



NFI Group Update on Operations

April 6, 2020

- In response to the ongoing impacts of COVID-19 and NFI's concern for employee health and welfare, the Company will extend temporary idling of its new bus and coach production facilities into May 2020.
- NFI continues to maintain essential technical, operational, and administrative staff as well as its aftermarket parts, service, and support business to support customers and complete and deliver vehicles-in-progress.
- NFI believes its existing liquidity and financial capacity are currently sufficient to support operations, but is prudently evaluating its options and is in advanced discussions with banking partners regarding credit facility covenant relief and access to additional capital.

Winnipeg, Manitoba, Canada, April 6, 2020 – (TSX: NFI) NFI Group Inc. (“NFI” or the “Company”) today announced it will extend the idling of nearly all bus and coach production facilities to help ensure the safety of its employees, customers, and suppliers during the ongoing COVID-19 pandemic. While the Company has essentially idled production of new vehicles, it continues to complete and deliver vehicles that were at various stages of production (or work-in-progress), fulfill aftermarket parts orders, and collect outstanding receivables. The Company has also maintained a complement of staff to ensure it responds to active and new procurements, supports vehicles in service, and completes essential facility maintenance.

Based on information currently available and revised government mandates, management anticipates new bus and motor coach production may recommence operations in May 2020. Individual facility startup dates are likely to be unique, based on local government directives, health advisories, employee availability, and customer and supply chain readiness.

Financial Update

NFI's cost structure is largely variable and driven by production. To reduce fixed costs management has implemented numerous measures (detailed in the Company's March 23, 2020 press release) that have lowered the Company's expected monthly cash outflows.

Based on current financial projections, management believes that the Company's existing liquidity, combined with expected cash receipts are sufficient to support its operations during this period of uncertainty. Management believes it is prudent to evaluate all options with respect to the Company's financial liquidity to ensure the Company has the financial flexibility to meet its financial obligations and its various stakeholders' needs and expectations. The Company is in advanced discussions with its banking partners to obtain covenant relief under its existing credit facility and increase its access to capital.

Government Assistance Programs

NFI is also evaluating various Canadian, American, and UK government financial assistance programs that have been created to help address the impacts of the COVID-19 pandemic. One such program is the U.S. government's Coronavirus Aid, Relief, and Economic Security (CARES) Act, which includes dedicated support for transit agencies across the U.S., which continue to provide an essential service during the COVID-19 pandemic. Under the CARES Act, Congress appropriated USD \$25 billion to the Federal Transit Administration for urban and rural transit agencies to support operating and qualified capital expenses to prevent, prepare for, and respond to the COVID-19 pandemic.

This financial assistance represents approximately three times the average annual funding that agencies would have typically received had the pandemic not occurred. While the immediate focus of fund allocation is on operational expenses to recover, stabilize, and remobilize transit agencies, funds may also be used for capital purchases of rolling stock with no local fund matching requirement in order to access the funds.

“We are focused on balancing the needs of all NFI stakeholders. At this time we have to prioritize the health and safety of our team members, customers, and supplier partners. As a result, extending the idling period of our new vehicle production is necessary,” said Paul Soubry, President and Chief Executive Officer of NFI. “The COVID-19 pandemic is an unprecedented global crisis and we must remain nimble as we navigate through this fluid environment. We were quick to institute the appropriate measures with an emphasis on business continuity and reducing cash expenditures. We expect these measures, as well as securing additional financial flexibility through our banking partners, will position us to resume normal operations in an expedited manner when the situation allows.”

About NFI

With more than 9,000 team members operating from 50 facilities across ten countries, NFI is a leading independent global bus manufacturer providing a comprehensive suite of mass transportation solutions under brands: New Flyer[®] (heavy-duty transit buses), Alexander Dennis Limited (single and double-deck buses), Plaxton (motor coaches), MCI[®] (motor coaches), ARBOC[®] (low-floor cutaway and medium-duty buses), and NFI Parts[™]. NFI vehicles incorporate the widest range of drive systems available including: clean diesel, natural gas, diesel-electric hybrid, and zero-emission electric (trolley, battery, and fuel cell). In total, NFI now supports over 105,000 buses and coaches currently in service around the world.

NFI common shares are traded on the Toronto Stock Exchange under the symbol NFI. Further information is available at www.nfigroup.com, www.newflyer.com, www.mcicoach.com, www.arbocsv.com, www.nfi.parts, www.alexander-dennis.com, and www.carfaircomposites.com.

Forward-Looking Statements

Certain statements in this press release are “forward looking statements”, which reflect the expectations of management regarding the Company's future growth, liquidity, cost reduction plans, results of operations, performance and business prospects and opportunities. The words “believes”, “anticipates”, “plans”, “expects”, “intends”, “projects”, “forecasts”, “estimates”, “may”, “will” and similar expressions are intended to identify forward looking statements. These forward-looking statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this press release. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not or the times at or by which such performance or results will be achieved.

Actual results may differ materially and adversely from management expectations as projected in such forward-looking statements for a variety of reasons, including, but not limited to, the magnitude and length of the global, national and regional economic and social disruption being caused as a result of the global COVID-19 pandemic; the impact of national, regional and local governmental laws, regulations and “shelter in place” or similar orders relating to the COVID-19 pandemic which materially adversely impact the Company's ability to continue operations; additional partial or complete closures of one, more or all of the Company's facilities and work locations (including to protect the health and safety of the Company's employees) or the extension of such closures as a result of the COVID-19 pandemic; continuing and worsening supply delays and shortages of parts and components and disruption to labour supply as a result of the COVID-19 pandemic; the COVID-19 pandemic will likely adversely affect operations of customers as a result of shutdowns and/or disruptions to their operations and the services provided to their customers and end users; the Company's ability to successfully negotiate and obtain acceptable covenant relief under its credit facility and to obtain access to additional capital; the Company's financial performance and condition, obligations, cash flow and liquidity and its ability to maintain compliance with the covenants under its credit facility, which may also negatively impact the ability of the Company to fund dividends; and the other risks and uncertainties detailed in the disclosure documents filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com. These above risks relating to the impact of the COVID-19 pandemic may materially adversely impact the Company's business, operating performance and financial condition, including as a result of reduction to the Company's cashflow, liquidity and its ability to maintain compliance with covenants under its credit facility. There can be no assurance that the Company will be able to obtain covenant relief under its credit facilities or access additional capital or access to government financial support or as to when production operations will commence.

The Company cautions that due to the dynamic, fluid and highly unpredictable nature of the COVID-19 pandemic and its impact on global and local economies, businesses and individuals, it is impossible to predict the severity of the impact on the Company's business, operating performance and financial condition and any material adverse effects could very well be rapid, unexpected and may continue for an extended and unknown period of time. The extent of such impact will depend on future developments, which are unpredictable, including new information which may emerge concerning the spread and severity of COVID-19 and actions taken by governments and health organizations around the world to address its impact, among others.

Due to the potential impact of these and other factors, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

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