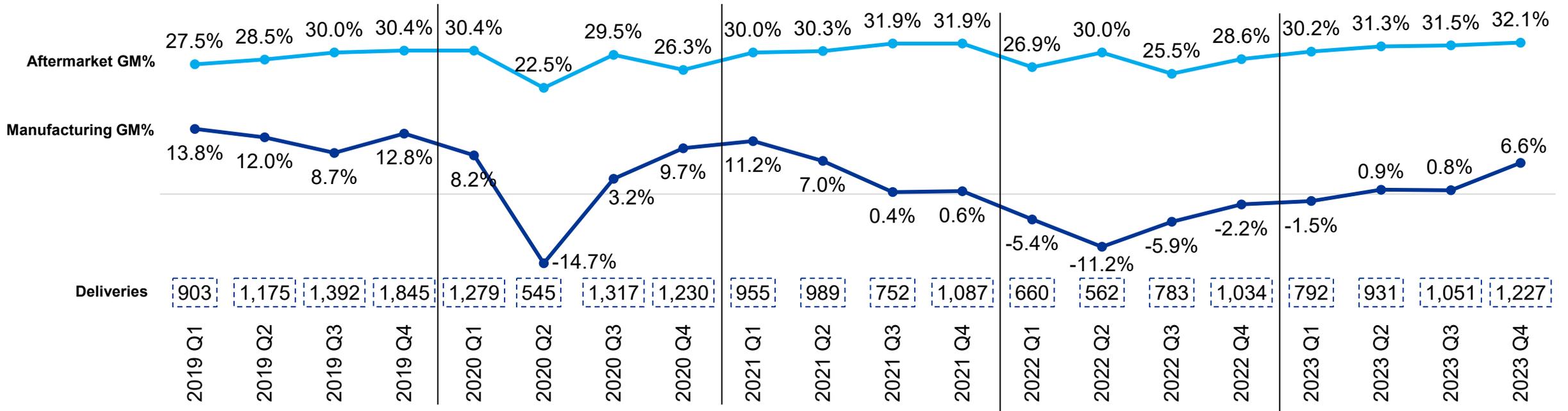
Low-Floor Cutaway + Medium-Duty



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Quarterly Gross Margins

NFI Segment Quarterly Gross Margins (includes Depreciation and Amortization)

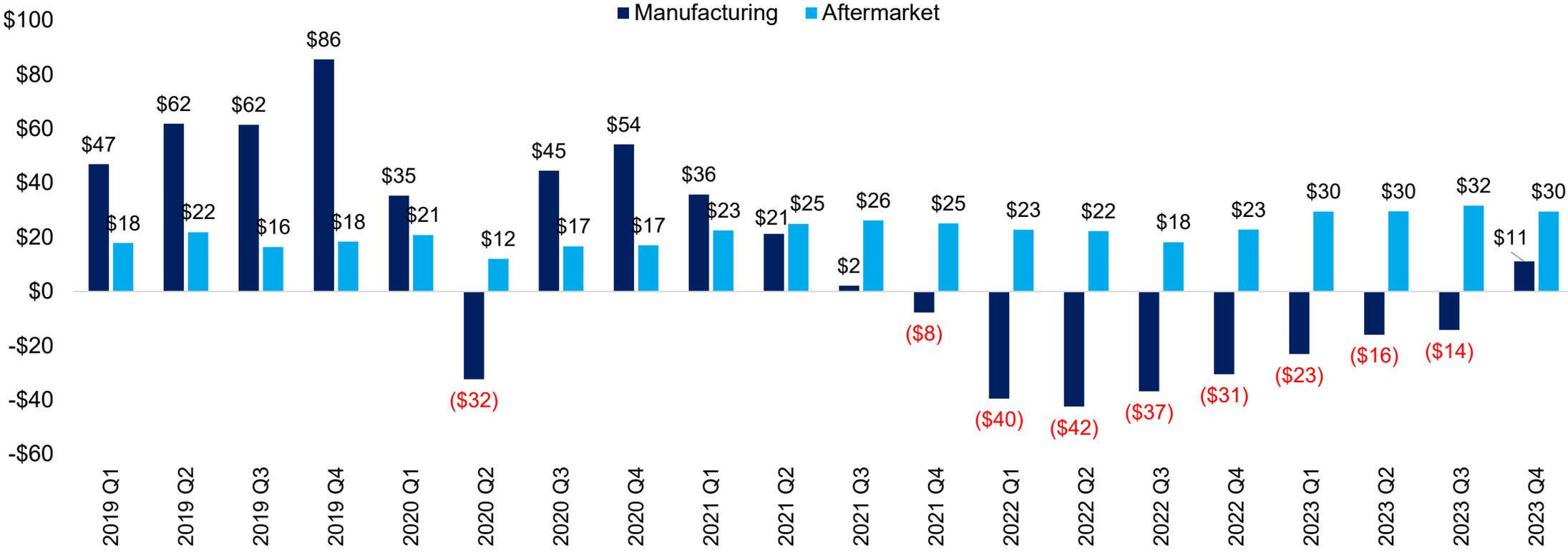


Primarily impacts of COVID-19 and initial supply disruption

Primarily impacts of global supply disruption and heightened inflation

Quarterly Adjusted EBITDA

NFI Segment Quarterly Adjusted EBITDA¹ \$M

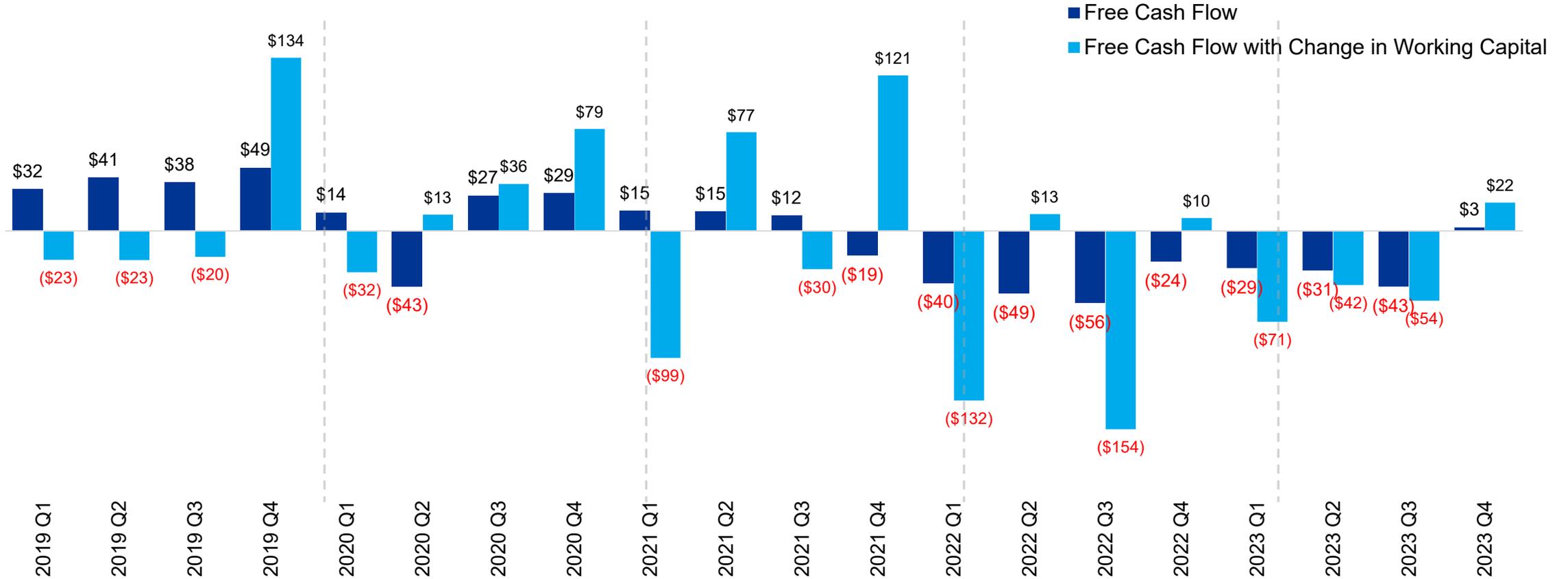


Note: Corporate segment results are not included in the above. Corporate segment would need to be added to Manufacturing and Aftermarket to obtain NFI's Consolidated Adjusted EBITDA results.

