



NFI Reports 2026 First Quarter Results

May 7, 2026

Year-over-year improvements in gross profit, Adjusted EBITDA¹ and net earnings. Closing backlog¹ of \$13.0 billion and reaffirmed 2026 guidance.

WINNIPEG, Manitoba, May 07, 2026 (GLOBE NEWSWIRE) -- (TSX: NFI, OTC: NFIYEF, TSX: NFI.DB) NFI Group Inc. ("NFI" or the "Company"), a leading manufacturer of buses and coaches and a provider of comprehensive aftermarket parts and service solutions, today announced its unaudited interim condensed consolidated financial results for the first quarter of 2026. All figures quoted in U.S. dollars unless otherwise noted.

First Quarter Highlights

- **Deliveries:** 978 equivalent units ("EUs"), with 19.9% being battery- and fuel cell-electric buses ("ZEBs")
- **Revenue:** \$842.0 million, relatively flat year-over-year
- **Gross Profit:** \$132.3 million, an increase of 40.8% from 2025 Q1, positively impacted by higher margin units being delivered from backlog¹
- **Net Earnings:** \$11.5 million, an increase of \$18.0 million year-over-year
- **Adjusted Net Earnings¹:** \$21.8 million and Adjusted Net Earnings per Share¹ of \$0.18, an improvement of \$18.9 million from 2025 Q1
- **Net cash used in operating activities:** \$54.3 million, impacted by changes in working capital items and higher cash interest and tax payments
- **Adjusted EBITDA¹:** \$86.1 million, an increase of 37.3% year-over-year
- **Backlog¹:** Approximately \$13.0 billion (6,535 EUs firm and 8,693 EUs options)
- **ROIC¹:** Increased to 12.3%, up from 7.5% in 2025 Q1
- **Liquidity¹:** \$374.6 million, an increase of \$246.7 million from 2025 Q1

Key financial metrics for 2026 Q1 and LTM are included in the table below:

in millions except deliveries and per share amounts	2026 Q1	2025 Q1	2026 Q1 LTM	2025 Q1 LTM
Deliveries (EUs)	978	1,028	4,401	4,448
IFRS Measures				
Revenue	\$ 842.0	\$ 841.4	\$ 3,615.1	\$ 3,241.0
Net Earnings (Loss)	\$ 11.5	\$ (6.5)	\$ (124.1)	\$ (0.4)
Net Earnings (Loss) per Share	\$ 0.10	\$ (0.05)	\$ (1.04)	\$ (0.00)
Net cash generated by (used in) operating activities	\$ (54.3)	\$ 40.8	\$ 78.6	\$ 42.8
Non-IFRS Measures				
Adjusted EBITDA ¹	\$ 86.1	\$ 62.7	\$ 359.1	\$ 243.2
Adjusted Net Earnings ¹	\$ 21.8	\$ 2.9	\$ 104.3	\$ 15.1
Adjusted Net Earnings per Share ¹	\$ 0.18	\$ 0.02	\$ 0.88	\$ 0.13
Free Cash Flow ¹	\$ 17.5	\$ 4.4	\$ 80.8	\$ 8.1
Return on Invested Capital (ROIC) ¹ LTM			12.3%	7.5%

CEO Comments

"We delivered a strong start to 2026, with first quarter results reflecting continued progress in manufacturing execution. Profitability metrics improved with the conversion of our backlog into revenue, complemented by a strong contribution from the aftermarket segment," said John Sapp, President and Chief Executive Officer, NFI.

"As we continue to increase vehicle production rates in transit, motorcoach and cutaway segments, our focus remains on driving supply chain performance while also enhancing the customer experience. Significant progress is being made on these initiatives and our team's efforts will support further margin expansion and earnings growth.

"Cost discipline is another area we are prioritizing and during the quarter we completed targeted restructuring actions at Alexander Dennis to improve our position in a competitive UK market. We are also actively monitoring the macro and geopolitical environments to ensure that we respond appropriately, leveraging our production footprint and aftermarket capabilities wherever possible.

"After a full quarter as CEO, I am excited about progress being made across the organization and I am confident in our team's ability to deliver on our 2026 guidance, driving continued stakeholder value this year and over the longer-term," Sapp concluded.

Segment Results

Manufacturing

- Manufacturing revenue of \$681.4 million decreased by 1.1% from 2025 Q1, reflecting lower deliveries from UK transit offset by favourable sales mix and higher deliveries in the medium-duty and cutaway segment.
- Manufacturing net earnings of \$33.8 million, an increase of \$26.6 million from 2025 Q1, was positively impacted by improved margin profile from conversion of backlog and sales mix.
- Manufacturing Adjusted EBITDA¹ of \$58.2 million improved by \$24.9 million from 2025 Q1. The increase was primarily driven by NFI converting on its strong backlog to drive improved margins and the impact of the adjustments for non-recurring events.
- At quarter-end, the Company's total backlog¹ of 15,228 EUs decreased by 7.9% on an EU basis and 4.7% on a dollar basis, from 2025 Q1.
- NFI added 1,049 EUs of new orders, supporting an LTM Book-to-Bill ratio¹ of 120.8%. The average price of an EU in backlog¹ is now approximately \$0.86 million, up 3.4% from 2025 Q1, reflecting continued success in new order pricing.
- During March, NFI started work on its previously announced North American battery recall campaign. A total of 12 buses had batteries replaced at NFI's service center network, resulting in \$2.5 million in direct cash outflows flowing through working capital. See NFI's MD&A dated March 11, 2026 for more details around the Battery Recall and Battery Settlement.

