



Leading the **ZE**volution™

Scotiabank 4th Annual Environmental, Social & Governance (ESG) Conference

June 14, 2022





Cautionary Statement

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

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

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



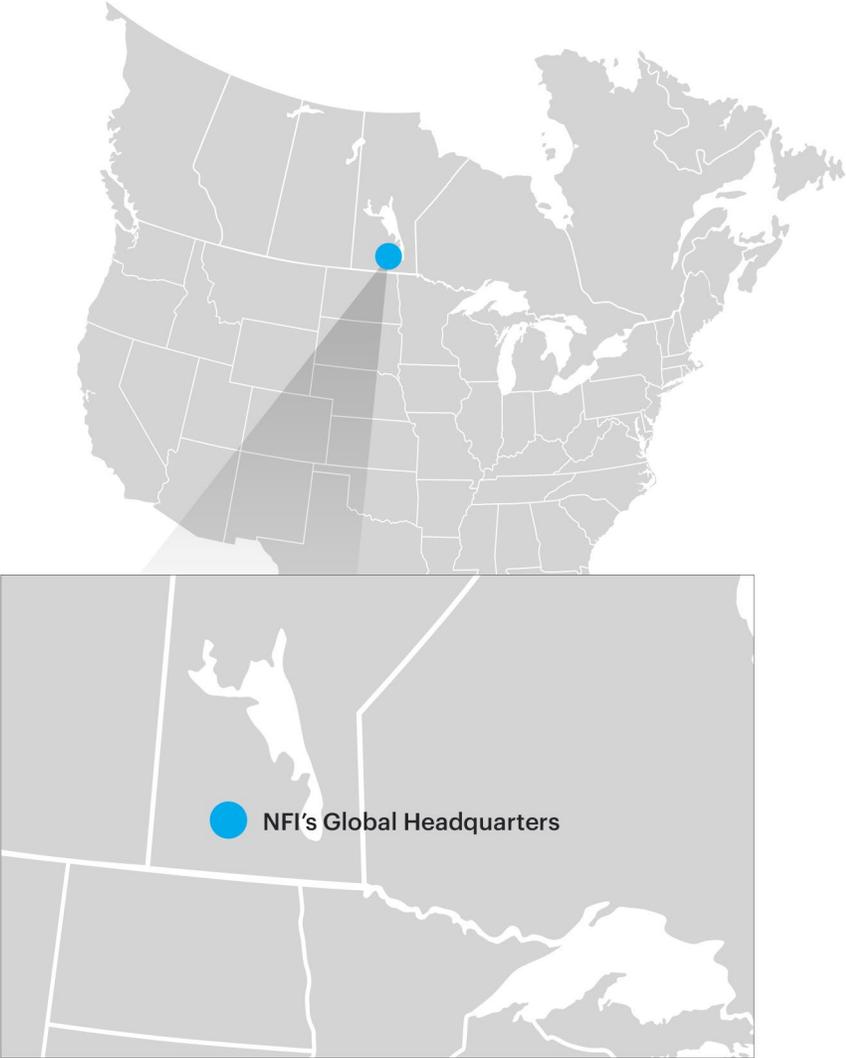
Key Terms

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

Land Acknowledgement

NFI's global headquarters is located on Treaty One Territory, the original lands of the Anishinaabe, Cree, Oji-Cree, Dakota, Lakota, and Dene peoples, and the birth place and homeland of the Métis Nation.

We acknowledge that our water is sourced from Shoal Lake 40 First Nation. We respect and give honor to the Indigenous peoples' history on this land and recognize First Nations, Métis, and Inuit peoples' ongoing contribution in our neighborhoods and communities today.



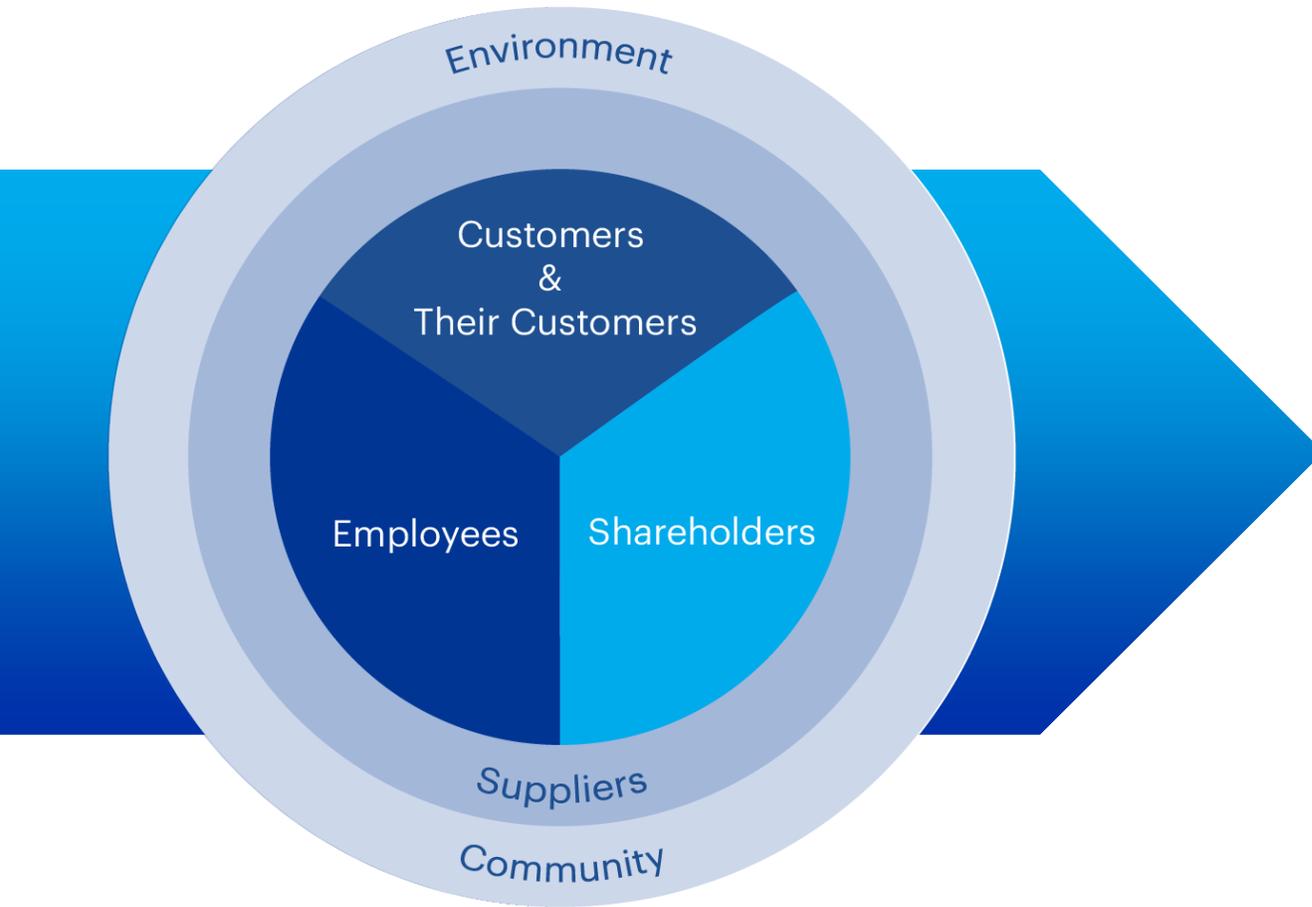
Who is NFI?

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



Our vision.

To lead the evolution of sustainable on-road mass transportation and mobility.

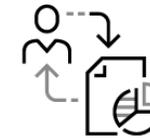
Our mission.

To design, deliver, and support market-leading bus and motor coach solutions that are safe, accessible, efficient, and reliable.

Our values.