1. Adjusted EBITDA 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. See Cautionary Statement.

Quarterly Free Cash Flow: 2019 Q1 to 2023 Q4

NFI Free Cash Flow and Free Cash Flow Plus the Change in Working Capital by Quarter
(2019 Q1 – 2023 Q3) \$M



2023 Q4: Income Statement, Cash Flow, Liquidity

2023 Q4 Performance

	2023 Q4	2022 Q4
Sales	\$791.6M	\$689.4M
	4.9% ROS	(1.0%) ROS
Adjusted EBITDA (\$M) ¹	\$38.5	(\$7.1)
EPS (reported)	(\$0.02)	(\$1.98)
EPS (Adjusted) ¹	(\$0.05)	(\$0.33)

2023 Q4	Revenue	Adjusted EBITDA ¹
Manufacturing	\$655.9M	\$11.1M
Aftermarket	\$135.7M	\$29.5M
Corporate	—	(\$2.1M)

2023 Q4 Free Cash Flow¹ & Liquidity¹

	Free Cash Flow ¹ (\$M)	
	2023 Q4	2022 Q4
Adjusted EBITDA ¹	\$38.5	(\$7.1)
Interest Expense	(\$31.9)	(\$24.2)
Current Income Tax	\$15.9	\$21.6
Cash Capital Expenditures plus Lease	(\$17.4)	(\$10.4)
Acquisition of Intangibles	(\$2.8)	(\$3.7)
Proceeds from disposition of property	\$0.5	\$0.0
Free Cash Flow (USD)¹	\$2.7	(\$23.9)
FX Rate	1.3246	1.3538
Free Cash Flow (CAD)¹	\$3.6	(\$32.3)
Dividends (CAD)	-	-
Payout Ratio	- %	- %

Liquidity¹ & Working Capital

	2023 Q4	2022 Q4
Total Liquidity ¹	\$188.2	\$143.5
Working Capital \$	\$434	\$395
Working Capital Days ²	61 days	68 days

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Fiscal 2023 Net Earnings and Adjusted Net Earnings

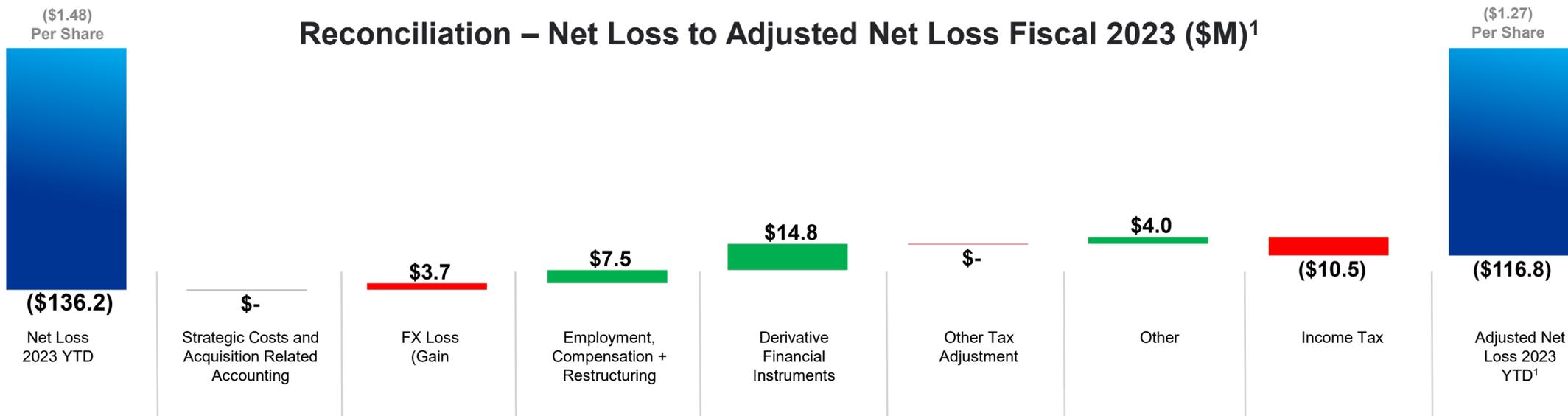
Net Earnings (Loss) (\$M)

2022 Q4	(\$152.4)	<i>(\$1.98) per share</i>
2023 Q4	(\$2.3)	<i>(\$0.02) per share</i>
Fiscal 2022	(\$276.4)	<i>(\$3.58) per share</i>
Fiscal 2023	(\$136.2)	<i>(\$1.48) per share</i>

Adjusted Net Earnings (Loss) (\$M)¹

2022 Q4	(\$25.7)	<i>(\$0.33) per share</i>
2023 Q4	(\$5.9)	<i>(\$0.05) per share</i>
Fiscal 2022	(\$160.2)	<i>(\$2.08) per share</i>
Fiscal 2023	(\$116.8)	<i>(\$1.27) per share</i>

Reconciliation – Net Loss to Adjusted Net Loss Fiscal 2023 (\$M)¹



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An aerial photograph of a city intersection, showing multiple lanes of traffic, buildings, and green spaces. A white rectangular text box is overlaid on the left side of the image. The text box contains a blue horizontal line, the title 'Strong Demand Environment', the NFI logo, and the tagline 'Leading the ZEvolution™'.

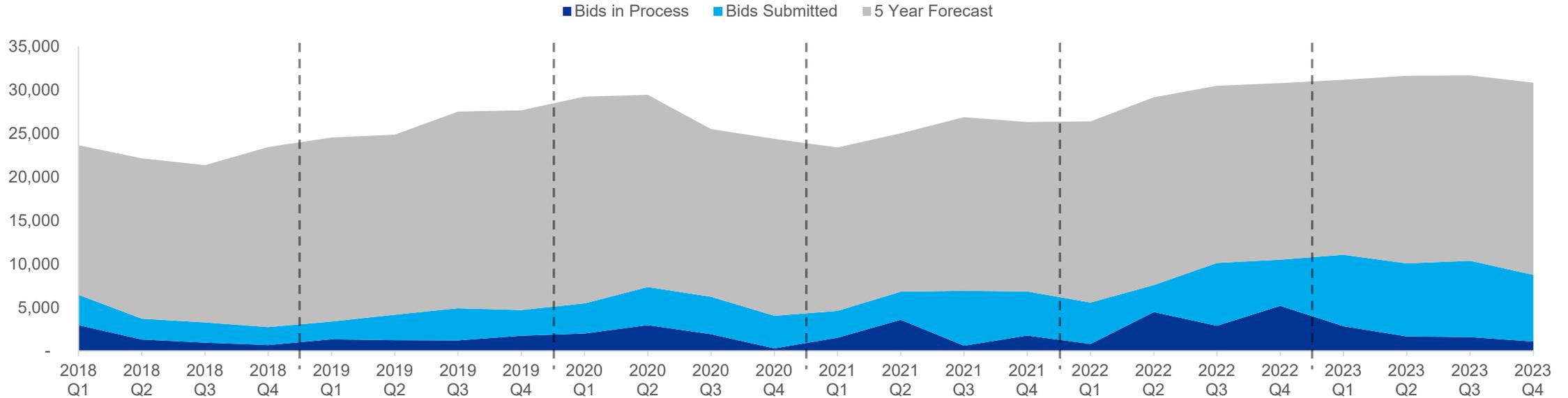
Strong Demand Environment

 Leading the **ZEvolution**™

Record Public Market Bid Universe

Canada and U.S. Public Market Bid Universe

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



7,631 EUs
Bids Submitted

3,832 EUs
Bid Award Pending

1,101 EUs
Bids in Process

22,098 EUs
Five-Year Procurement Outlook
compiled from customer fleet
replacements plans