Aftermarket

- Aftermarket revenue of \$160.6 million increased by 5.3% from 2025 Q1, primarily from increased public and private market parts sales.
- Aftermarket net earnings of \$27.5 million increased by \$0.8 million from 2025 Q1, primarily from higher sales.
- Aftermarket Adjusted EBITDA¹ of \$33.3 million increased by \$0.3 million, or 0.6%.

Consolidated Net Earnings, Adjusted Net Earnings¹, and Return on Invested Capital¹

- Net Earnings of \$11.5 million (\$0.10 Net Earnings per Share), compared to Net Loss of \$6.5 million in 2025 Q1, with the improvement driven primarily by higher earnings from the manufacturing segment, unrealized foreign exchange gain and a gain from NFI's investment in the GR Seating joint venture.
- Adjusted Net Earnings¹ of \$21.8 million (\$0.18 Adjusted Net Earnings¹ per Share), up \$18.9 million from 2025 Q1, normalizes results to remove non-recurring items and fair market value adjustments.
- ROIC¹ increased to 12.3% from 7.5% in 2025 Q1, primarily due to increases in LTM operating results from improved margin performance and a lower average invested capital base.

Market Outlook

Management anticipates continuing operational and financial performance growth, with expectations for improvements in revenue, gross profit, Adjusted EBITDA¹, Free Cash Flow¹, and ROIC¹ in 2026. This improvement is expected to come from the execution of NFI's backlog¹, increases in manufacturing production, deliveries of higher-margin North American units, and from growth in NFI's aftermarket business. Many of these same factors support management's longer-term expectations for financial growth. While there are numerous positive expectations, the Company continues to navigate and adjust to evolving macroeconomic conditions including tariffs, competition and government funding dynamics.

Management's overall performance expectations are driven by several key factors:

- **New Order Activity and Market Demand:** NFI received orders for 3,577 EUs on an LTM basis, with expectations of continued order success throughout 2026 reflecting strong customer demand in NFI's core markets for transit, motorcoach, and cutaway and medium-duty customers. NFI's North American Public Bid Universe remains strong with active bids of 6,465 EUs, and a five-year forecasted customer demand of approximately 26,003 EUs.
- **Increasing Public Transit Ridership and Increasing Fleet Age:** Ridership levels in the U.S. continue to steadily increase, with the latest available APTA Ridership Trends Dashboard report (as of 2025 Q4) showing full-year bus ridership

growth of 0.7% from 2024, with 22% growth from 2022. Overall average fleet age in North American transit also remains elevated, with APTA estimating the fleet age at 8.0 years.

- **Improvements in Overall Supplier Health:** NFI has continued to see improved performance from its supply base and a continued reduction in the number of high-risk suppliers. These performance improvements have been supported by NFI's supplier development program and continued diversification of the supply chain wherever possible.
- **Strong Aftermarket Contribution:** NFI's Aftermarket segment is expected to deliver another year of revenue and earnings growth driven by demand from public and private customers within North America and international markets. In addition, the Company has potential for additional growth from dedicated programs with expectations for additional contribution in 2027.

Financial Guidance

NFI reaffirms its financial guidance for Fiscal 2026 as originally announced with its fourth quarter 2025 results on March 11, 2026.

2026 Guidance	\$ millions
Revenue	\$3,900 to \$4,200
Adjusted EBITDA ¹	\$370 to \$410
Cash Capital Expenditures	\$50 to \$60

In addition to the factors described in this press release, please refer to NFI's MD&A dated March 11, 2026 for further information regarding the assumptions and expectations for 2026 guidance. See also Forward-Looking Statements in this press release. Note that the guidance numbers above include the impact of all current and known U.S. and Canadian tariffs as of May 7, 2026, but do not reflect the potential impact of tariffs and other trade measures that may be imposed in the future.

Tariff Impacts

NFI is subject to tariffs on imports of steel and aluminum in the U.S. and Canada, and tariffs on imports of other goods from various international jurisdictions. NFI has also seen updates to pricing from its suppliers reflecting the impacts of tariffs on input components its suppliers source and import into the U.S. NFI's buses and motorcoaches are also subject to a 10% tariff on all imports of buses and motorcoaches into the United States from any jurisdiction. This impacts private motorcoaches that are manufactured in Winnipeg and bus shells that are started in Winnipeg and completed in the U.S. NFI has continued to actively engage with its customers to discuss the pricing impacts of all known tariffs on buses and motorcoaches and has been negotiating and charging surcharges to reflect the costs of those tariffs.

The guidance ranges referred to above do not take into account and may be materially adversely affected by changes to tariffs and trade policy, government funding and supply chain performance. Tariff-driven cost increases may be more difficult to offset on future deliveries, especially within the private motorcoach market. There may also be near-term cash flow implications on NFI's operations due to the timing of tariff payments, deliveries, and revenue collection, and potential decreases in order sizes due to higher prices. The impact that any future tariffs, U.S. funding developments and other trade measures could have on general economic conditions, supply chain health, customer demand and the Company's business is uncertain and could be materially adverse. In addition, there remains a risk of additional supply or operational disruptions beyond management's current expectations especially given conflicts currently ongoing in Iran, Ukraine, Russia and other jurisdictions. See Appendix A Forward Looking Statements for a description of risks and other factors and the Company's filings on SEDAR+ at www.sedarplus.ca.