Safety



Accountability



Quality



Teamwork

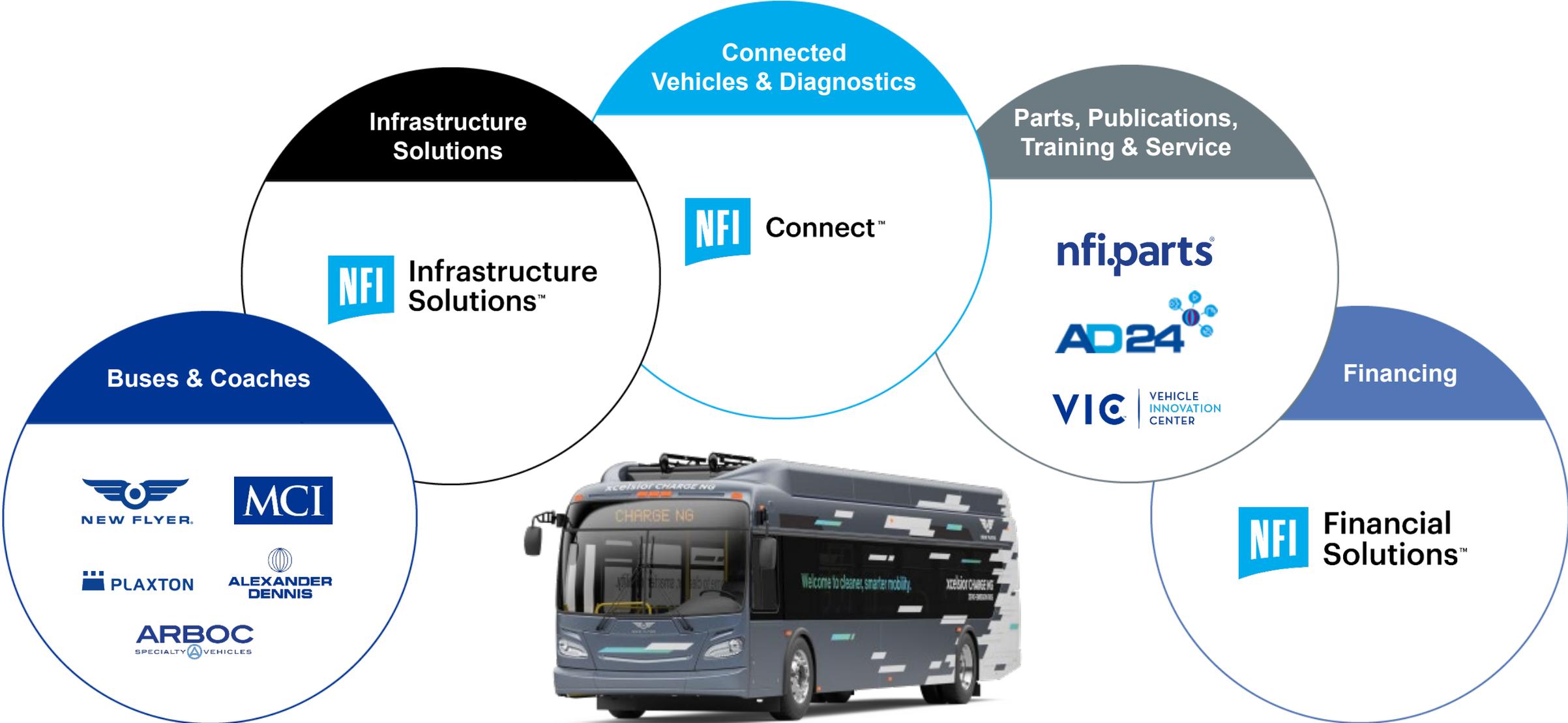


Integrity



Sustainability

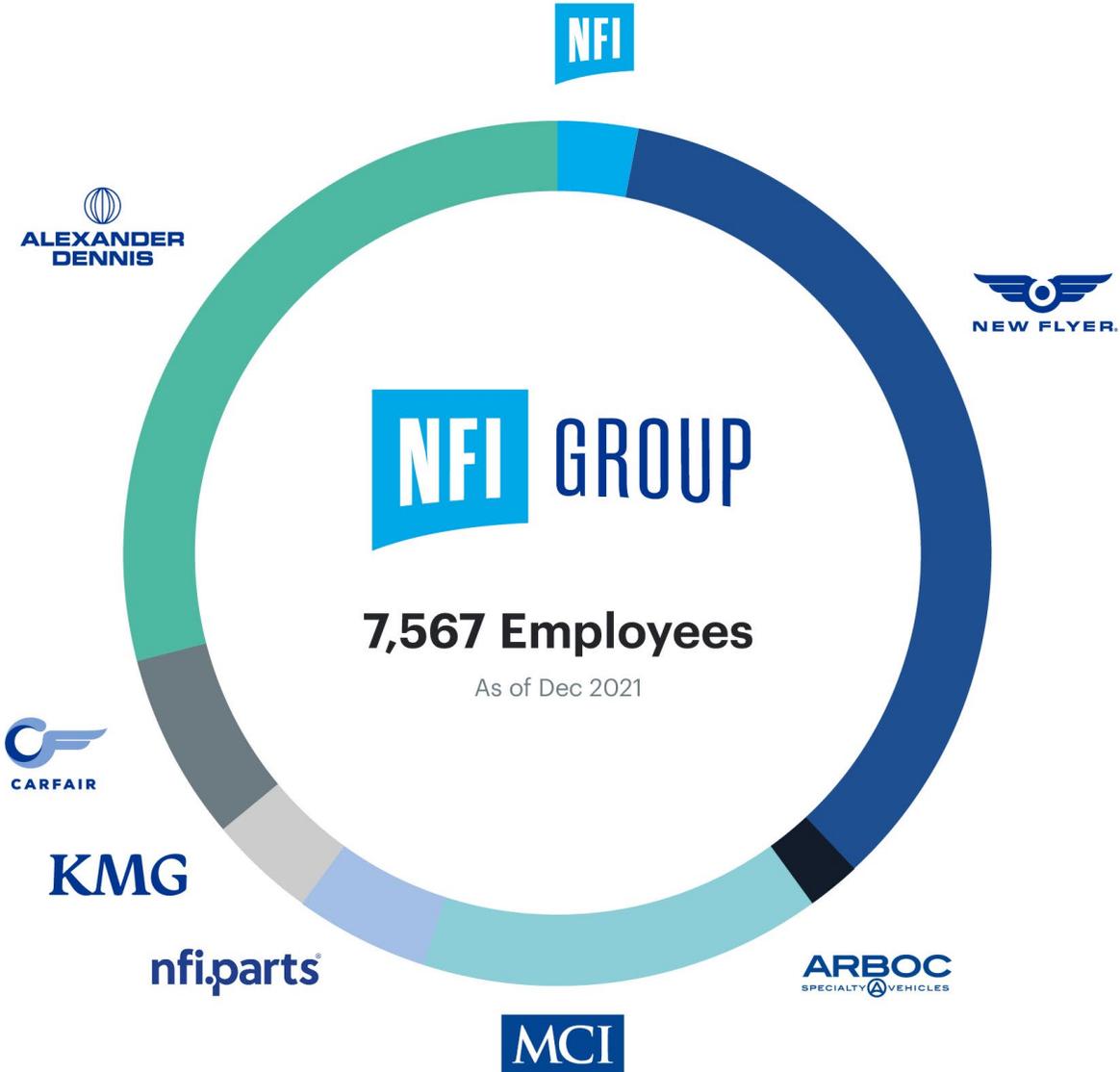
Turnkey Mobility Solutions Provider



Our People



● 206 Employees	NFI
● 2,755 Employees	New Flyer
● 123 Employees	ARBOC
● 1,152 Employees	MCI
● 396 Employees	NFI Parts
● 300 Employees	KMG
● 460 Employees	Carfair Composites
● 2,175 Employees	Alexander Dennis Limited



Our Sustainability Pledge



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



A long-exposure photograph of a city street at night. The scene is dominated by tall, modern buildings with illuminated windows. The street is filled with light trails from moving vehicles, creating a sense of motion and energy. The overall color palette is dark with highlights from the city lights.

Principles & Governance

Robust Governance



Hon. Brian Tobin*
(Ontario)
Board Chair
HRCG Committee Member
Member since 2005



Colin Robertson
(United Kingdom)
Vice Chair
Member since 2020



Phyllis Cochran*
(South Carolina)
Audit Committee Chair
Member since 2015



Larry Edwards*
(Oklahoma)
HRCG Committee Chair
Audit Committee Member
Member since 2008



Paul Soubry
(Manitoba)
President & CEO
Member since 2009



Katherine Winter*
(Illinois)
HRCG Committee Member
Member since 2019

Kathy is the VP & GM, Autonomous Transportation & Infrastructure Division, Intel Corporation



Wendy Kei*
(Ontario)
Member at Large
Member since 2022

Wendy also serves as the Chair of the Board of Ontario Power Generation Inc.



Adam Gray*
(Connecticut)
Audit Committee
Member since 2012

Adam is co-founder and Managing Partner at Coliseum Capital Management, LLC



Krystyna Hoeg*
(Ontario)
Audit Committee Member
Member since 2015

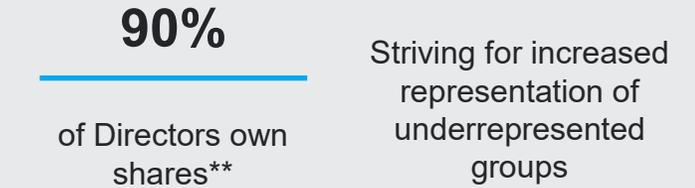
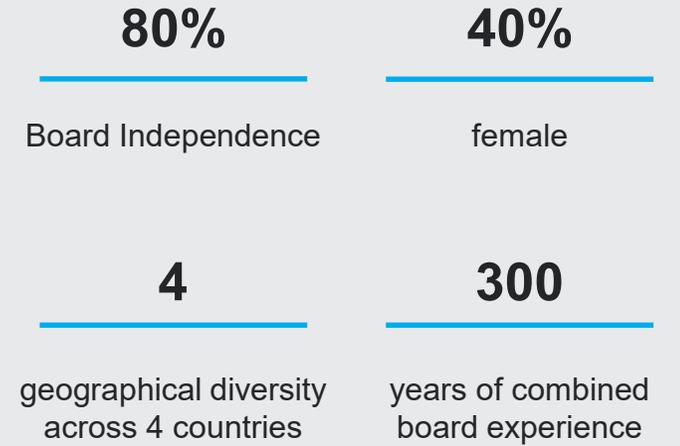


Paulo Nunez*
(Brazil)
HRCG Committee Member
Member since 2015

Paulo also serves on the Board of Directors of Marcopolo S.A.