NFI Benefiting from Purchasing Schedules:

40+ Purchasing Schedules with NFI	1,500+ EUs Awards from Purchasing Schedules ¹
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Since inception, **Infrastructure Solutions™** has been responsible for the delivery of **415** plug-in and **35** overhead charger projects for **64** different customers, with projects under contract with **26** customers for 2024-2025.

Strong Award Activity in 2023



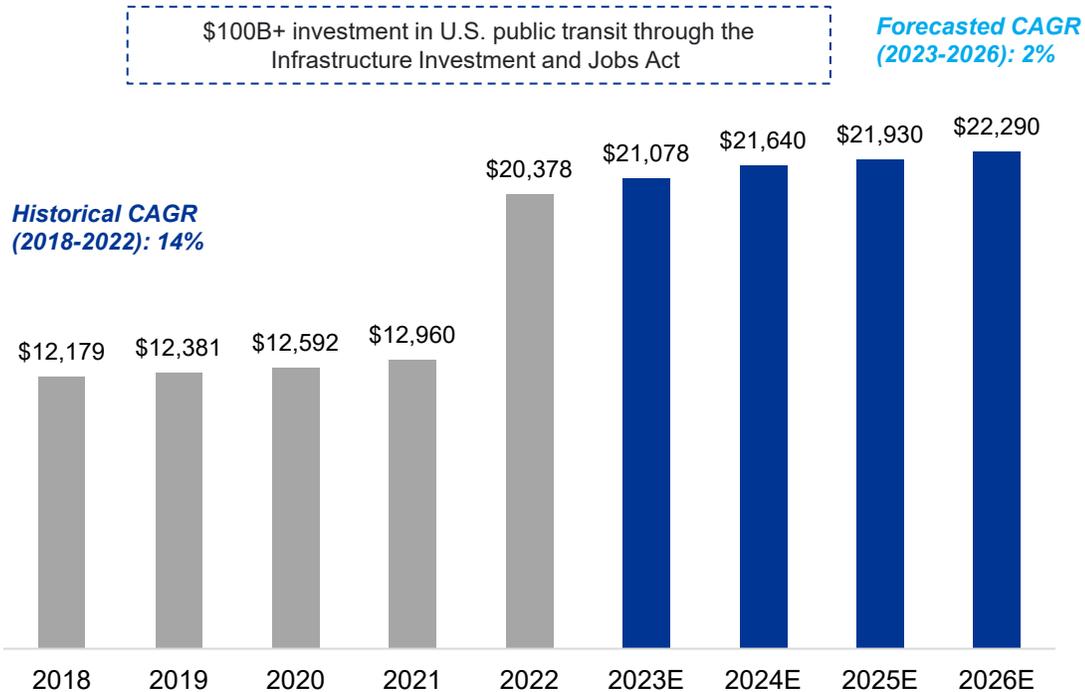
An aerial photograph of a city intersection, showing multiple lanes of traffic, buildings, and green spaces. A white rectangular text box is overlaid on the left side of the image. The text 'Poised for Recovery' is written in a large, bold, black sans-serif font. Below the text box, the NFI logo and the slogan 'Leading the ZEvolution™' are visible. The background shows a busy urban scene with cars, buses, and modern architecture.

Poised for Recovery

NFI Leading the **ZEvolution™**

Strong Government Funding continues

U.S. Federal FTA Funding (\$M)¹



Dedicated Canadian Federal Government Transit Funding²

- ✓ **C\$17.6B** Green Recovery Funding
- ✓ **C\$14.9B** Transit Funding Program
- ✓ **C\$1.5B** Canadian Infrastructure Bank Zero Emission Bus Initiative
- ✓ **C\$2.75B** Infrastructure Canada Zero Emission Transit Fund (ZETF)

Programs underway in Regina, Ottawa, Brampton, Quebec, Winnipeg, Toronto and Calgary, British Columbia, York region, and Durham region

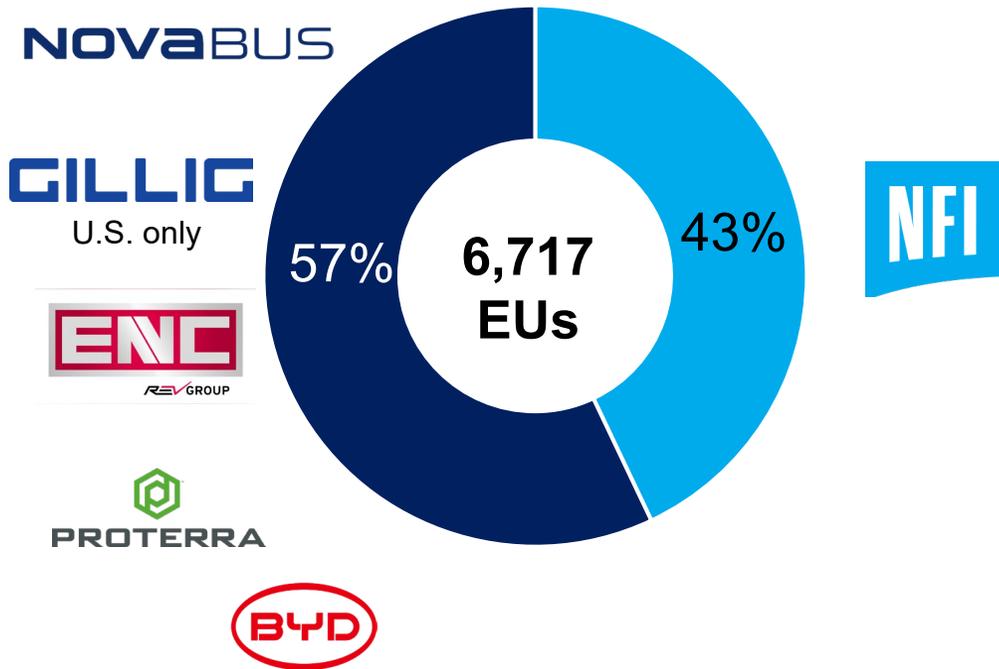
Broad UK Programs to Support Fleet Replacements³

- ✓ National bus strategy launched in 2021 for the replacement of 4,000 buses with zero-emission vehicles by 2025
- ✓ Bus funding through a variety of programs including ZEBRA, ZEBRA2, ScotZEB, ScotZEB 2, Levelling Up Fund, City Region Sustainable Transport Settlements – potential funding of over £10 billion to 2025