First Quarter 2026 Results Conference Call

A conference call for analysts and interested listeners will be held on Friday, May 8, 2026, at 8:30 a.m. Eastern Time (ET). An accompanying results presentation will be available prior to market open on Friday, May 8, 2026, at www.nfigroup.com.

For attendees who wish to join by webcast, registration is not required; the event can be accessed at <https://edge-media-server.com/mmc/p/r53ogx94>.

Attendees who wish to join by phone must pre-register at the following link: <https://register-conf.media-server.com/register>. An email will be sent to the user's registered email address, which will provide the call-in details. Due to the possibility of emails being held up in spam filters, we highly recommend that attendees wishing to join via phone register ahead of time to ensure receipt of their access details.

A replay of the call will be accessible from about 12:00 p.m. ET on May 8, 2026, until 11:59 p.m. ET on May 8, 2027, at <https://edge-media-server.com/mmc/p/neygxyppw/>. Other materials will also be available on NFI's website at www.nfigroup.com.

About NFI Group

NFI is a leading independent global bus and coach manufacturer and a provider of aftermarket parts and service solutions. With more than 9,000 team members across ten countries and operations spanning over 40 facilities, NFI delivers a comprehensive portfolio of bus and coach platforms.

Through its brands New Flyer[®] (heavy-duty transit buses), MCI[®] (motorcoaches), Alexander Dennis Limited (single- and double-deck buses), ARBOC[®] (low-floor cutaway and medium-duty buses), and NFI Parts[™], NFI supports a diverse and extensive portfolio, serving public transit, commuter, and coach markets. In total, NFI supports an installed base of more than 100,000 buses and coaches worldwide. NFI offers a broad range of propulsion systems, 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 advanced diesel technologies, providing agencies with multiple fleet technology options. NFI's common shares trade on the Toronto Stock Exchange (TSX: NFI) and its convertible unsecured debentures trade 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.

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Footnotes:

- Adjusted EBITDA, Adjusted Net Earnings (Loss), and Free Cash Flow represent non-IFRS measures; Adjusted Net Earnings (Loss) per Share and Return on Invested Capital ("ROIC") are non-IFRS ratios; and Liquidity and Backlog are supplementary financial measures. Such measures and ratios 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. Adjusted Net Earnings (Loss) per Share is based on the non-IFRS measure Adjusted Net Earnings (Loss). ROIC is based on net operating profit after tax and average invested capital, both of which are non-IFRS measures. Book-to-Bill Ratio is a non-IFRS measure and is defined as new firm orders and exercised options divided by new deliveries. See "Non-IFRS Measures" and detailed reconciliations of IFRS Measures to non-IFRS Measures in the Appendices of this press release. Readers are advised to review the unaudited interim condensed consolidated financial statements for 2026 Q1 (including notes) (the "Financial Statements") and the related Management's Discussion and Analysis (the "MD&A").
- Results noted herein are for the 13-week period ("2026 Q1") and the 52-week period ("2026 Q1 LTM") ended March 29, 2026. The comparisons reported in this press release compare 2026 Q1 to the 13-week period ("2025 Q1") and 2026 Q1 LTM to the 52-week period ("2025 Q1 LTM") ended March 30, 2025. Comparisons and comments are also made to the 13-week period ("2025 Q4") period ended December 28, 2025. The term "LTM" is an abbreviation for "Last Twelve-Month Period".

Appendix A - Reconciliation Tables

Reconciliation of Net Earnings (Loss) to Adjusted EBITDA^{NG} and Net Operating Profit after Taxes^{NG}

Non-IFRS measures in the appendices of this press release have been denoted with an "NG". Please see Appendix B: "Non-IFRS and Other Financial Measures" section.

Management believes that Adjusted EBITDA^{NG}, and Net Operating Profit After Taxes ("NOPAT")^{NG} are important measures in evaluating the historical operating performance of the Company. However, Adjusted EBITDA^{NG} and NOPAT^{NG} are not recognized earnings measures under IFRS Accounting Standards and do not have standardized meanings prescribed by IFRS. Accordingly, Adjusted EBITDA^{NG} and NOPAT^{NG} may not be comparable to similar measures presented by other issuers. Readers of this press release are cautioned that Adjusted EBITDA^{NG} should not be construed as an alternative to net earnings or loss determined in accordance with IFRS Accounting Standards and NOPAT^{NG} should not be construed as an alternative to earnings (loss) from operations determined in accordance with IFRS Accounting Standards as an indicator of the Company's performance. The Company defines Adjusted EBITDA^{NG} as earnings before interest, income tax, depreciation and amortization after adjusting for the effects of certain non-recurring, non-operating, and items occurring outside of normal operations that do not reflect the current ongoing cash operations of the Company. These adjustments are provided in the following table reconciling net earnings or losses to Adjusted EBITDA^{NG} based on the historical financial statements of the Company for the periods indicated. The Company defines NOPAT^{NG} as Adjusted EBITDA^{NG} less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%.