* Denotes Independent Directors.

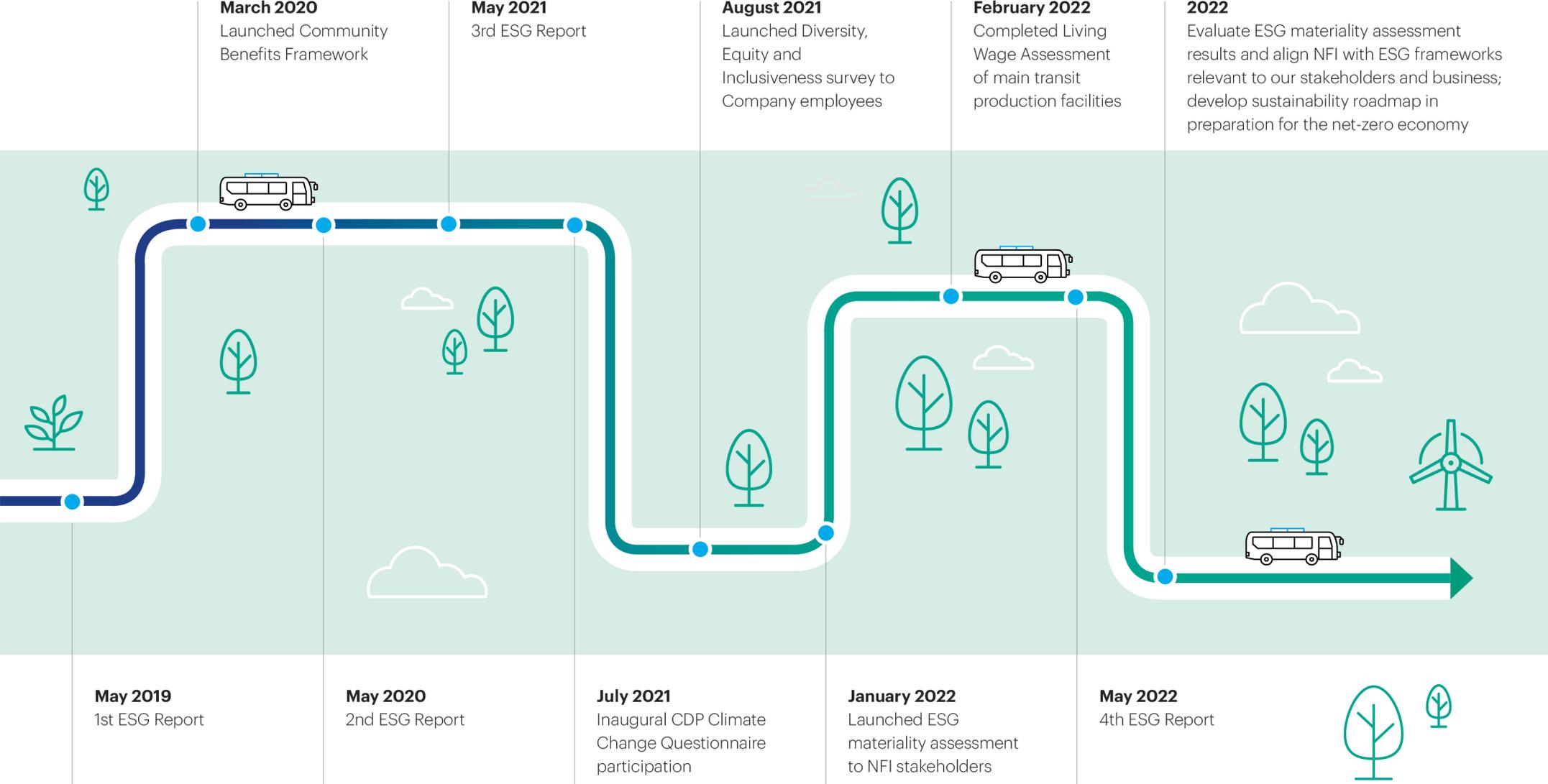
Key Facts



** Throughout 2021 and prior to the 2022 AGM, 100% of Directors owned shares.

- Dedicated committees for Audit and for HR, Compensation and Corporate Governance
- Comprehensive governance framework
- Enhanced ESG disclosure and policy development
- Whistleblower and Fraud Hotline
- Top 200 for Canada's Corporate Boards in Globe and Mail Board Games Survey

Our ESG Journey Highlights



Our ESG Progress in 2021

In 2021, we accelerated our Company-wide sustainability strategy and roadmap, and, in 2022, we commenced our first ESG materiality assessment, to gather input from our stakeholders regarding their views and expectations related to ESG priorities.

As part of our ongoing ESG priorities, in 2021 we:

- Continued to prioritize the health, safety and wellbeing of our employees through our pandemic emergency response and safety measures;
- Continued our NFI Forward facility rationalization, contribution to decreases in our carbon footprint;
- Formalized Sustainability structure and resourcing with creation of Sustainability Manager and Coordinator roles;
- Completed our first response to the CDP Climate Change questionnaire;
- Began conducting studies in some of our facilities to identify renewable energy opportunities in preparation for the net-zero economy;
- Continued to evaluate registrations to ISO 14001, 45001, and 9001 for certain subsidiaries;
- Shifted some of our strategic priorities to withstand supply chain challenges;
- Engaged an independent third party to conduct a diversity, equity, and inclusion (DEI) survey of our organization to assess our current state and areas for opportunity;
- Formalized a Human Rights Statement, which includes Freedom of Association, outlining our commitment and approach, informed by international principles;
- Raised more than \$370,000 through United Way campaign, supporting 18 communities across North America; and
- Continued development of our product to meet the needs of the net-zero economy by releasing six new zero-emission vehicle models in 2021 alone.





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



**We have a
fundamental role to
play in meeting the
challenge of climate
change.**

Transport is one of the biggest global
polluters

Buses are leading the vehicle transition
to **ZE** in our markets around the globe

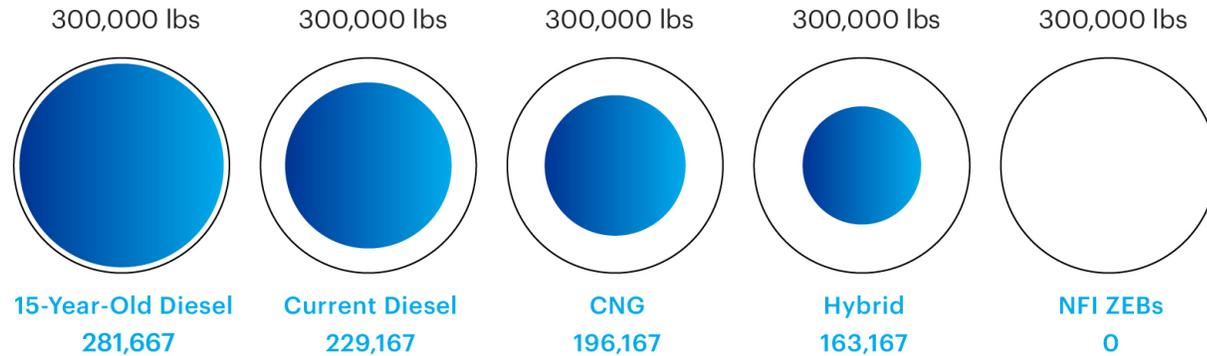
It's not just about emissions—there is a
need to reduce congestion; modal shift
away from private car usage

COVID-19 era strengthened ESG
commitments from global stakeholders
and placed increased focus on
diversity, equity, and inclusion

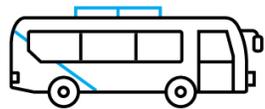
Proven product and service line that
supports our stakeholders at each
stage in their **ZEvolution™**

The Power of a Bus

Annual Tailpipe Emissions¹ (CO₂, lbs)



Every ZEB avoids the emission of 3,380,000 lbs of CO₂ over a 12-year life, the equivalent of 28 cars per year



The global pandemic illustrated the critical nature and necessity of the bus and of public transit systems. Safe, equitable and thriving public transit systems are essential for communities to continue to recover from the COVID-19 pandemic.²

1. GREET Model Fleet Footprint Calculator and EPA Motor Vehicle Emission Simulator 2. Health Affairs Journal. 3. American Public Transportation Association (APTA) and the National Association of Realtors. 4. APTA.