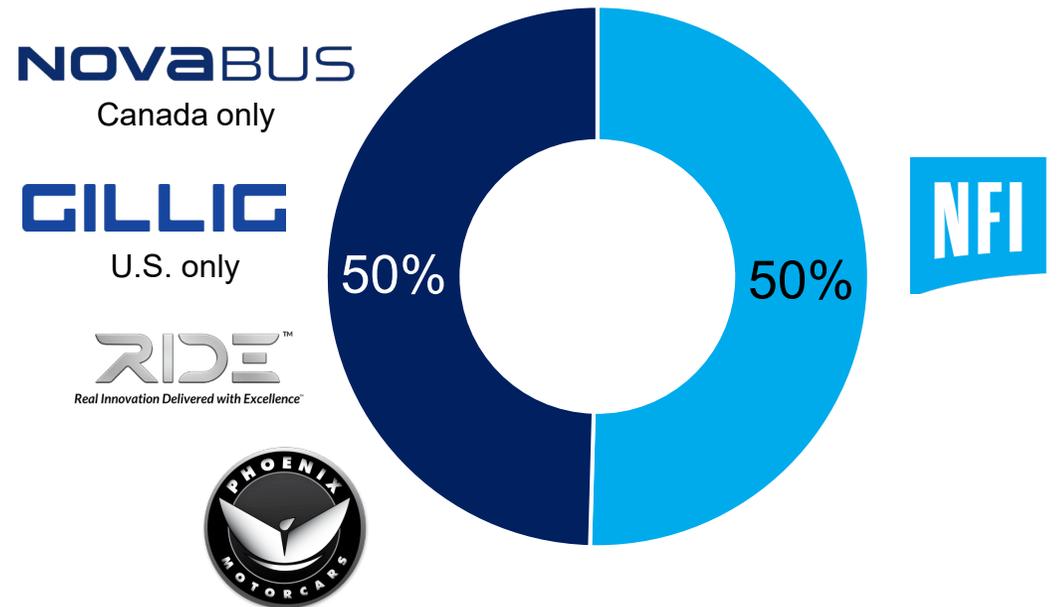
Strong government funding in key markets continues to drive robust demand and backlog

Competitive Changes in North America Transit

Market Deliveries in 2019



Estimated Market Capacity in 2025



Nova Bus exiting U.S. market in 2025, Proterra assets purchased by Phoenix Motorcars following Chapter 11, ENC closing business in 2024, and RIDE (BYD) unable to bid on U.S. federally funded contracts.



Recommended changes to U.S.-funded bus manufacturing has led to FTA guidance



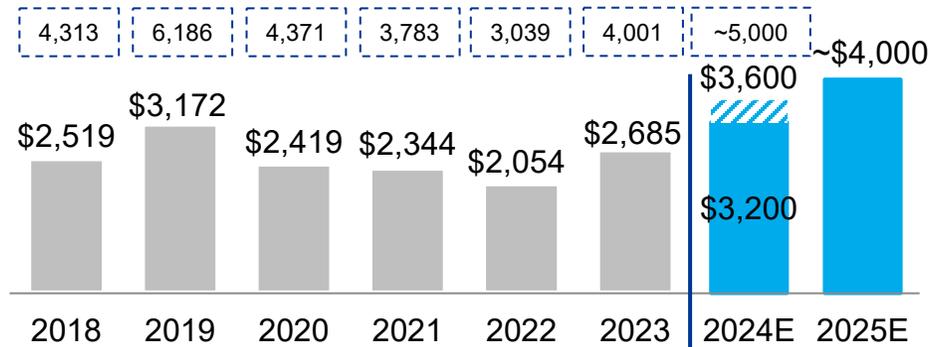
Federal Transit
Administration

1. Allow for price adjustments to existing contracts
2. Allow for progress payments
3. Inclusion of price indices for firm price contracts

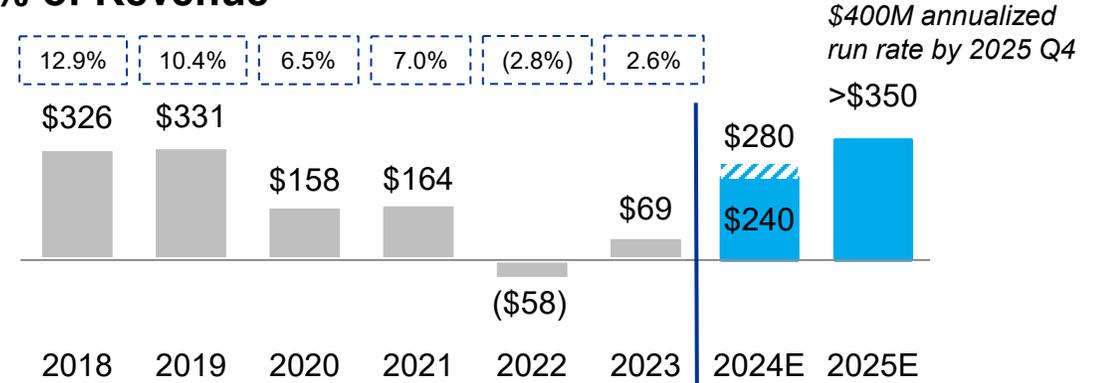
**APTA Task Force presented to White House Roundtable in February 2024,
focused on strengthening the U.S. bus manufacturing industry**

Poised for Recovery: Forward Guidance and Targets

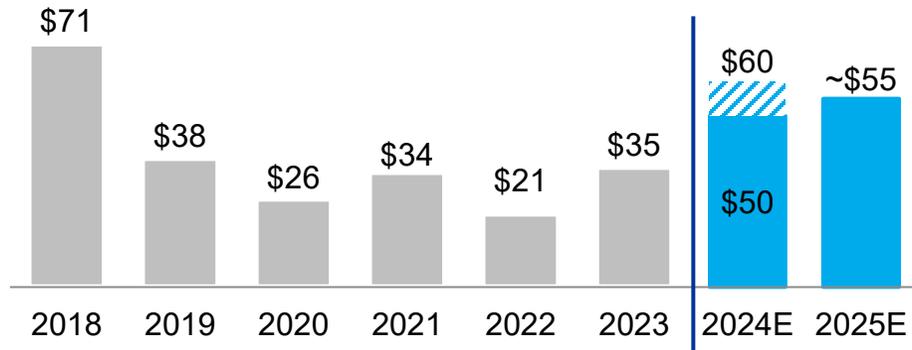
Revenue (\$M) and Units Delivered (EUs)



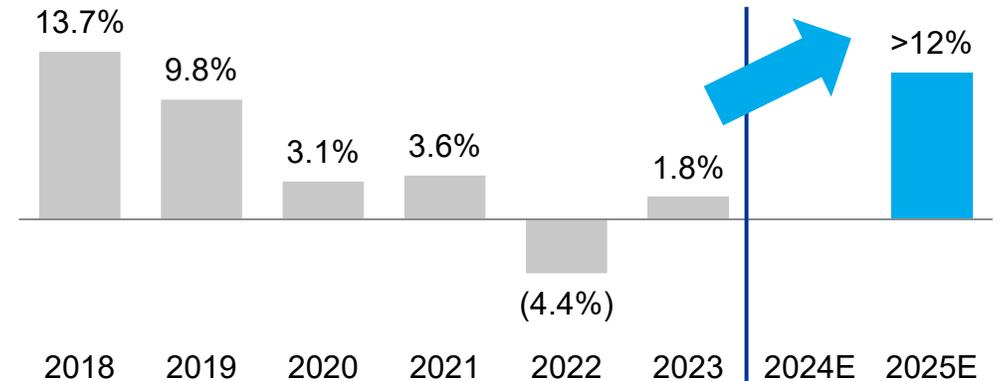
Adjusted EBITDA¹ (\$M) and Adjusted EBITDA as % of Revenue