(\$ thousands)	2026 Q1	2025 Q1	52-Weeks Ended March 29, 2026	52-Weeks Ended March 30, 2025
Net earnings (loss)	11,512	(6,486)	(124,122)	(368)
Addback				
Income tax expense	8,559	480	27,582	3,341
Interest expense ⁷	41,385	38,358	129,171	138,644
Depreciation and amortization	19,951	18,181	79,326	77,074
(Gain) loss on disposition of property, plant and equipment and right of use assets	(128)	(149)	(72)	140
Unrealized foreign exchange gain on non-current monetary items and forward foreign exchange contracts	(3,980)	(1,106)	(1,048)	(14,232)
Equity settled stock-based compensation	1,783	372	4,230	2,216
Expenses incurred outside of normal operations ⁸	3,045	10,636	20,219	21,665
Loss on debt extinguishment ¹⁰	-	-	43,185	234
Impairment loss on goodwill and intangible assets ⁹	129	-	93,646	1,250
Fee for early repayment of 2023 second lien debt ¹²	-	-	10,825	-
Impairment loss on property, plant, and equipment ¹¹	-	-	504	-
Share of profit of joint ventures accounted for using the equity method ¹⁶	(6,760)	-	(1,994)	-
Battery Recall and Battery Settlement ¹⁴	3,138	-	60,550	-

Restructuring costs ⁶	7,449	2,410	17,780	13,234
Prior year sales tax provision ¹⁵	-	-	(631)	-
Adjusted EBITDA ^{NG}	86,083	62,696	359,151	243,198
Depreciation of property, plant and equipment and right of use assets	(11,784)	(10,744)	(49,411)	(45,469)
Tax at 31%	(23,033)	(16,105)	(96,019)	(61,296)
NOPAT ^{NG}	51,266	35,847	213,721	136,433
Adjusted EBITDA is comprised of:				
Manufacturing	58,168	33,232	258,177	119,640
Aftermarket	33,252	33,048	124,531	135,132
Corporate	(5,337)	(3,584)	(23,557)	(11,574)

(Footnotes on page 8)

Free Cash Flow^{NG} and Free Cash Flow per Share^{NG}

Management uses Free Cash Flow^{NG} and Free Cash Flow per Share^{NG} as non-IFRS measures to evaluate the Company's operating performance and liquidity^{NG}, to assess the Company's ability to pay dividends on the Shares, service debt, pay interest on the Debentures and meet other payment obligations. However, Free Cash Flow^{NG} and Free Cash Flow per Share^{NG} are not recognized earnings measures under IFRS Accounting Standards and do not have standardized meanings prescribed by IFRS. Accordingly, Free Cash Flow^{NG} and the associated per Share figure may not be comparable to similar measures presented by other issuers. Readers of this press release are cautioned that Free Cash Flow^{NG} should not be construed as an alternative to cash flows from operating activities determined in accordance with IFRS Accounting Standards as a measure of liquidity^{NG} and cash flow. The Company defines Free Cash Flow^{NG} as net cash generated by or used in operating activities adjusted for changes in non-cash working capital items and adjusted for items as shown in the reconciliation of net cash generated by operating activities (an IFRS Accounting Standards measure) to Free Cash Flow^{NG} based on the Company's historical financial statements.

The Company generates its Free Cash Flow^{NG} from operations and management expects this will continue to be the case for the foreseeable future. Net cash flows generated from operating activities are significantly impacted by changes in non-cash working capital. The Company uses its 2025 First Lien Facility to finance working capital and therefore has excluded the impact of working capital in calculating Free Cash Flow^{NG}.

The Company defines Free Cash Flow per Share^{NG} as Free Cash Flow^{NG} divided by the average number of Shares outstanding.

(\$ thousands, except per Share figures)	2026 Q1	2025 Q1	52-Weeks Ended March 29, 2026	52-Weeks Ended March 30, 2025
Net cash (used in) generated by operating activities	(54,267)	40,800	78,601	42,785
Changes in non-cash working capital items ²	67,829	(23,748)	19,687	40,702
Interest paid ²	38,182	33,618	95,722	121,544
Interest expense ²	(30,212)	(32,326)	(118,683)	(123,407)
Income taxes paid (recovered) ²	20,788	(740)	58,494	4,325
Current income tax expense ²	(13,950)	(12,483)	(81,425)	(43,796)
Repayment of obligations under lease	(6,723)	(5,372)	(23,349)	(23,223)
Cash capital expenditures	(11,487)	(5,900)	(39,463)	(28,002)
Acquisition of intangible assets	(6,249)	(2,206)	(15,503)	(16,947)
Proceeds from disposition of property, plant and equipment	-	-	102	241
Defined benefit funding ³	733	717	2,676	2,721
Defined benefit expense ³	(913)	(490)	(4,052)	(3,318)
Expenses incurred outside of normal operations ⁸	3,045	10,636	20,219	21,665
Foreign exchange gain (loss) on cash held in foreign currency ⁴	101	(506)	900	(460)
Fee for early repayment of 2023 second lien debt ¹²	-	-	10,825	-
Asset impairment ¹³	-	-	(1,619)	-
Battery Recall and Battery Settlement ¹⁴	3,138	-	60,550	-
Restructuring costs ⁶	7,449	2,410	17,780	13,234
Prior year sales tax provision ¹⁵	-	-	(631)	-
Free Cash Flow ^{NG}	17,464	4,410	80,831	8,066
U.S. exchange rate ¹	1.3709	1.4317	1.3849	1.4041
Free Cash Flow (C\$) ^{NG}	23,941	6,314	111,941	11,326
Free Cash Flow per Share (C\$) ^{NG, 5}	0.2010	0.0530	0.9400	0.0952