Key Facts

+24%

home values near public transportation³

\$11.7B

offset to annual car operating costs in the U.S.⁴

50,000

jobs created from every \$1 billion invested in public transit⁴

40

cars removed from the road for every 1 bus⁴

10x

safer per mile to travel by public transit than automobiles⁴

\$5

in economic returns for every \$1 invested in public transportation⁴

50,000

Fewer GHGs for a public transit trip (vs. driving alone)⁴

3,380,000

lbs of CO₂ emission prevented by each ZEB over 12-year life¹



Market Leaders



Leading the **ZE**volution™

Deep Industry Knowledge and Expertise

450+ Years

bus and coach experience

105k+ Vehicles

buses and coaches in service

50+ Years

electric bus experience

Walking the Talk

#1

ZEB OEM in NA and UK

65M+ Miles

electric vehicle service miles

280+ Installs

of electric chargers

80+ Cities

with NFI ZEB in service or on order

~8,000+ Capacity

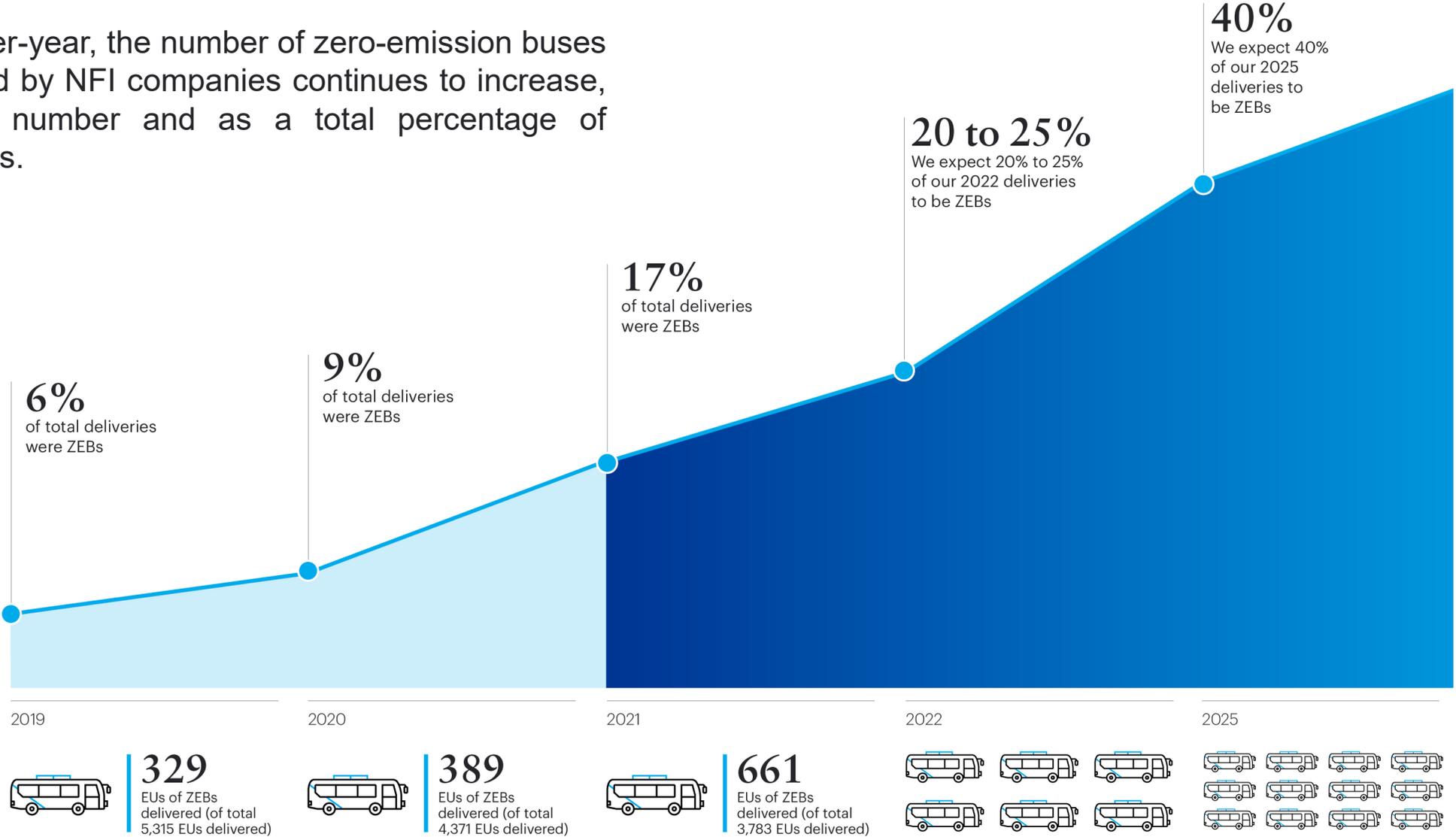
annual ZEB production capacity

Increasing ZEB Deliveries



Leading the **ZE**volution™

Year-over-year, the number of zero-emission buses delivered by NFI companies continues to increase, in both number and as a total percentage of deliveries.

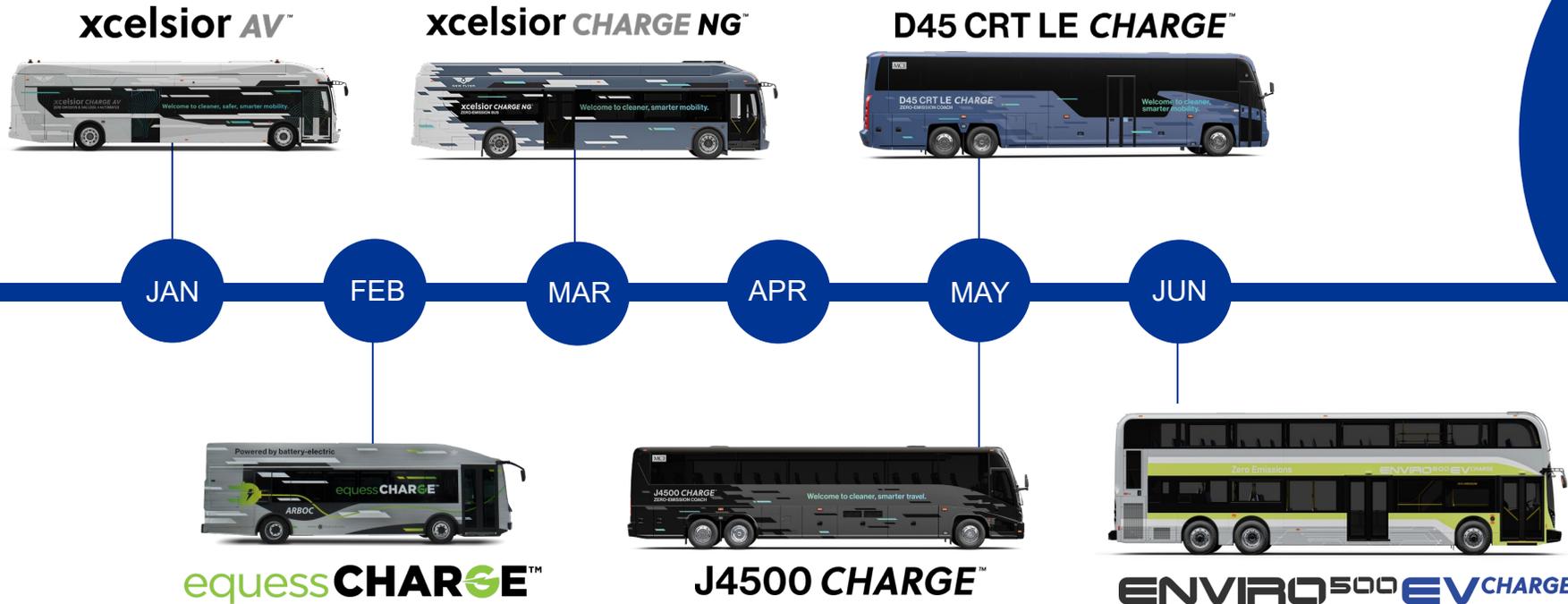


New EV Models in 2021



Leading the **ZE**volution™

NFI launched six new battery and fuel-cell electric vehicles including North America's first Level 4 Automated Transit Bus.