Capex (\$M)



Return on Invested Capital¹

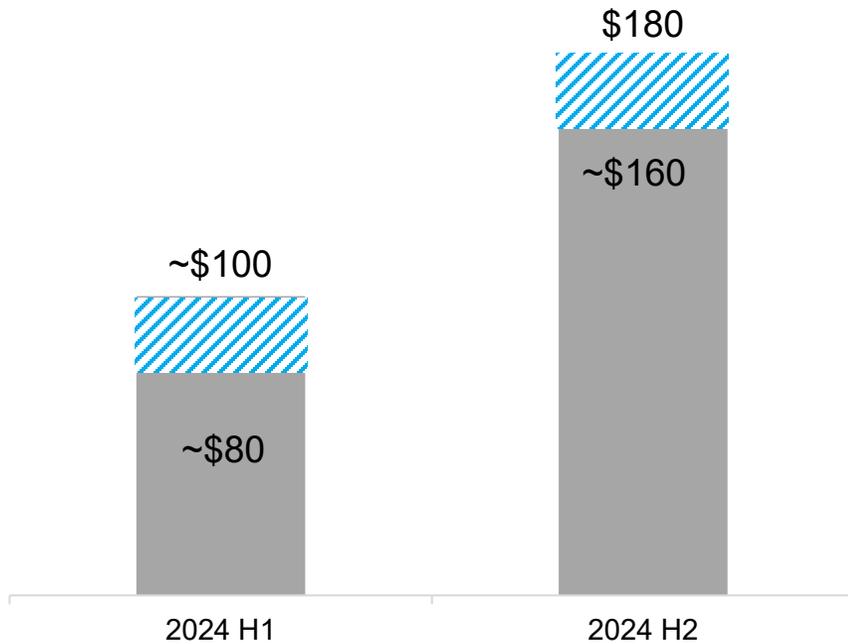


Reaffirmed guidance for 2024 and targets for 2025

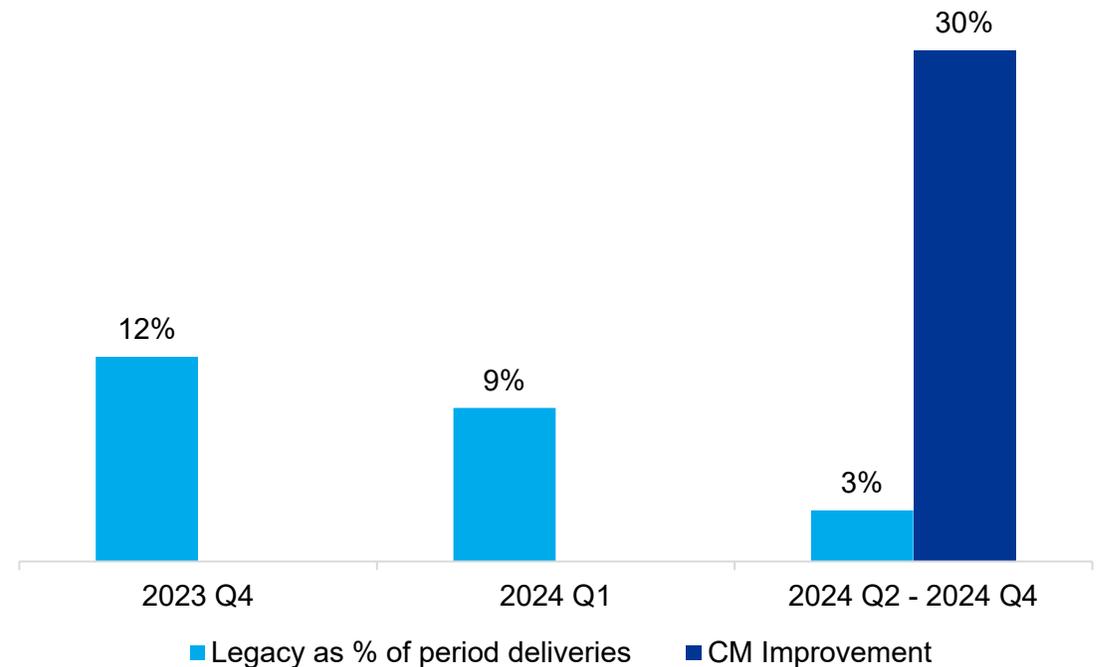
1. Adjusted EBITDA and Return on Invested Capital (ROIC) represent non-IFRS measures, meaning they are not defined terms under IFRS and do not have a standard meaning, so may not be a reliable way to compare NFI to other companies. See Cautionary Statement.

Fiscal 2024 Seasonality

Adjusted EBITDA Expectations Half Year 2024



Legacy inflation-impacted contracts timing and anticipated North American Transit quarter-over-quarter contribution margin improvement

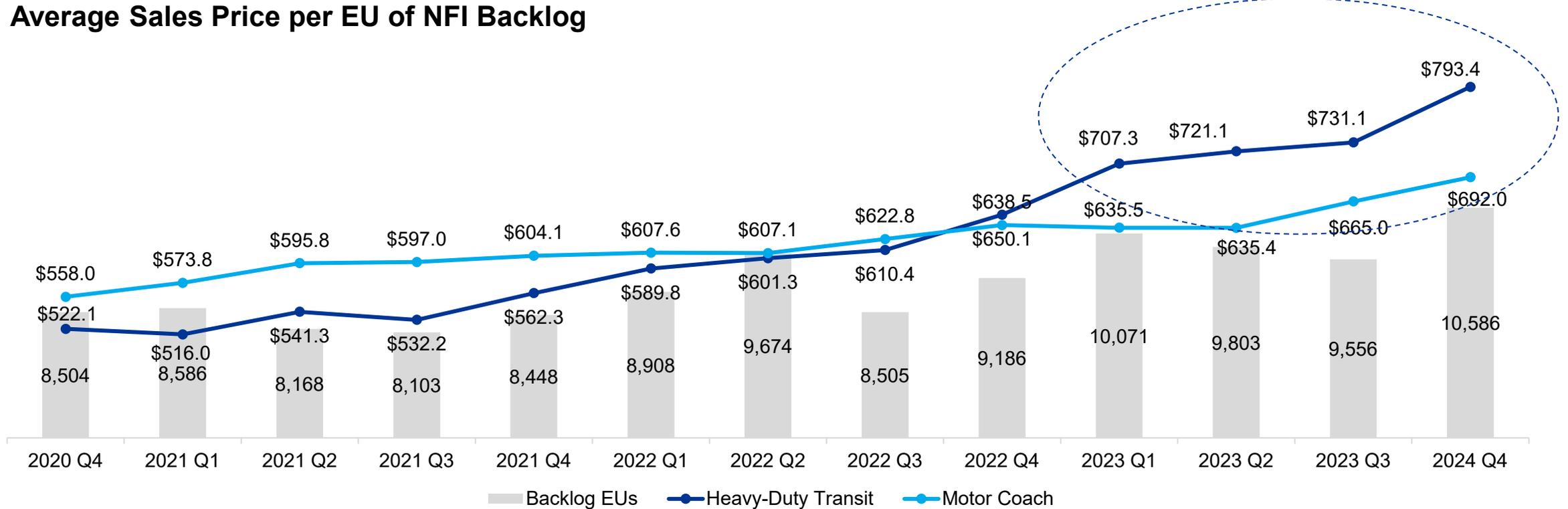


Legacy-impacted contracts create drag in H1 2024, primarily in the first quarter of 2024, that, combined with regular seasonality, drives heavier Adj. EBITDA performance in H2 2024

Average Backlog Price Continues to Increase

Increasing transit and coach sale prices driven by increased number of ZEBs in backlog; will drive higher \$\$/EU contribution

Average Sales Price per EU of NFI Backlog



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

Summary: Why Invest in NFI

With 450 years of combined bus and coach experience across its portfolio companies, NFI has a proven track record of innovation, customized vehicle manufacturing expertise, a diversified product offering and strong aftermarket support and service.