1. U.S. exchange rate (C\$ per US\$) is the average exchange rate for the period.

2. Changes in non-cash working capital are excluded from the calculation of Free Cash Flow^{NG} as these temporary fluctuations are managed through the 2025 First Lien Facility which are available to fund general corporate requirements, including working capital requirements, subject to borrowing capacity restrictions. Changes in non-cash working capital are presented on the unaudited interim condensed consolidated statements of cash flows net of interest and income taxes paid.
3. The cash effect of the difference between the defined benefit expense and funding is included in the determination of cash from operating activities. This cash effect is excluded in the determination of Free Cash Flow^{NG} as management believes that the defined benefit expense amount provides a more appropriate measure, as the defined benefit funding can be impacted by special payments to reduce the unfunded pension liability.
4. Foreign exchange gain (loss) on cash held in foreign currency is excluded in the determination of cash from operating activities under IFRS Accounting Standards; however, because it is a cash item, management believes it should be included in the calculation of Free Cash Flow^{NG}.
5. Per Share calculations for Free Cash Flow^{NG} (C\$) are determined by dividing Free Cash Flow^{NG} by the total number of all issued and outstanding Shares using the weighted average over the period. The weighted average number of Shares outstanding for 2026 Q1 was 119,100,537 and 119,043,590 2025 Q1. The weighted average number of Shares outstanding for 2026 Q1 LTM and 2025 Q1 LTM was 119,085,480 and 119,026,166, respectively.
6. Normalized to exclude non-operating restructuring costs. Costs primarily related to severance costs, labour inefficiencies, medical costs, right-of-use asset impairments, and inventory impairments associated with restructuring initiatives. In 2025 Q2, NFI recorded a \$14.8 million restructuring provision related to the expected employee reductions at Alexander Dennis. In 2025 Q3, with the advocacy and intervention of the Scottish government and Scottish enterprise, NFI announced that the Scottish manufacturing sites would remain open. This resulted in net recoveries of \$7.9 million related to previously expected employee reductions. In 2025 Q4, NFI recorded \$3.5 million non-operating restructuring costs related to Alexander Dennis. On March 31st, 2026, the Company announced that the Falkirk, Scotland manufacturing site would be closed and the Larbert, Scotland site would be converted to manufacture chassis. This resulted in a write-off of the furlough receivable from the Scottish government, as well as other restructuring costs totaling \$7.5 million in 2026 Q1.
7. Includes fair market value adjustments to interest rate swaps, cash conversion option on the Debentures, and the prepayment option on the Company's second lien debt. 2026 Q1 includes a gain of \$0.4 million compared to a gain of \$0.2 million in 2025 Q1 for the interest rate swaps. 2026 Q1 includes a loss of \$0.7 million and 2025 Q1 includes a gain of \$1.7 million on the cash conversion option. The prepayment option related to the 2023 Second Lien Debt had a loss of \$2.3 million in 2025 Q1. Following the high-yield debt issuance in 2025 Q2, the prepayment option expired. The 2025 second lien optional redemption had a loss of \$7.6 million in 2026 Q1.
8. Includes adjustments made related to items that occurred outside of normal operations. Labour and overhead costs from the seat supply disruption were \$16.8 million in 2026 Q1 LTM compared to \$21.7 million in 2025 Q1 LTM. 2026 Q1 includes costs incurred for legal services for the Battery Recall and Battery Settlement and costs associated with the CEO transition.
9. In 2024 Q4, the Company recognized an impairment loss on an internally developed intangible asset that was discontinued for \$1.3 million. In 2025 Q2, the Company recorded \$80.9 million intangible asset impairment, and \$10.0 million goodwill impairment related to the Alexander Dennis manufacturing business unit. In 2025 Q4, the Company recorded a \$2.7 million intangible asset impairment loss related to a New Product Development project.
10. In 2024 Q2, the Company recognized an accounting loss of \$0.2 million for the debt extinguishment related to the amendments made to the Manitoba Development Centre ("MCD") senior unsecured facility. In 2025 Q2, the Company recognized an accounting loss of \$43.2 million for the debt extinguishment as a result of the Company's comprehensive refinancing with the 2025 First Lien Facility.
11. In 2025 Q2, NFI recorded impairments related to the reductions in expected new vehicle demand in response to increased competition within the UK market. This resulted in \$4.3 million property, plant and equipment impairment with the Alexander Dennis manufacturing business unit. In 2025 Q3, with the advocacy and intervention of the Scottish government and Scottish enterprise, NFI announced that the Scottish manufacturing sites would remain open. This resulted in recoveries of \$3.8 million in 2025 Q3 related to the previous impairment recorded on property, plant and equipment.
12. In 2025 Q2, the Company incurred an early repayment fee of \$10.8 million associated with the 2023 second lien debt.
13. In 2025 Q2, NFI recorded an impairment on the previously recorded California Air Resources Board (CARB) credit of \$1.6 million.
14. During 2025 Q3, NFI declared a Battery Recall related to certain battery modules from XALT. The recall impacted approximately 700 battery-electric buses and motorcoaches (primarily New Flyer buses). In 2025 Q4, NFI reached a settlement and signed the MSA with XALT Energy, LLC and its parent company. As part of this settlement, NFI received cash and assets totaling \$166.0 million. This also includes other miscellaneous amounts related to the Battery Settlement. 2026 Q1 includes \$3.1 million in costs related to the management of the Battery Recall program.
15. In 2025 Q4, the Company released a prior years sales tax provision for \$0.6 million.
16. During 2025 Q4, NFI in partnership with GILLIG, formed a 50/50 joint venture to acquire the assets of American Seating Corporation. In 2026 Q1, NFI recorded \$6.8 million equity method income from GR Seating.