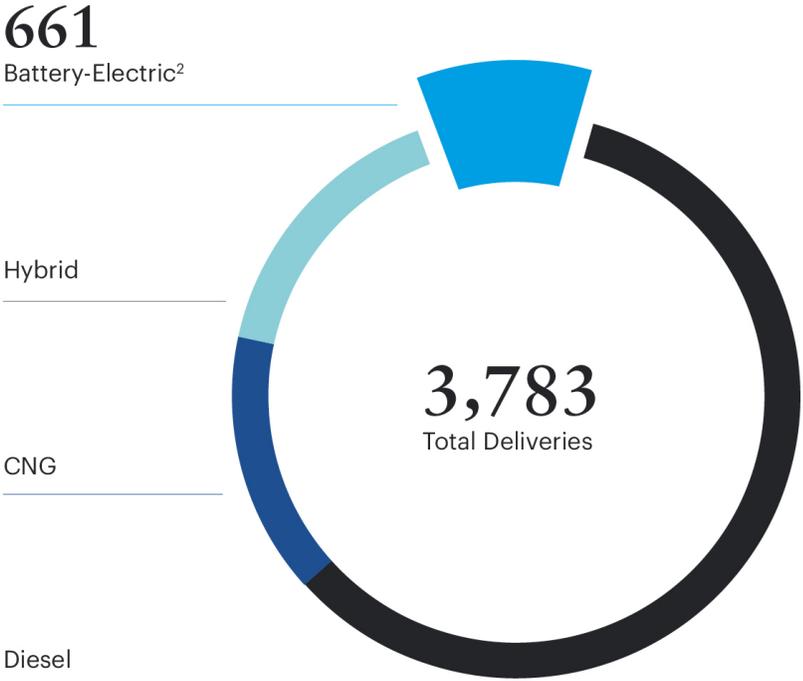


2022

- New battery platforms
- First sales of ADL's fuel-cell H2.0 vehicle in the UK
- Additional deliveries of battery-electric double-decker buses into the APAC market

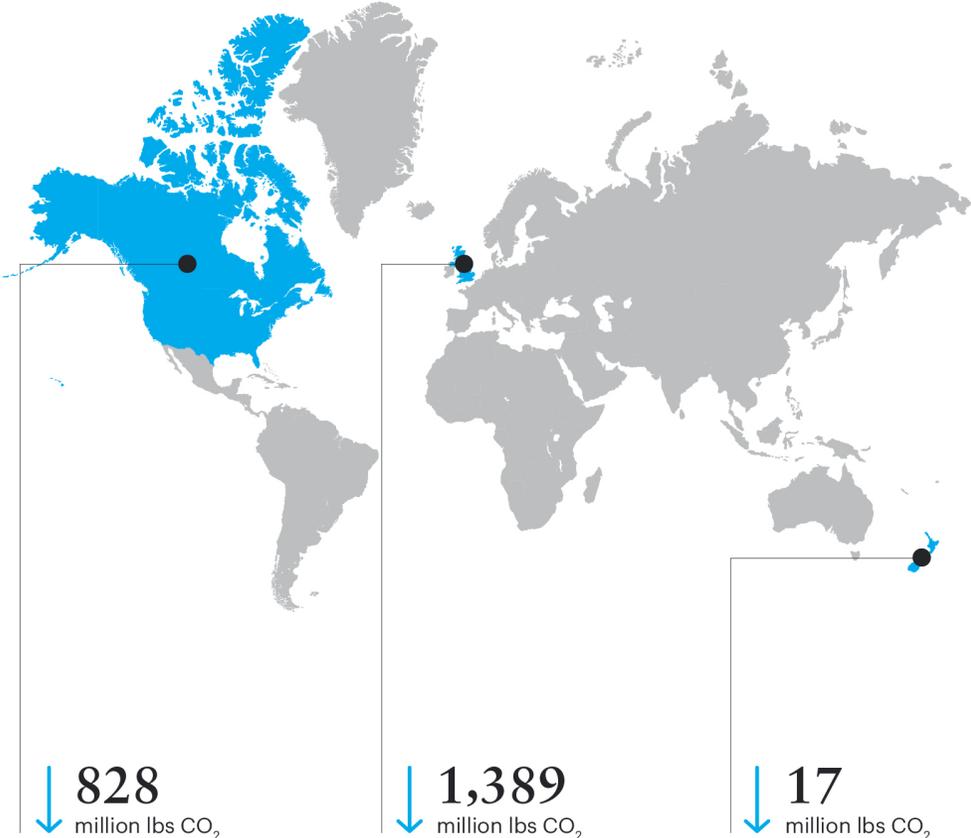
Impact of 2021 ZEB Deliveries

— NFI 2021 Deliveries by Propulsion Type



1. GREET Model Fleet Footprint Calculator & EPA Motor Vehicle Emission Simulator
 2. Includes hydrogen fuel cell-electric

— In Fiscal 2021, NFI delivered 661 ZEBs (17% of total deliveries), avoiding the equivalent of 2.2 billion lbs of CO₂ emissions over the expected 12-year life of those buses¹



NFI's Zero-Emission Buses in the Spotlight at COP26

NFI subsidiary ADL played a meaningful role in the United Nations (UN) 26th Conference of the Parties (COP26) in Glasgow in the fall of 2021.



UK Prime Minister Boris Johnson exits ADL electric bus.
Photo credit: Kawai Tang UK Government

ADL zero-emission bus in COP26 Blue Zone.

ADL electric buses transporting world leaders.

The VIC: The industry's Vehicle Innovation Center



The VIC is the first and only innovation lab in North America solely dedicated to the innovation and advancement of bus and coach technology.

The VIC provides comprehensive electric vehicle (EV) and automated vehicle (AV) training and workforce development, now available online.



2017
Launch

300+
Events since launch

5,000+
Visitors

650+
Visitors in 2021 (Virtual and in-person sessions)

3
Observation Decks

1
Simulator

8
Interactive Activities

24
Displays

3
Charger Types



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

Better Workplace: 2021 Highlights

Safety Performance

Top strategic priority

Freedom of Association

Included in 2021 Human Rights Statement

Equal Opportunity

Providing a workplace that is inclusive, diverse, and free from discrimination

Employee Wellbeing

Initiatives continued in 2021 to support employee mental health

Living Wage Assessment

99.78% of employees at main transit bus production facilities in Canada and the U.S. were at or above standard

Electrical Technician

Training Program launched in 2021 to provide high-demand skills for new EV mobility era

\$7 Million

Invested in employee training in 2021

62%

of NFI's global workforce is covered by collective bargaining agreements

Safer Design

Xcelsior CHARGE NG™ safer battery packaging design for manufacturing and service technicians



Key Policies & Statements

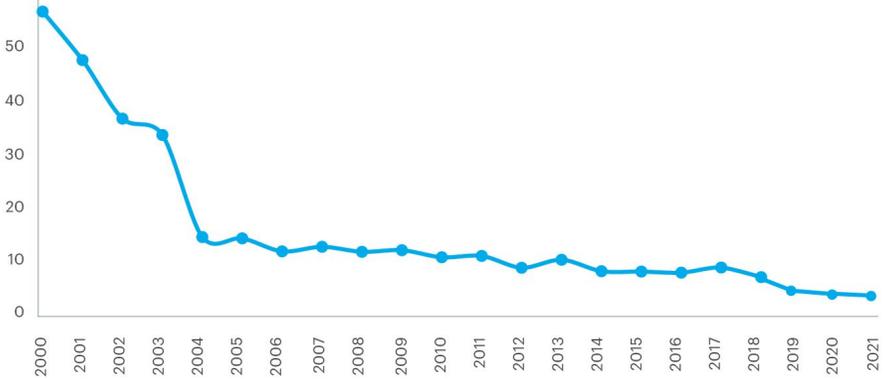
- Code of Business Conduct and Ethics
- Whistleblower Policy
- Ethics and Compliance Hotline
- Environment, Health and Safety Policy
- Human Rights Statement, includes Freedom of Association
- Anti-Corruption and Bribery Policy
- Political Contribution Policy
- Supplier Code of Conduct

Safety drives everything we do

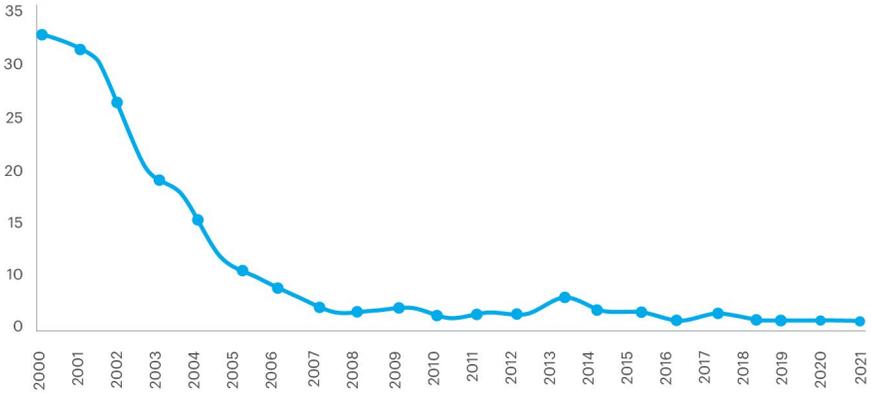
OSHA and Lost Time Rates declined by 90% and 96% respectively since 2000

	NFI OSHA Rate:	NFI Lost Time Rate:	NFI Fatality Rate:
2021 Rates with recorded COVID-19 positive cases	4.7	2.0	0.0
2021 Rates direct from Operations	4.1	1.3	0.0
2022 Target Rates	3.2	1.3	0.0

NFI OSHA Rate
(occurrences per 200,000 hours)



NFI Lost Time Rate
(occurrences per 200,000 hours)



¹ OSHA Rate = Occupational Safety & Health Association Recordable Incident Rate, calculated as (# of OSHA Recordable incidents and illnesses x 200,000) / Employee total hours worked
² Lost Time Rates = similar to OSHA Rate, but uses only the number of cases that contained lost work days

Supply Chain Management

NFI seeks to do business with reputable business partners who are committed to ethical standards and business practices compatible with those set out in the NFI Group Supplier Code of Conduct. NFI strongly encourages suppliers to exceed the requirements of this Code and to promote best practices and continuous improvement throughout their operations.