As market leader in share, technology and reputation, NFI is well positioned to deliver compelling financial returns as it continues to Lead the **ZEvolution™** and provide a full suite of solutions to its customers.



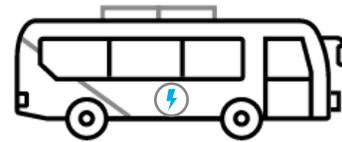
Leader in Core Markets With Focus on Bus & Coach Solutions



Best in Class Aftermarket Business



Strong End Market Demand Driving Robust Backlog



Leading Zero Emission Bus (ZEB) Innovation



Poised for Recovery



Experienced Management Team

An aerial photograph of a city intersection, showing multiple lanes of traffic, buildings, and green spaces. A white rectangular text box is overlaid on the left side of the image. The text box contains a blue horizontal line, the word "Appendix" in a large, bold, black font, and the NFI logo followed by the tagline "Leading the ZEvolution™".

Appendix

 Leading the **ZE**volution™

Non-IFRS Reconciliation: 2023

Reconciliation of IFRS to non-IFRS As of December 31, 2023

In '000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Sales	\$ 524,411	\$ 659,569	\$ 709,620	\$ 791,631	\$ 2,685,231
Net Earnings	\$ (45,808)	\$ (48,101)	\$ (39,926)	\$ (2,329)	\$ (136,164)
<i>% of net sales</i>	-8.7%	-7.3%	-5.6%	-0.3%	-5.1%
Adjustment, Gross					
Restructuring and Other Corporate Initiatives	\$ 1,838	\$ 3,433	\$ 2,410	\$ (600)	\$ 7,081
Derivative related	\$ 4,787	\$ 8,388	\$ 266	\$ 1,336	\$ 14,777
Foreign exchange loss/gain	\$ (424)	\$ 4,471	\$ (1,611)	\$ 1,260	\$ 3,696
Equity settled stock-based compensation	\$ 409	\$ 831	\$ 678	\$ 700	\$ 2,618
Unrecoverable insurance costs	\$ -	\$ -	\$ -	\$ -	\$ -
Asset related	\$ (17)	\$ 969	\$ (102)	\$ (61)	\$ 789
Employment related (past service costs)	\$ 4,764	\$ -	\$ -	\$ (7,000)	\$ (2,236)
Impairment loss on goodwill	\$ -	\$ -	\$ -	\$ -	\$ -
Other tax adjustment	\$ (246)	\$ 45	\$ 201	\$ -	\$ -
Other	\$ 1,246	\$ 480	\$ 369	\$ 1,072	\$ 3,167
Income taxes	\$ (3,909)	\$ (5,756)	\$ (619)	\$ (264)	\$ (10,548)
Net Earnings - Adjusted ¹	\$ (37,360)	\$ (35,240)	\$ (38,334)	\$ (5,886)	\$ (116,820)
<i>% of sales</i>	-7.1%	-5.3%	-5.4%	-0.7%	-4.4%
Adjustments:					
Income taxes	\$ (3,407)	\$ (2,895)	\$ (4,128)	\$ (11,932)	\$ (22,362)
Finance costs	\$ 27,275	\$ 31,582	\$ 32,158	\$ 36,595	\$ 127,610
Amortization	\$ 20,901	\$ 18,731	\$ 21,471	\$ 19,678	\$ 80,781
Adjusted EBITDA	\$ 7,409	\$ 12,178	\$ 11,167	\$ 38,455	\$ 69,209
<i>% of net sales</i>	1.4%	1.8%	1.6%	4.9%	2.6%

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

Non-IFRS Reconciliation: 2022

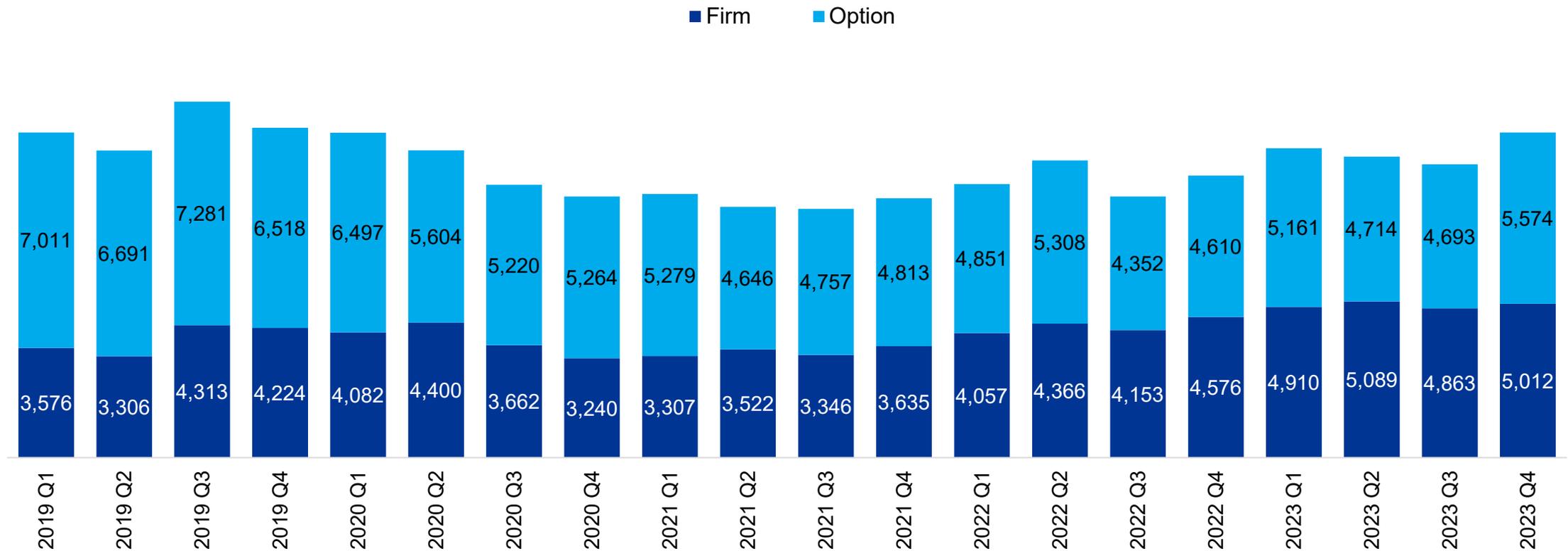
Reconciliation of IFRS to non-IFRS As of January 1, 2023

