NFI Provides Update on its Credit Facilities Amendment Discussions and Timing

June 29, 2022

WINNIPEG, Manitoba, June 29, 2022 (GLOBE NEWSWIRE) -- **(TSX: NFI, OTC: NFYEF, TSX: NFI.DB)** NFI Group Inc. ("NFI" or the "Company"), a leading independent bus and coach manufacturer and a leader in electric mass mobility solutions, today provided an update on discussions with its banking partners regarding amendments to the Company's credit facilities. NFI believes the discussions are advancing well, with draft terms prepared and reviewed by NFI and its banking partners. While NFI had originally expected to complete the amendments during the second quarter of 2022, the Company now expects the amendments will be completed prior to August 3, 2022.

The detailed discussions relate to amendments to the Company's existing $1.25 billion senior revolving credit facility and its £50 million revolving UK credit facility (collectively, the "Credit Facilities") where NFI is pursuing covenant relief that reflects NFI's trailing twelve-month financial results and its expected financial performance for the remainder of 2022.

NFI is primarily seeking (among other things) longer-term amendments to the Total Leverage Ratio ("TLR") [1] and Interest Coverage Ratio ("ICR") [2] covenants that are expected to be in effect into 2023. The Company today received a waiver on its TLR and ICR until August 3, 2022, the date NFI plans to release its second quarter 2022 financial results. Previous waivers on the ICR and TLR were in place until June 30 and July 3, 2022, respectively. NFI believes that it will receive additional waivers required to support completion of the amendments should they not be complete by August 3, 2022.

Under the waiver, NFI's minimum liquidity [3] must be equal to or greater than $300 million (was previously $50 million). NFI's current liquidity is approximately $600 million and the Company continues to believe that, with the anticipated covenant relief, the Company's cash position and capacity under the Credit Facilities, combined with anticipated future cash flows and access to capital markets, will be sufficient to fund operations, meet financial obligations as they come due and provide the funds necessary for capital expenditures, dividend payments and other operational needs, including the temporary build-up of work-in-process inventory from supply chain disruptions.

While NFI has demonstrated strong access to capital markets, given its existing liquidity position and expectations that it will receive the anticipated covenant relief, the Company does not currently have any plans to raise additional external capital, including to address the Credit Facility covenant issues.

About NFI

Leveraging 450 years of combined experience, NFI is leading the electrification of mass mobility around the world. With zero-emission buses and coaches, infrastructure, and technology, NFI meets today's urban demands for scalable smart mobility solutions. Together, NFI is enabling more livable cities through connected, clean, and sustainable transportation. NFI also operates the Vehicle Innovation Center ("VIC"), the first and only innovation lab of its kind dedicated to advancing bus and coach technology and providing workforce development. Since opening late 2017, the VIC has hosted over 300 interactive events, welcoming 5,000 industry professionals for electric vehicle ("EV") and infrastructure training.

With 7,500 team members in nine countries, NFI is a leading global bus manufacturer of mass mobility solutions under the brands New Flyer® (heavy-duty transit buses), MCI® (motor coaches), Alexander Dennis Limited (single and double-deck buses), Plaxton (motor coaches), ARBOC® (low-floor cutaway and medium-duty buses), and NFI Parts™. NFI currently offers the widest range of sustainable drive systems available, including zero-emission electric (trolley, battery, and fuel cell), natural gas, electric hybrid, and clean diesel. In total, NFI supports its installed base of over 105,000 buses and coaches around the world. NFI's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol NFI and its convertible unsecured debentures trade on the TSX under the symbol NFI.DB. News and information is available at www.nfigroup.com, www.newflyer.com, www.mcicoach.com, www.nfi.parts, www.alexander-dennis.com, www.arbocsv.com, and www.carfaircomposites.com.

Non-IFRS Measures

Adjusted EBITDA is a non-IFRS measure, which the Company uses in evaluating its performance and which is used under the terms of the Credit Facilities. Adjusted EBITDA is not a recognized earnings or cash flow measure under International Financial Reporting Standards ("IFRS") and does not have a standardized meaning prescribed by IFRS. Readers of this press release are cautioned that Adjusted EBITDA 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. NFI's method of calculating Adjusted EBITDA can be found in the Company's Management's Discussion and Analysis for the first quarter of 2022. Such method of calculation may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers.

Liquidity is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS.

Forward-Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws, which reflect the expectations of management regarding the Company's financial performance and objectives, including the Company's expectation of receiving covenant relief and waivers under its Credit Facilities and its liquidity expectations. The words "believes", "views", "anticipates", "plans", "expects", "intends", "projects", "forecasts", "estimates", "guidance", "goals", "objectives" and "targets" and similar expressions of future events or conditional verbs such as "may", "will", "should", "could", "would" are intended to identify forward-looking statements. These forward-looking statements reflect management's current expectations regarding future events (including the temporary nature of the supply chain disruptions that the Company has been experiencing, the recovery of the Company's markets and the expected benefits to be obtained through its "NFI Forward" and "NFI

Forward 2.0" initiatives) and the Company's financial and operating performance and speak only as of the date of this press release. By their very nature, forward-looking statements require management to make assumptions and involve significant risks and uncertainties, should not be read as guarantees of future events, performance or results, and give rise to the possibility that management's predictions, forecasts, projections, expectations or conclusions will not prove to be accurate, that the assumptions may not be correct and that the Company's future growth, financial performance and objectives, liquidity position 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 and supply chain disruptions, will not occur or be achieved. In connection with obtaining the necessary covenant relief under the Credit Facilities, it is possible that certain other amendments could be made, including with respect to a reduction in the size of the facilities, an increase in the interest rates and other fees and additional restrictions on dividends and acquisitions. There can be no assurance that the Company will be successful in obtaining the necessary covenant relief or additional waivers (to the extent necessary) under the Credit Facilities, or that dividends will continue to be paid. It is also possible that the Company's liquidity position may come under additional pressure beyond management's current expectations, which could require the Company to raise additional capital.

A number of factors may cause actual results to differ materially from the results discussed in the forward-looking statements. Readers of this press release should refer to the Company's most recent Annual Information From, Management's Discussion and Analysis for the first quarter of 2022 and the Company's press release dated May 19, 2022 for a discussion of the risk factors related to the Company's business, operating results, financial condition and liquidity, risk factors related to the global COVID-19 pandemic, risk factors related to the Company's "NFI Forward" and "NFI Forward 2.0" initiatives and risk factors related to the Company's financial guidance and targets.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information. The forward-looking statements and information contained herein are made as of the date of this press release (or as otherwise indicated) and, except as required by law, the Company does not undertake to update any forward-looking statement or information, whether written or oral, that may be made from time to time by the Company or on its behalf. The Company provides no assurance that forward-looking statements and information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers and investors should not place undue reliance on forward-looking statements and information.

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[1] Calculated as total borrowings under the Credit Facilities (excludes NFI's 5.0% coupon Convertible Debentures) divided by trailing twelve-month Adjusted EBITDA with adjustments for IFRS 16 Leases accounting. See "Non-IFRS Measures" at the end of this news release for more information regarding Adjusted EBITDA.

[2] Calculated as trailing twelve month Adjusted EBITDA divided by trailing twelve-month interest expense (which includes interest from NFI's 5.0% coupon Convertible Debentures) with adjustments for IFRS 16 Leases accounting.

[3] Calculated as unrestricted cash and cash equivalents plus the aggregate amount of credit available under the Company's Credit Facilities. See "Non-IFRS Measures."