Activities include but are not limited to:

- Proactive steps to ensure NFI does not conduct business with persons or entities that use forced, indentured, involuntary or child labor, or engage in human trafficking
- On-site supplier verification audits
- Risk training for NFI sourcing personnel
- Actively work to identify, onboard and develop minority and disadvantaged businesses





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

Celebrating, Fostering, Measuring, and Advancing DEI

NFI celebrates diversity through the creation of programs that recognize and support our differences, working to foster diversity in ways that create a sense of belonging while enabling uniqueness.



Diversity, Equity, and Inclusion

	2019*	2020	2021
Women	18.7%	19.3%	19.0%
Women in Middle Management & Above	19.6%	17.7%	22.2%
Women in Executive Roles	15.8%	20.7%	21.4%
Women in Board Roles	38.0%	33.0%**	33.3%**
Visible Minorities	19.0%	28.5%	19.4%
Visible Minorities in Middle Management & Above	6.8%	11.7%	12.1%
Visible Minorities in Executive Roles	5.6%	3.5%	3.6%
People With Disabilities	2.1%	1.2%	1.0%
Indigenous People	0.5%	0.5%	0.4%
Veterans	***	3.1%	2.9%

*Note: Alexander Dennis included in 2019 onward

**NFI increased the number of Board positions by 1 in 2020; it did not lose a female Board member; as of May 2022, NFI now has 40% women in Board roles.

***Due to acquisitions, a baseline had not yet been established.

DEI Survey

In 2021, NFI partnered with external consultant Korn Ferry to start the journey of reviewing our DEI efforts and activities. An organization-wide DEI survey was launched in summer of 2021, with an employee participation rate of 55%. The feedback and compiled results of this first-of-its-kind survey for the Company provided a framework for DEI initiatives moving into 2022.

— In total there were 38 statements, of which:

Statements scored as neutral or positive at 90% or above



Statements scored as neutral or positive at 80-89%



Statements scored as neutral or positive at 74-79%.



Statements scored as neutral or positive below 74%.



Moving into 2022, we have commenced work on our DEI action plan, with a focus on the following areas:

1. Clarifying and promoting a better understanding about our specific DEI efforts.
2. Improving awareness and understanding of our current processes and procedures for reporting a concern on treatment of people.
3. Reinforcing fairness in promotions and advancing diverse groups into professional positions and leadership.
4. Suggestions to leverage diverse perspectives to develop innovative solutions for customers.



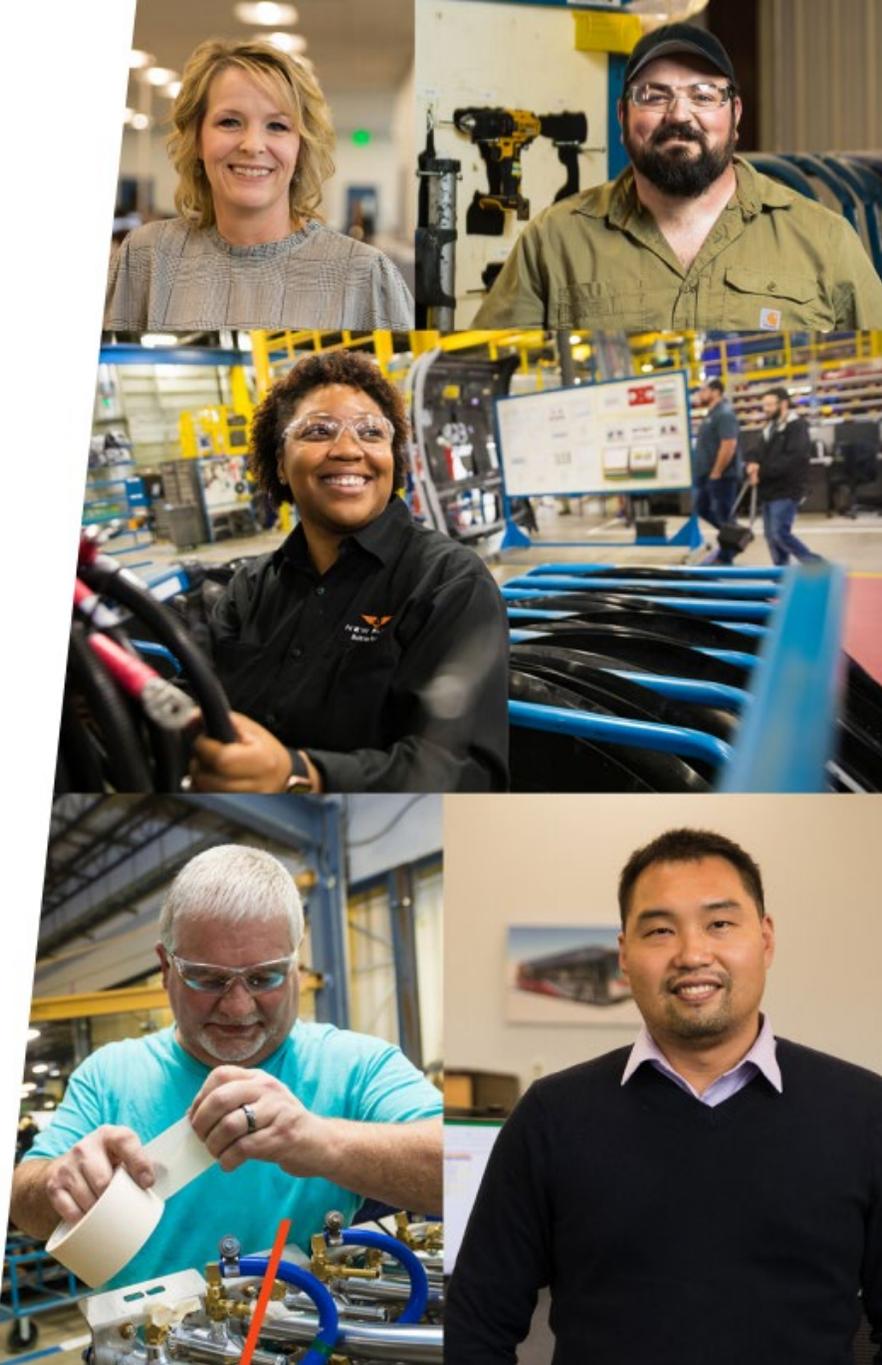
Moving into 2022, we plan to communicate our DEI action plan throughout the organization, expand the “Leading Inclusion” training to additional leadership groups, and review each of our internal policies and procedures through a DEI lens.

Community Benefits Framework

NFI is enhancing its existing approaches to workplace development through the hiring of diverse, underserved, disadvantaged, and underrepresented individuals. **The Community Benefits Framework (“CBF”), adopted by New Flyer in 2020, serves as the guiding framework from which formal agreements and programs outlining our local community partnership and workforce development commitments are created and implemented.**

The measures outlined in the CBF (listed below) are intended to identify, train, and onboard new hires and support the development and deployment of pre-apprenticeship/apprenticeship programs and ongoing career development of people including veterans, women, people of color, people with differing abilities, and underrepresented, disadvantaged, and underserved individuals in the field of advanced manufacturing.

- Hours of classroom training and programs attended
- Identification of pre-apprenticeship and apprenticeship commitments
- Implementation of work plan time frames
- Achievement of wage and benefit commitments
- Achievement of established hiring goals
- Recruitment status (including hiring, onboarding, and training individuals)
- Achievement of established diversity goals
- Adherence to career development objectives
- Compliance to local, state, and federal incentive program requirements



Industry Partners to Advance DEI



Since 2020, New Flyer and MCI have been proud partners of Latinos in Transit (“LIT”), the leading industry organization for promoting, developing, networking, and advancing Latinos in transportation.



On January 19, 2022, New Flyer signed on to APTA’s Racial Equity Commitment Program, joining other organizations (as invested in improving their DEI practices). The Commitment Program is a two-year pilot program that provides APTA members with a tangible roadmap for advancing racial equity within their organizations as part of a comprehensive diversity, equity, and inclusion framework.