In '000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Sales	\$ 459,330	\$ 397,952	\$ 514,047	\$ 689,353	\$ 2,060,682
Net Earnings	\$ (27,795)	\$ (56,009)	\$ (40,167)	\$ (152,405)	\$ (276,376)
<i>% of net sales</i>	-6.1%	-14.1%	-7.8%	-22.1%	-13.4%
Adjustment, Gross					
Restructuring and Other Corporate Initiatives	\$ 96	\$ 7,435	\$ 3,672	\$ 7,240	\$ 18,443
Derivative related	\$ (25,317)	\$ (9,888)	\$ (19,702)	\$ (2,455)	\$ (57,362)
Foreign exchange loss/gain	\$ 4,768	\$ 1,045	\$ (2,482)	\$ (3,929)	\$ (598)
Equity settled stock-based compensation	\$ 285	\$ 243	\$ 421	\$ 397	\$ 1,346
Unrecoverable insurance costs	\$ 411	\$ 7,913	\$ -	\$ 164	\$ 8,488
Asset related	\$ (373)	\$ (58)	\$ (544)	\$ 410	\$ (565)
Employment related (past service costs)	\$ -	\$ 7,000	\$ -	\$ -	\$ 7,000
Impairment loss on goodwill	\$ -	\$ -	\$ -	\$ 103,900	\$ 103,900
Other tax adjustment	\$ (180)	\$ (1,700)	\$ (1,428)	\$ 22,292	\$ 18,984
Other	\$ -	\$ -	\$ 130	\$ 770	\$ 900
Income taxes	\$ 7,504	\$ (4,244)	\$ 14,470	\$ (2,068)	\$ 15,661
Net Earnings - Adjusted ¹	\$ (40,601)	\$ (48,263)	\$ (45,630)	\$ (25,684)	\$ (160,179)
<i>% of sales</i>	-8.8%	-12.1%	-8.9%	-3.7%	-7.8%
Adjustments:					
Income taxes	\$ (16,069)	\$ (11,651)	\$ (23,173)	\$ (31,152)	\$ (82,044)
Finance costs	\$ 16,659	\$ 19,008	\$ 33,240	\$ 27,162	\$ 96,069
Amortization	\$ 23,351	\$ 20,282	\$ 22,282	\$ 22,580	\$ 88,495
Adjusted EBITDA ¹	\$ (16,660)	\$ (20,624)	\$ (13,281)	\$ (7,094)	\$ (57,659)
<i>% of net sales</i>	-3.6%	-5.2%	-2.6%	-1.0%	-2.8%

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

Quarterly Backlog: 2019 Q1 to 2023 Q4

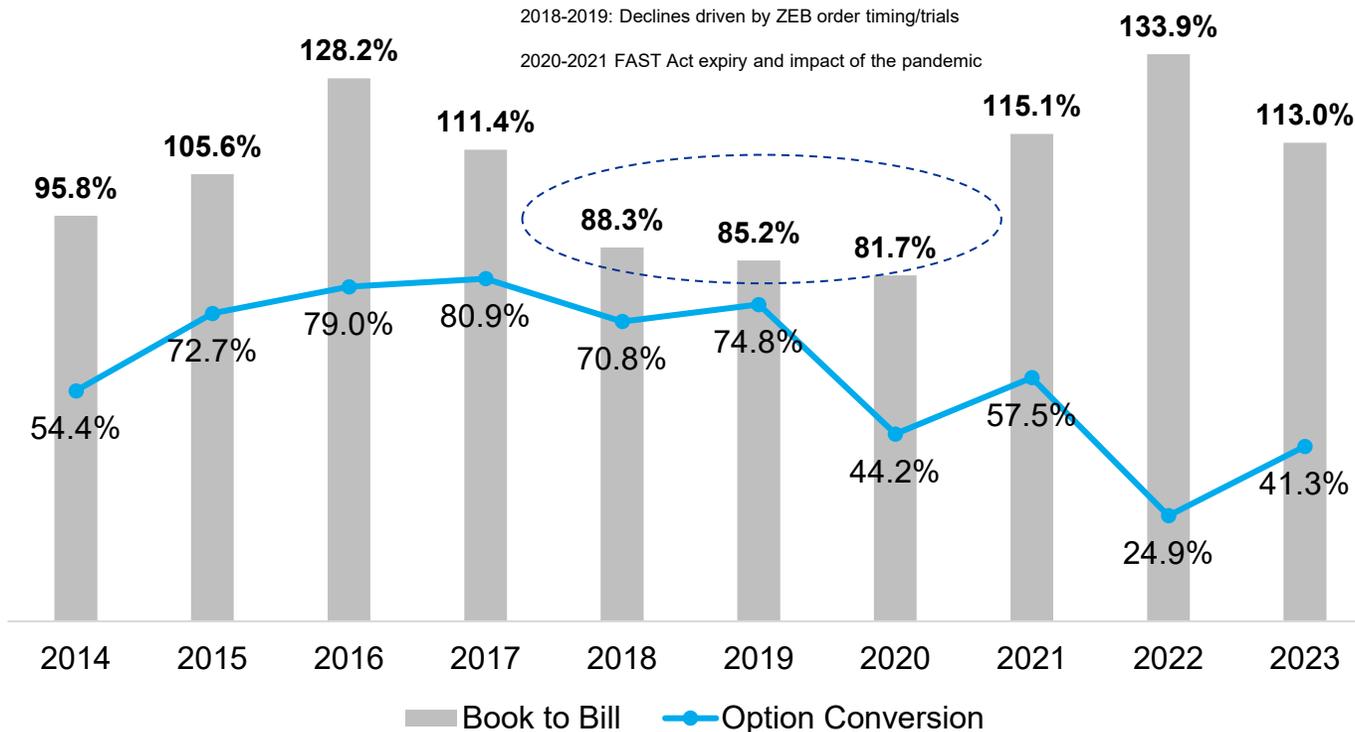
NFI Quarterly Backlog¹ in EUs (2019 Q1 – 2023 Q4)



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

Book-to-Bill Recovery Continues Above 100%

Book-to-Bill¹ and Option Conversion¹ (2014 – 2023)



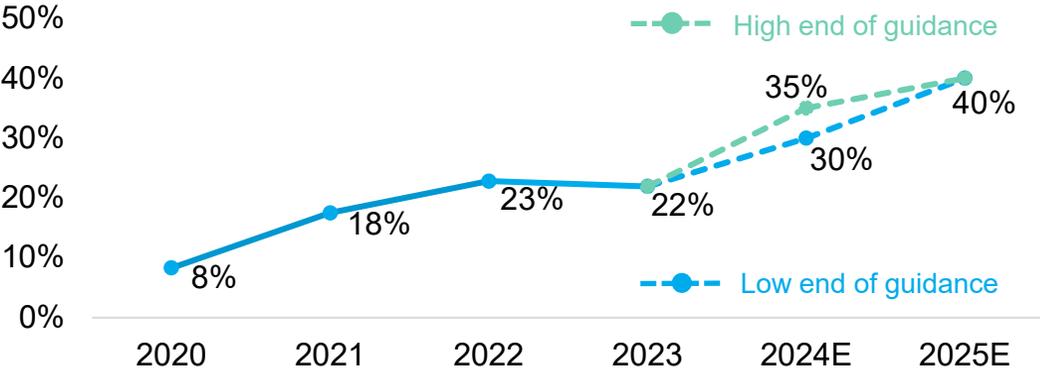
- ✓ Bid volume driving order increase
- ✓ Book-to-Bill¹ anticipated to remain strong in 2024
- ↻ Lower option conversion in 2022 and 2023 as fleets allow older options to expire in transition to **ZE**
- ↻ Starting to see overall conversion rate improve; anticipate continued improvement through 2024 and 2025 with more ZEB orders

Book-to-Bill recovery to 100%+ driven by increased bid and award activity. Anticipated to remain strong throughout 2024. Option conversion expected to recover with new multi-year orders.

