



NFI provides update for the third quarter of 2025

September 26, 2025

WINNIPEG, Manitoba, Sept. 26, 2025 (GLOBE NEWSWIRE) -- (TSX: NFI, OTC: NFYEF, TSX: NFI.DB) NFI Group Inc. (NFI or the Company) a leader in propulsion-agnostic bus and coach solutions, today provided an update on its deliveries and operations for the third quarter of 2025, including a battery recall filed with the National Highway Traffic Safety Administration and Transport Canada. All figures quoted in U.S. dollars unless otherwise noted.

Operational and Supply Chain Update

- **Deliveries:** Some of NFI's planned third quarter vehicle deliveries have shifted into the fourth quarter of 2025. The majority of these delayed deliveries are from NFI's firm backlog and are nearly complete for delivery to customers. These delays are related to the recently announced battery recall and delivery timing of certain other zero-emission buses, as well as ongoing seat supply challenges and timing of some private coach deliveries.
- **Fourth Quarter Results:** NFI expects the fourth quarter will be a strong contributor to overall 2025 financial results with significant year-over-year improvements in delivery volumes and financial performance metrics. This is in-line with the Company's guidance to deliver approximately 60% of its annual Adjusted EBITDA¹ of \$320 million to \$360 million in the second half of the year.
- **Backlog:** NFI continues to have near-record levels of backlog (\$13.5 billion as of June 30, 2025) and strong market demand for its vehicles and services. The third quarter is typically a seasonally slower period for new awards in North American markets, followed by a busier fourth quarter. The Company is actively responding to numerous bids in all its markets and has seen a marked improvement in UK market demand that is expected to support backlog growth in that market into 2026.
- **Seat Supply:** NFI continues to work closely with a challenged seat supplier on their recovery. NFI has diversified the sourcing of a significant number of seats from alternative suppliers who will represent a higher proportion of total bus seats in the fourth quarter of 2025.
- **Battery Recall:** NFI's subsidiaries, New Flyer and MCI have issued a recall on certain vehicles equipped with battery modules from one of its suppliers. The recall impacts approximately 680 delivered buses (and a small number of motor coaches), and is expected to impact only 37 vehicles currently in production for planned delivery in 2025.
- **Warranty Provision:** NFI expects that the battery recall will result in a material warranty provision being recorded in NFI's third quarter results. This provision is still being finalized as NFI is working closely with the supplier and independent experts to develop a permanent solution for the recall and on a cost recovery plan for the warranty campaign.

"Following a strong first half of 2025, where we continued to capitalize on our improved backlog to drive margin performance, we've experienced delivery delays in the third quarter that we expect to adversely impact our quarterly results," said Paul Soubry, President and Chief Executive Office, NFI. "We expect that most of these essentially complete vehicles will be delivered in the fourth quarter driving significant volume growth and margin improvements as we end the year.

"We recently launched a recall for certain zero-emission bus models that include batteries from one of our suppliers, due to the potential of a cell short circuit or other cell fault. As the safety of our customers and their passengers remains a top priority, we felt it was necessary to issue this recall. We have provided immediate guidance to customers on interim safety measures, including actions to reduce battery stress and enhance monitoring, while we work with the supplier and our independent experts on developing a permanent solution," Soubry added.

NFI expects to record a warranty provision in the third quarter of 2025 to reflect future costs associated with the recall and is working with the battery supplier on a cost recovery plan for the warranty campaign. NFI is confident that its strong Total Liquidity¹ position of over \$370 million will allow it to navigate through the recall. The Company expects to include adjustments to Adjusted EBITDA¹ and Adjusted Net Earnings¹ to normalize for this non-recurring, unusual warranty provision.

The recall primarily impacts buses in operation and is not expected to have a material impact on NFI's remaining 2025 bus and coach deliveries or its current financial guidance.

NFI Third Quarter Results

NFI will provide more details regarding vehicle deliveries and the warranty charge in its third quarter 2025 financial results which will be released on November 6, 2025, after market close, with a conference call and webcast to discuss the results on November 7, 2025, at 7:30 a.m. (Eastern Time, ET).

About NFI

Leveraging 450 years of combined experience, NFI offers a wide range of propulsion agnostic bus and coach platforms, including market leading electric models. Through its low- and zero-emission buses and coaches, infrastructure, and technology, NFI meets today's urban demands for

scalable smart mobility solutions. Together, NFI is enabling more livable cities through connected, clean, and sustainable transportation.

With nearly 9,000 team members in ten countries, NFI is a leading global bus manufacturer of mass mobility solutions under the brands New Flyer[®] (heavy-duty transit buses), MCI[®] (motorcoaches), Alexander Dennis Limited (single- and double-deck buses), Plaxton (motorcoaches), 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 (referring to propulsion systems that do not utilize internal combustion engines, such as trolley, battery, and fuel cell), natural gas, electric hybrid, and clean diesel. In total, NFI supports its installed base of over 100,000 buses and coaches around the world. NFI's common shares trade on the Toronto Stock Exchange (TSX) under the symbol NFI and its convertible unsecured debentures trade on the TSX under the symbol NFI.DB. News and information is available at www.nfigroup.com, www.newflyer.com, www.mcicoach.com, nfi.parts, www.alexander-dennis.com, arbocsv.com, and carfaircomposites.com.

Forward-Looking Statement

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 future growth, financial performance and liquidity and the Company's strategic initiatives, plans, business prospects and opportunities, including the impact of ongoing seat supply challenges, the battery recall program and plans to address them as well as expectations regarding financial guidance. The words “believes”, “views”, “anticipates”, “plans”, “expects”, “intends”, “projects”, “forecasts”, “estimates”, “guidance”, “goals”, “objectives”, “targets” and similar words or 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 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, assumptions, expectations or conclusions will not prove to be accurate. In particular, it is possible that the seat supply issues and battery recall program will have an impact on the Company that is significantly more adverse than is currently expected and that the Company's financial guidance will not be achieved.

Specific reference is made to the factors described above in this press release and in the section entitled “Risk Factors” in the Company's Annual Information Form for a discussion of the factors that may affect forward-looking statements and information. 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. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that could cause actions, events or results not to be as anticipated, estimated or intended or to occur or be achieved at all. 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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Footnotes:

1. Adjusted EBITDA, Adjusted Net Earnings represent non-IFRS measures; and Total Liquidity is a supplementary financial measure. Such measures are not defined terms under IFRS and do not have standard meanings, so they may not be a reliable way to compare NFI to other companies. Readers are advised to review NFI's filings for additional details on these non-IFRS measures.