ADL became the first bus manufacturer to become a corporate member of the UK’s Women in Transport, a not-for-profit that empowers women to maximize their potential.



In 2021, the Anniston Workforce Development Program, a national workforce development initiative introduced by New Flyer and its partner, the Transportation Diversity Council (TDC), helped bring 13 local candidates from the Anniston area onto the New Flyer team. Of those hired, either have remained with the Company into 2022 and are working successfully in various roles.



COMTO, the voice of equity in transportation, is a nonprofit organization dedicated to advancing success for underrepresented individuals in transportation. New Flyer has been an active member of COMTO for more than 15 years. In 2020, New Flyer took its involvement further by partnering with the Toronto Transit Commission to cofound COMTO’s first Canadian and first international chapter: Toronto and Region (“COMTO T&R”).

Truth & Reconciliation Efforts



Truth and
Reconciliation
Commission of Canada

In order to redress the legacy of residential schools and advance the process of Canadian reconciliation, the Truth and Reconciliation Commission made 94 calls to action including, Call to Action #92, which is focused on business and reconciliation.

We have examined these calls to action and our employment practices to implement applicable aspects of the calls to action within our business operations and to promote and advance reconciliation with our employee groups and the communities we serve.

NFI initiatives/actions:

- Participation in TRC92 Employer Consortium
- Measuring and monitoring workforce demographics
- Delivering diversity and inclusion training as required leadership development
- Indigenous Insights learning program with the University of Winnipeg

Community Support & Team Spirit



NFI has collectively donated more than \$3.1M to the United Way from its workplace campaigns since 2009.



NFI was presented with the Spirit of Collaboration award for our partnership with the International Association of Machinists and Aerospace Workers ("IAMAW") and Unifor during our 2021 United Way workplace campaign.



NFI provided no-cost transportation to vaccine clinics, in collaboration with local non-profit and Indigenous family resource center, Ma Mawi Wi Chi Itata.



A long-exposure photograph of a city street at night. The scene is dominated by tall, modern buildings with illuminated windows. The street is filled with light trails from cars and streetlights, creating a sense of motion and energy. The overall color palette is dark with highlights from the city lights.

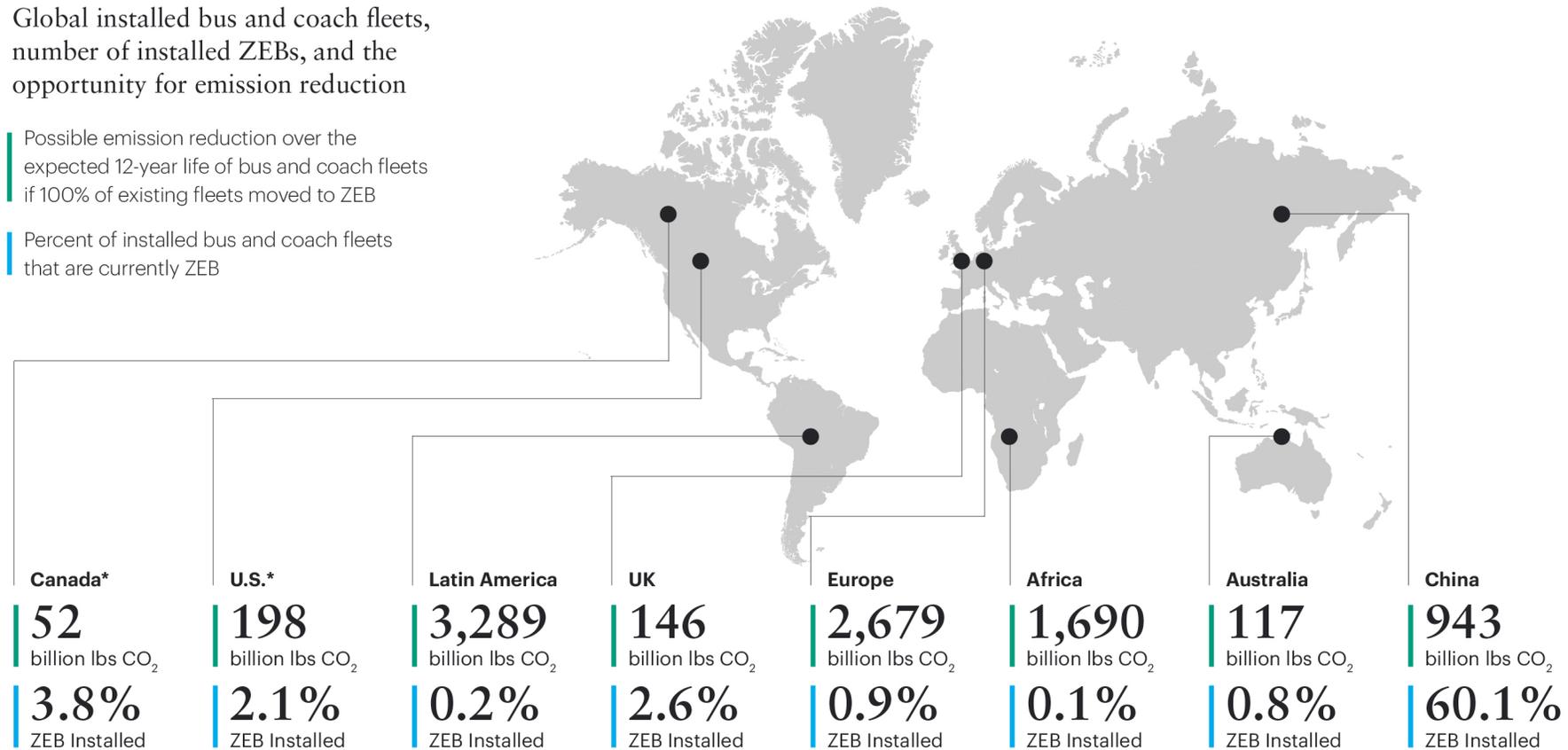
ESG Roadmap & Financial Targets

The **ZE**volution has only just begun

It will take time to move to 100% ZEB fleet given current fleet status and adoption rates, but there is a massive opportunity for emission reduction as countries around the world transition to ZEBs. **If each region pictured below were to move to a 100% ZEB fleet, the combined equivalent of ~9 trillion lbs of CO₂ emissions would be avoided over the expected 12-year minimum life of those buses.**

Global installed bus and coach fleets, number of installed ZEBs, and the opportunity for emission reduction

- Possible emission reduction over the expected 12-year life of bus and coach fleets if 100% of existing fleets moved to ZEB
- Percent of installed bus and coach fleets that are currently ZEB



* Canada and U.S. estimates include transit only.

Source: Sustainable Bus, SCI, Stagecoach, Government of UK, Electric Autonomy, Statista, Management Estimates. Canada/U.S. reported in EUs. Data as of end of December 2021.

2025 Financial Targets

Revenue

\$3.9 billion to \$4.1 billion

ZEBs expected to make up 40% of manufacturing revenue

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

Adjusted EBITDA¹

\$400 million to \$450 million

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

ROIC²

>12%

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

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

Our ESG Priorities for 2022

Company	Environment	People	Community
Business performance	Zero-emission products and solutions	Celebrating, fostering, and measuring diversity, equity, and inclusion	Responsible corporate citizen
Leading with integrity	Emissions management, including footprint rationalization	Environmental health and safety	Human Rights
Quality products, continuous innovation	Energy and water consumption management	Respectful and vibrant workplace culture	Community and charitable initiatives
Robust governance practices	Infrastructure Solutions™ to support zero-emission projects	Workforce development, Community Benefits Framework and initiatives	Team and community spirit, supported by the Community Benefits Framework
Supply chain management	Battery recycling partnership	Advance 50 – 30 Challenge	Global United Way sponsorship program



“We continue to weave ESG into the fabric of our day-to-day operations and our long-term planning. **Our 2022 materiality assessment will inform the issues most relevant to NFI and all our stakeholders**, to ensure we are meeting the needs of tomorrow as we continue to build out products and solutions that enable smart city development, reduce the harmful impacts of climate change, traffic congestion and noise pollution, and enable economic opportunity.”

- Janice Harper, Executive Vice President, People & Culture

A long-exposure photograph of a city street at night. The scene is dominated by tall, modern buildings with illuminated windows. The street is filled with light trails from moving vehicles, creating a sense of motion and energy. The overall color palette is dark with highlights from the city lights.