Transition to *ZE* Accelerating

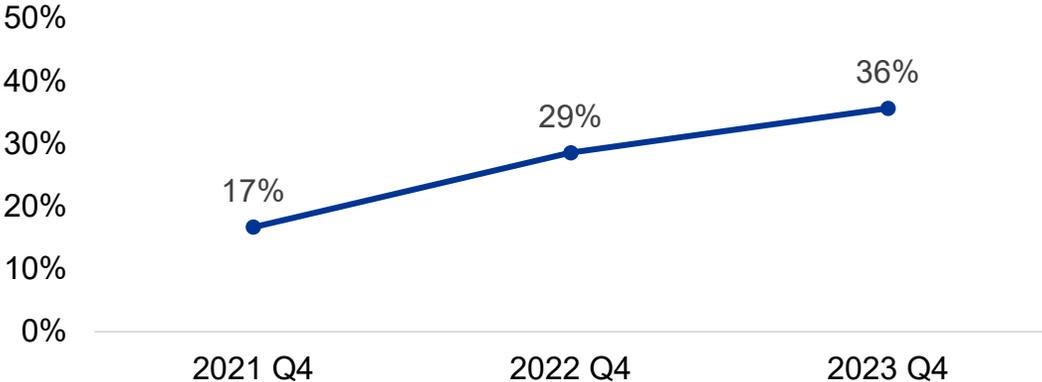
Increasing demand for electric vehicles (battery- and fuel cell-electric) in NFI’s core markets, driven by government funding and the drive to zero-emission

ZEBs as % Annual Deliveries



2023 Q4:
19% of total deliveries were ZEB EUs

ZEB as % of Backlog¹

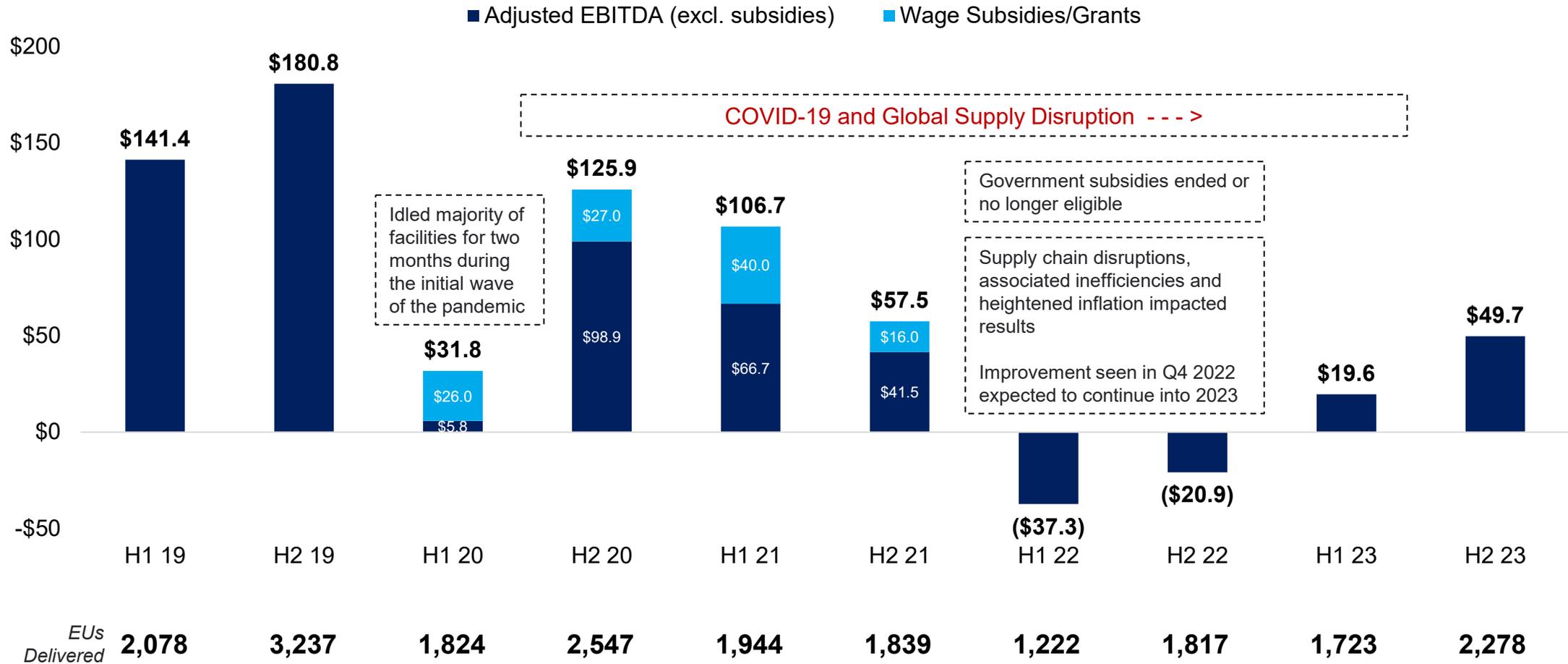


***ZE* transition accelerating, growing NFI’s ZEB backlog with higher dollar revenue and margin vehicles**

1. Represents a non-IFRS ratio, which is derived from a non-IFRS measure, which does not have a standard meaning, so they 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.sedarplus.ca. 3. Represents a supplementary financial measure.

Half Year Adjusted EBITDA: 2019 to 2023

NFI Adjusted EBITDA¹ Results by Half Year (2019 – 2023) \$M



1. Adjusted EBITDA 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. See Cautionary Statement.

Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements”, which reflect the expectations of management regarding the Company’s future growth, financial performance, and liquidity and objectives and the Company’s strategic initiatives, plans, business prospects and opportunities, including the duration, impact of and recovery from the COVID-19 pandemic, supply chain disruptions and plans to address them. A number of factors and risks may cause actual results to differ materially from the results discussed in the forward-looking statements (including the aftermath and ongoing effects of COVID-19 pandemic and related supply chain and operational challenges, inflationary effects and labour supply and labour rate challenges, and the Company’s February 29, 2024, 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 February 29, 2024, and financial materials dated February 29, 2024, 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.sedarplus.ca. 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.*

Notes to Readers

The Company retrospectively adopted IFRS 17 - Insurance Contracts on January 2, 2023. Refer to the section, "new and amended standards adopted by the Company" for details of the impact of the adoption on this MD&A. NFI's Financial Statements were prepared on a going concern basis in accordance with IFRS. Readers are recommended to read the section, "capital allocation policy" regarding the basis of preparation, the impact of upcoming financial covenants and the determination of application of the going concern assumption.

Specific references and definitions are used throughout this presentation; please see the Non-IFRS and Other Financial Measures section. References to LTM mean last-twelve months ("LTM"). Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"), Invested Capital, net operating profit after taxes ("NOPAT"), return on invested capital ("ROIC"), Free Cash Flow, Free Cash Flow per Share, Adjusted Net Loss, Adjusted Net Loss per Share, Liquidity, Working Capital Days, Payout Ratio, Book-to-Bill and Backlog are non-IFRS measures and should not be considered substitutes or alternatives for IFRS measures. These are not defined terms under IFRS and do not have standard meanings, so may not be a reliable way to compare NFI to other companies.

Key Financial Definitions

Non-IFRS Measures – see *NON-IFRS AND OTHER FINANCIAL MEASURES* section of the MD&A Dated February 29, 2024

- ✓ **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, gain (loss) on debt modification, 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



Leading the **ZE**volution™