Reconciliation of Net Earnings (Loss) to Adjusted Net Earnings (Loss)^{NG}

Management believes that Adjusted Net Earnings (Loss)^{NG} and the associated per Share figure are important measures in evaluating the historical operating performance of the Company. Adjusted Net Earnings (Loss)^{NG} and Adjusted Net Earnings (Loss) per Share^{NG} are not recognized measures under IFRS Accounting Standards and do not have standardized meanings prescribed by IFRS. Accordingly, Adjusted Net Earnings (Loss)^{NG} and Adjusted Net Earnings (Loss) per Share^{NG} may not be comparable to similar measures presented by other issuers. Readers of this press release are cautioned that Adjusted Net Earnings (Loss)^{NG} and Adjusted Net Earnings (Loss) per Share^{NG} should not be construed as an alternative to net loss, or net loss per share, determined in accordance with IFRS Accounting Standards as indicators of the Company's performance.

The Company defines Adjusted Net Earnings (Loss)^{NG} as net earnings (loss) after adjusting for the after tax effects of certain non-recurring, non-operating and items occurring outside of normal operation, that do not reflect the current ongoing cash operations of the Company. These adjustments are provided in the following reconciliation of net earnings (loss) to Adjusted Net Earnings (Loss)^{NG} based on the historical financial statements of the Company for the periods indicated.

The Company defines Adjusted Net Earnings (Loss)^{NG} per share as Adjusted Net Earnings (Loss)^{NG} divided by the average number of Shares outstanding.

(\$ thousands, except per Share figures)	2026 Q1	2025 Q1	52-Weeks Ended March 29, 2026	52-Weeks Ended March 30, 2025
Net earnings (loss)	11,512	(6,486)	(124,122)	(368)
Adjustments, net of tax ^{1,2}				
Unrealized foreign exchange gain	(2,746)	(763)	(723)	(9,819)
Unrealized (gain) loss on interest rate swap	(256)	(116)	(208)	1,238
Unrealized loss (gain) on cash conversion option	495	(1,196)	439	(3,022)
Unrealized loss (gain) on prepayment option of 2023 second lien debt ³	-	1,586	(11,006)	(3,268)
Unrealized loss on 2025 second lien optional redemption ³	5,251	-	5,561	-
Accretion associated to gain on debt modification	-	(709)	(304)	(2,080)
Loss on debt extinguishment ⁴	-	-	29,798	161
Equity settled stock-based compensation	1,230	257	2,918	1,529
(Gain) loss on disposition of property, plant and equipment and right-of-use asset	(88)	(103)	(50)	97
Expenses incurred outside of normal operations ⁵	2,101	7,339	13,951	14,949
Accretion in carrying value of convertible debt and cash conversion option	1,557	1,446	6,049	5,693
Deferred tax assets not recognized ¹⁰	-	-	34,443	-
Other tax adjustments	-	-	(6,311)	-
Impairment loss on property, plant, and equipment ⁸	-	-	504	-
Impairment loss on goodwill and intangible assets ⁶	129	-	93,646	863
Fee for early repayment of 2023 second lien debt ⁹	-	-	7,469	-
Share of profit of joint ventures accounted for using the equity method ¹³	(4,664)	-	(1,375)	-
Battery Recall and Battery Settlement ¹¹	2,165	-	41,780	-
Restructuring costs ⁷	5,140	1,663	12,269	9,132
Prior year sales tax provision ¹²	-	-	(435)	-
Adjusted Net Earnings^{NG}	21,826	2,918	104,293	15,105
Earnings (Loss) per Share (basic)	0.10	(0.05)	(1.04)	(0.00)
Earnings (Loss) per Share (fully diluted)	0.10	(0.05)	(1.04)	(0.00)
Adjusted Net Earnings per Share (basic) ^{NG}	0.18	0.02	0.88	0.13
Adjusted Net Earnings per Share (fully diluted) ^{NG}	0.18	0.02	0.88	0.13

1. Addback items are derived from the historical financial statements of the Company.
2. The Company has utilized a rate of 31.0% to tax effect the adjustments for the periods above and footnotes below, unless shown otherwise.
3. The unrealized loss (gain) on the prepayment option is related to the Company's 2023 second lien debt instrument. The debt instrument had an unrealized loss in 2025 Q1 LTM. After the 2025 Second Lien Debt offering in 2025 Q2, the 2023 second lien debt instrument and the related prepayment option were extinguished. The Company can exercise an option to

redeem the 2025 Second Lien Debt before the maturity date; this option had a fair value loss of \$5.3 million in 2026 Q1 and \$5.6 million in 2026 Q1 LTM.