Appendices

Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements”, which reflect the current expectations of management regarding the Company’s future growth, financial performance and financial position and the Company’s strategic initiatives, plans, business prospects and opportunities, including the duration, impact of and recovery from the COVID-19 pandemic and supply chain challenges. A number of factors and risks may cause actual results to differ materially from the results discussed in the forward-looking statements (including the temporary nature of the supply chain disruptions, the recovery of the Company’s markets, the expected benefits to be obtained through its “NFI Forward” initiative, and the Company’s April 29, 2022 financial guidance (the “Guidance”)). For more detail regarding the assumptions, factors and risks relating to these “forward looking statements”, please refer to the Company’s press release dated May 5, 2022 and management discussion and analysis (“MD&A”) dated May 5, 2022, and the factors and risks contained in its Annual Information Form and other materials filed with the Canadian securities regulatory authorities which are available on SEDAR at www.sedar.com. These forward-looking statements are made as of the date of this presentation and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

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

Non-IFRS Measures

References to “Adjusted EBITDA” are to earnings before interest, income taxes, depreciation and amortization after adjusting for the effects of certain non-recurring and/or non-operations related items that do not reflect the current ongoing cash operations of the Company as described in the Company’s disclosure documents available on SEDAR at www.sedar.com. References to “ROIC” are to net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%) divided by average invested capital for the last 12-month period (calculated as to shareholders’ equity plus long-term debt, obligations under leases, other long-term liabilities and derivative financial instrument liabilities less cash).

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

Appendix: Key Financial Definitions

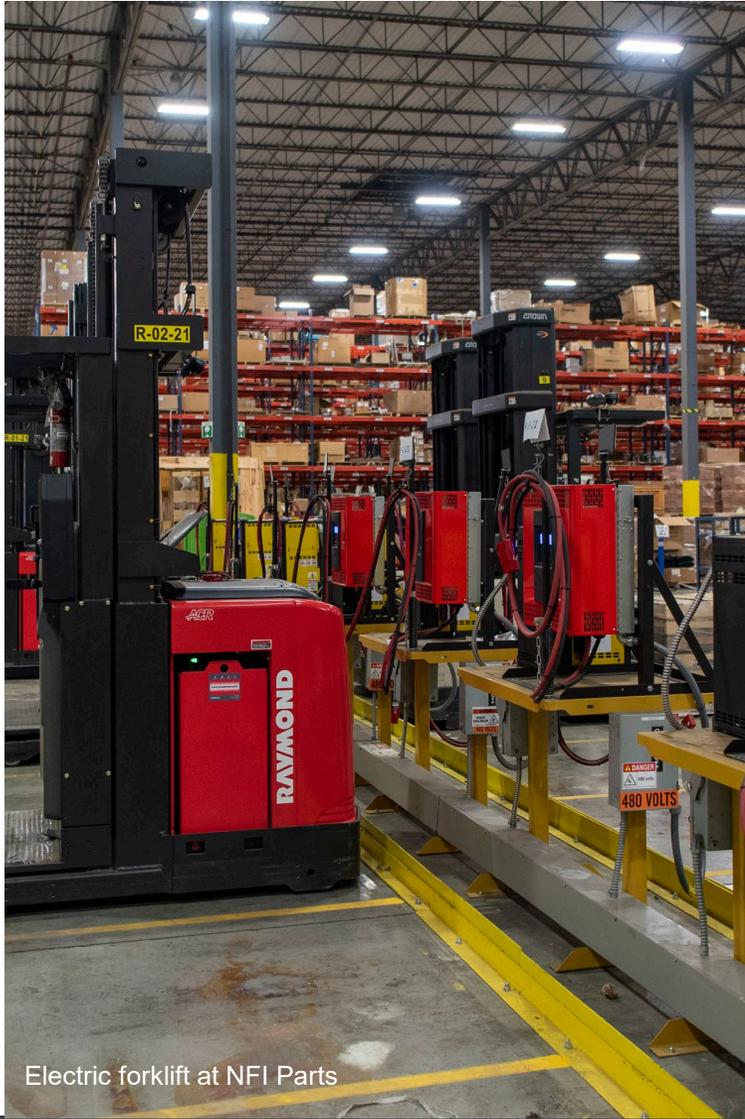
- **Adjusted EBITDA:** Earnings before interest, income taxes, depreciation and amortization after adjusting for the effects of certain non-recurring and/or non-operations related items that do not reflect the current ongoing cash operations of the Company. These adjustments include gains or losses on disposal of property, plant and equipment, fair value adjustment for total return swap, unrealized foreign exchange losses or gains on non-current monetary items and forward foreign exchange contracts, costs associated with assessing strategic and corporate initiatives, past service costs and other pension costs or recovery, non-recurring costs or recoveries relating to business acquisition, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, proportion of the total return swap realized, proportion of the total return swap realized, equity settled stock-based compensation, unrecoverable insurance costs, prior year sales tax provision, extraordinary COVID-19 costs, impairment loss on goodwill and non-recurring restructuring costs.
- **Free Cash Flow:** Defined as net cash generated by or used in operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes paid, current income tax expense, repayment of obligation under lease, cash capital expenditures, acquisition of intangible assets, proceeds from disposition of property, plant and equipment, costs associated with assessing strategic and corporate initiatives, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, defined benefit funding, defined benefit expense, past service costs and other pension costs or recovery, proportion of total return swap, unrecoverable insurance costs, prior year sales tax provision, non-recurring restructuring costs, extraordinary COVID-19 costs, foreign exchange gain or loss on cash held in foreign currency.
- **Return on Invested Capital ("ROIC"):** Defined as net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%) divided by average invested capital for the last 12-month period (calculated as to shareholders' equity plus long-term debt, obligations under leases, other long-term liabilities and derivative financial instrument liabilities less cash).
- **Adjusted Net Earnings (Loss):** Defined as net earnings (loss) after adjusting for the after tax effects of certain non-recurring and/or non-operational related items that do not reflect the current ongoing cash operations of the Company including: fair value adjustments of total return swap, unrealized foreign exchange loss or gain, unrealized gain or loss on the interest rate swap, impairment loss on goodwill, portion of the total return swap realized, costs associated with assessing strategic and corporate initiatives, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, equity settled stock-based compensation, gain or loss on disposal of property, plant and equipment, past service costs and other pension costs or recovery, unrecoverable insurance costs, recovery on currency transactions, prior year sales tax provision, other tax adjustments, extraordinary COVID-19 costs and non-recurring restructuring costs.
- **Adjusted Earnings (Loss) per Share:** Defined as Adjusted Net Earnings (Loss) divided by the average number of Shares outstanding

Focused on reducing our environmental footprint

NFI Greenhouse Gas (GHG) Emissions (US tons)

2019	2020	2021
VOC 9.10	VOC 7.24	VOC 6.06
SO ₂ 0.99	SO ₂ 0.79	SO ₂ 0.66
PM 12.57	PM 10.00	PM 8.38
N ₂ O 3.64	N ₂ O 2.89	N ₂ O 2.43
CH ₄ 3.80	CH ₄ 3.03	CH ₄ 2.54
CO ₂ 199,781	CO ₂ 159,266	CO ₂ 133,415

A Note on Reporting: NFI has divided its emission profile into two streams; (a) representing building and process energy requirements, and (b) direct chemical emissions from manufacturing and service processes. Carbon Dioxide (CO₂), Methane (CH₄), Nitrous Oxide (N₂O) and fluorinated gas (none) emissions are related to heating our facilities. 2019 includes only 7 months of ADL data due to timing of acquisition. 2021 metrics are impacted by several factors, including but not limited to the COVID-19 pandemic.



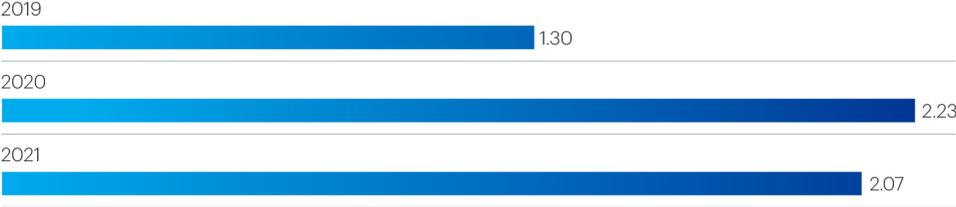
Electric forklift at NFI Parts

Other key environmental metrics

— NFI VOC Emissions (U.S. tons)



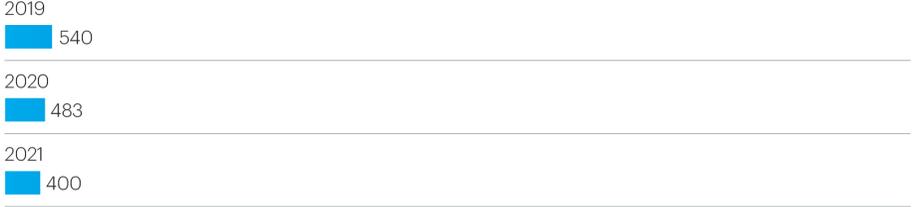
— NFI PM Emissions (U.S. tons)



— NFI HAPs Emissions (U.S. tons)



— NFI Total Hazardous Waste (U.S. tons)



— NFI Total Industrial Waste (U.S. tons)



— NFI Total Water Consumption (U.S. Gallons)



A Note on Reporting: 2019 includes only 7 months of ADL data due to timing of acquisition. 2021 metrics are impacted by several factors, including but not limited to the COVID-19 pandemic.



Leading the **ZE**volution™