4. In 2025 Q2, the Company recognized an accounting loss of \$29.8 million for the debt extinguishment as a result of the Company's comprehensive refinancing with the 2025 First Lien Facility.
5. Includes adjustments made related to items that occurred outside of normal operations. Labour and overhead costs from the seat supply disruption were \$11.6 million in 2026 Q1 LTM compared to \$15.0 million in 2025 Q1 LTM. 2026 Q1 includes costs incurred for legal services for the Battery Recall and Battery Settlement and costs associated with the CEO transition.
6. In 2024 Q4, the Company recognized an impairment loss on an internally developed intangible asset that was discontinued for \$1.3 million. In 2025 Q2, the Company recorded \$80.9 million intangible asset impairment, and \$10.0 million goodwill impairment related to the Alexander Dennis manufacturing business unit. In 2025 Q4, the Company recorded a \$2.7 million intangible asset impairment loss related to an New Product Development project.
7. Normalized to exclude non-operating restructuring costs. Costs primarily related to severance costs, inefficient labour costs, increased medical costs and right-of-use asset impairments and inventory impairments associated with other restructuring initiatives. In 2025 Q2, NFI recorded a restructuring provision related to the expected employee reductions at Alexander Dennis. In 2025 Q3, with the advocacy and intervention of the Scottish government and Scottish enterprise, NFI announced that the Scottish manufacturing sites would remain open. This resulted in recoveries of \$5.5 million related to previously expected employee reductions. In 2025 Q4, NFI recorded \$2.4 million non-operating restructuring costs related to Alexander Dennis. On March 31st, 2026, the Company announced that the Falkirk, Scotland manufacturing site would be closed and the Larbert, Scotland site would be converted to manufacture chassis. This resulted in a write-off of the furlough receivable from the Scottish government, as well as other restructuring costs totaling \$5.1 million in 2026 Q1. Free Cash Flow^{NG} reconciling amounts are net of right-of-use asset and property, plant and equipment impairments.
8. In 2025 Q2, NFI recorded impairments related to the reductions in expected new vehicle demand in response to increased competition within the UK market. This resulted in \$4.3 million property, plant and equipment impairment within the Alexander Dennis manufacturing business unit. In 2025 Q3, with the advocacy and intervention of the Scottish government and Scottish enterprise, NFI announced that the Scottish manufacturing sites would remain open. This resulted in recoveries of \$3.8 million related to the previously recorded property, plant and equipment impairments.
9. In 2025 Q2, the Company was assessed an early repayment fee of \$7.5 million associated with the 2023 second lien debt.
10. The Company recorded a write-down of deferred tax assets of \$34.4 million, the ETR was detrimentally impacted by the derecognition of deferred tax assets associated with the UK operations.
11. During 2025 Q3, NFI declared a Battery Recall related to certain battery modules from XALT. The recall impacted approximately 700 battery-electric buses and motorcoaches (primarily New Flyer buses). In 2025 Q4, NFI reached a settlement and signed the master settlement agreement with XALT Energy, LLC and its parent company. As part of this settlement, NFI received cash and assets totaling \$114.5 million. This also includes other miscellaneous amounts related to the Battery Settlement.
12. In 2025 Q4, the Company released a prior years sales tax provision for \$0.4 million.
13. During 2025 Q4, NFI and GILLIG formed a 50/50 joint venture to acquire the assets of American Seating Corporation. In 2025 Q4, NFI recorded \$4.7 million equity method income from GR Seating.

Reconciliation of Shareholders' Equity to Invested Capital^{NG}

The following table reconciles Shareholders' Equity to Invested Capital. The average invested capital for the last twelve months is used in the calculation of ROIC^{NG}. ROIC^{NG} is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. Accordingly, ROIC^{NG} may not be comparable to similar measures presented by other issuers. See Non-IFRS Measures for the definition of ROIC^{NG}.

(\$ thousands)	2026 Q1	2025 Q4	2025 Q3	2025 Q2
Shareholders' Equity	597,709	586,448	417,925	557,787
Addback				
Long term debt	299,103	269,881	273,334	324,660
Second lien debt	607,469	606,919	607,887	611,056
Obligation under lease	141,580	140,438	134,973	129,738
Convertible debentures	237,335	238,468	231,841	233,567
Senior unsecured debt	35,735	35,226	33,659	33,322
Derivatives	(11,015)	(16,772)	(15,644)	(13,852)
Cash	(77,374)	(118,548)	(72,649)	(78,912)
Invested Capital^{NG}	1,830,542	1,742,060	1,611,326	1,797,366
Average of invested capital ^{NG} over the quarter	1,786,301	1,676,693	1,704,346	1,803,165

	2025 Q1	2024 Q4	2024 Q3	2024 Q2
Shareholders' Equity	703,529	707,754	699,717	704,031
Addback				
Long term debt	643,872	610,237	610,624	576,145
Second lien debt	174,202	173,741	173,309	172,910
Obligation under lease	129,629	129,511	130,020	131,382
Convertible debentures	221,540	218,020	230,453	225,628
Senior unsecured debt	51,051	50,040	56,210	54,997
Derivatives	(6,874)	(10,497)	2,327	(2,740)
Cash	(107,985)	(49,557)	(59,720)	(77,445)
Invested Capital^{NG}	1,808,964	1,829,249	1,842,940	1,784,908
Average of invested capital ^{NG} over the quarter	1,819,107	1,836,095	1,813,922	1,785,059

Appendix B - Non-IFRS Measures and Forward-Looking Statements

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 and expenses incurred outside the normal course of operations 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-operating costs or recoveries related to business acquisition, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, proportion of the total return swap realized, equity settled stock-based compensation, expenses incurred outside the normal course of operations, recovery of currency transactions, prior year sales tax provision, COVID-19 costs and impairment loss on goodwill and non-operating restructuring costs.

References to "NOPAT" are to Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%.

"Free Cash Flow" means 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, expenses incurred outside the normal course of operations, proportion of total return swap, unrecoverable insurance costs, prior year sales tax provision, non-operating restructuring costs, extraordinary COVID-19 costs, foreign exchange gain or loss on cash held in foreign currency.

References to "ROIC" are to NOPAT divided by average invested capital for the last twelve 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).

"Invested Capital" is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. Management believes that Invested Capital is an important measure in evaluating the Company's financial position. The Company defines Invested Capital as total interest-bearing debt plus derivative liabilities plus equity less cash on hand.

"Book-to-Bill ratio" is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. The Company defines Book-to-Bill ratio as new firm orders and exercised options divided by new deliveries.

References to "Adjusted Net Earnings (Loss)" are to 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, recovery on currency transactions, expenses incurred outside the normal course of operations prior year sales tax provision, COVID-19 costs and non-operating restructuring costs.

References to "Adjusted Net Earnings (Loss) per Share" are to Adjusted Net Earnings (Loss) divided by the average number of Shares outstanding.

Management believes Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings (Loss) and Adjusted Net Earnings (Loss) per Share are useful measures in evaluating the performance of the Company. However, Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings (Loss) and Adjusted Earnings (Loss) per Share are not recognized earnings or cash flow measures under IFRS and do not have standardized meanings prescribed by IFRS. Readers of this press release are cautioned that ROIC, Adjusted Net Earnings (Loss) and 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, and Free Cash Flow should not be construed as an alternative to cash flows from operating, investing and financing activities determined in accordance with IFRS as a measure of liquidity and cash flows. A reconciliation of net earnings (loss) to Adjusted EBITDA, based on the Financial Statements, has been provided under the headings "Reconciliation of Net Loss to Adjusted EBITDA and Net Operating Profit After Taxes". A reconciliation of net earnings (loss) to Adjusted Net Earnings (Loss) is provided under the heading "Reconciliation of Net Loss to Adjusted Net Loss".

NFI's method of calculating Adjusted EBITDA, ROIC, Free Cash Flow, Adjusted Net Earnings and Adjusted Net Earnings per Share may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers.

Dividends paid from Free Cash Flow are not assured, and the actual amount of dividends received by holders of Shares will depend on, among other things, the Company's financial performance, debt covenants and obligations, working capital requirements and future capital requirements, all of which are susceptible to a number of risks, as described in NFI's public filings available on SEDAR at www.sedarplus.ca.

"Liquidity" is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. The Company defines liquidity as cash on-hand plus available capacity under its 2025 First Lien Facility.

"Backlog" value is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. The Company defines backlog as the number of EUs in the backlog multiplied by their expected selling price.

References to NFI's geographic regions for the purpose of reporting global revenues are as follows: "North America" refers to Canada, United States, and Mexico; United Kingdom and Europe refer to the United Kingdom and Europe; and "Asia Pacific" or "APAC" refers to Hong Kong, Malaysia, Singapore, Australia, and New Zealand.

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 future growth, financial performance and liquidity and the Company's strategic initiatives, plans, business prospects and opportunities, including the repeat costs and remedies relating to the Battery Recall, the impact of and recovery from supply chain disruptions and plans to address them, the steps the Company plans to take to improve liquidity and the impact of tariffs, other trade measures and U.S. policy developments regarding federal vehicle funding. 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 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 condition, ability to generate sufficient cash flow, maintain adequate liquidity and manage supply chain disruptions and the Company's strategic initiatives, objectives, plans, business prospects and opportunities, will not occur or be achieved.

The Company continues to experience various global and regional supply chain and logistics challenges, inflationary price increases for parts, components and other inputs used in the manufacturing processes, as well as labour shortages. The Company is currently working through a battery recall. The Company has taken and continues to take various steps to mitigate these issues (including the current North American seat supply issue and battery recall), but they continue to have a significant negative impact on the Company's business, operating results, financial condition and liquidity. These issues may continue and/or worsen, including as the Company continues to ramp up production levels. While NFI has experienced significant improvement in overall supplier performance, the supply of certain parts and components continues to be challenged and may deteriorate, including with respect to other parts and components. There can be no assurance as to if or when production operations will return to pre-pandemic production rates or deliveries. Supply chain issues could also potentially expose the Company to liquidated damages penalties under certain transit bus and motorcoach purchase contracts if it is unable to meet the applicable delivery deadlines under such contracts. While the Company is closely managing its liquidity, it is possible that various events (such as delayed deliveries and customer acceptances, delayed customer payments, supply chain issues, product recalls and warranty claims) could significantly impair the Company's liquidity and there can be no assurance that the Company would be able to obtain additional liquidity when required in such circumstances. In addition, as the Company is in the process of ramping up production levels and an increasing percentage of the Company's orders are ZEBs that have a higher manufacturing cost, the Company's working capital requirements have increased compared to prior years. There can be no assurance that the Company will be able to maintain sufficient liquidity for an extended period or have access to additional capital when required in such circumstances and the Company's financial performance and condition, cash flow and liquidity and its ability to maintain compliance with the covenants under its credit facilities may be impaired.

The level, type, coverage and duration of tariffs and other trade measures imposed by the US, Canada and China is fluidly evolving and may continue to change and evolve in unpredictable ways. The impact of tariffs and other trade measures on general economic conditions, customer demand and on the Company's business is uncertain and may be significant. Such impacts may include general inflationary pressures as well as new and exacerbated supply chain disruptions leading to production inefficiencies, delivery delays and additional liquidity deterioration. It is impossible to predict the full impact on the Company of tariffs or other trade actions, and if they are in place for an extended period they may have a material adverse effect on the Company's business, operating results, financial condition and liquidity and may result in the Company not achieving its finalized guidance. In addition, U.S. federal funding for transit buses and motorcoaches, including electric vehicles, could potentially be significantly reduced as a result of the U.S. administration's recent executive orders and potential policy changes. This could significantly impact the ability of U.S. transit agencies to purchase vehicles from the Company, which would likely have the most significant impact on purchases of electric vehicles. There can be no assurance as to the continuation or future amount of U.S. federal funding for transit bus and motorcoach purchases.

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.