

NFI Announces Third Quarter Results

Improvements in Deliveries, Revenue, Free Cash Flow¹, Adjusted EBITDA¹ and Liquidity¹ with a total backlog of \$13.2 billion

Winnipeg, Manitoba, CANADA – November 6, 2025: (TSX: NFI, OTC: NFIYEF, TSX: NFI.DB) NFI Group Inc. ("NFI" or the "Company"), a leader in propulsion agnostic bus and coach mobility solutions, today announced its unaudited interim condensed consolidated financial results for the third quarter of 2025. All figures quoted in U.S. dollars unless otherwise noted.

Third Quarter Highlights

- **Deliveries:** 1,114 equivalent units ("EUs"), with 27.6% being battery- and fuel cell-electric buses ("ZEBs")
- **Revenue:** \$879.9 million, an increase of 23.7% year-over-year
- **Gross Loss:** \$114.3 million, the Company would have reported a Gross Profit of \$115.6 million, with gross margin of 13.1%, without the impact of the battery recall warranty provisions
- **Net Loss:** \$140.9 million, with Net Loss per Share of \$1.18, impacted by the battery recall warranty provisions
- **Adjusted Net Earnings¹:** \$12.1 million and Adjusted Net Earnings per Share¹ of \$0.10
- **Net cash generated by operating activities:** \$83.9 million, positively impacted by working capital benefits from battery recall provision charges, advance customer payments, and decreases in interest and finance costs
- **Adjusted EBITDA¹:** \$80.9 million, an increase of 52.1% year-over-year
- **Backlog¹:** \$13.2 billion (5,774 EUs firm and 9,832 EUs options), up 7.0% year-over-year; ZEBs represent 35.1% of total backlog¹ EUs
- **ROIC¹:** increased to 9.1%, up from 5.3% in 2024 Q3
- **Liquidity¹:** \$386.0 million, a 169.0% increase from 2024 Q3

Key financial metrics for 2025 Q3 are included in the table below:

in millions except deliveries and per share amounts	2025 Q3	2024 Q3	2025 Q3 LTM	2024 Q3 LTM
Deliveries (EUs)	1,114	994	4,398	4,594
IFRS Measures				
Revenue	\$ 879.9	\$ 711.3	\$ 3,426.4	\$ 3,082.0
Net loss	\$ (140.9)	\$ (15.0)	\$ (289.5)	\$ (24.2)
Net loss per share	\$ (1.18)	\$ (0.13)	\$ (2.43)	\$ (0.20)
Net cash generated (used) by operating activities	\$ 83.9	\$ (45.2)	\$ 72.6	\$ 53.0
Non-IFRS Measures				
Adjusted EBITDA ¹	\$ 80.9	\$ 53.2	\$ 282.4	\$ 185.0
Adjusted Net Earnings ¹	\$ 12.1	\$ (4.8)	\$ 39.7	\$ (23.2)
Adjusted Net Earnings per Share ¹	\$ 0.10	\$ (0.04)	\$ 0.33	\$ (0.20)
Free Cash Flow ¹	\$ 14.8	\$ 2.0	\$ 35.5	\$ (15.7)
Return on Invested Capital (ROIC) ¹	9.1%	3.5%	9.1%	3.5%

CEO Comments

"The third quarter saw improvements in delivery performance with improved revenue and expanded margins per unit delivered as we converted our stronger backlog into results. These operational gains translated into significant growth in Adjusted EBITDA and Free Cash Flow reinforcing our continued focus on deleveraging and growing liquidity," said Paul Soubry, President and Chief Executive Officer, NFI. "These positives were partially offset by warranty charges related to a battery recall and associated support costs. We are in detailed discussions with the supplier who provides those systems and expect to reach an agreement on recall costs as we move through the fourth quarter."

"We continued to drive performance enhancements to our supply chain, including a joint venture investment to take over the assets of American Seating. We feel this joint venture will stabilize and enhance operations, ensuring more consistent supply for their customers, including NFI, and the millions of riders who use those seats every day."

"Our aftermarket business remained a strong contributor, even as quarterly margins were impacted by lower contribution from retrofit programs. We see opportunities for improved performance in that segment as it executes on several growth-related initiatives and fully reflect tariff impacts within its pricing models. The tariff environment continues to evolve, with a new tariff coming into effect on November 1st. We are working closely with suppliers and customers to ensure our pricing reflects these latest developments and continue to view tariffs primarily as pass-through costs, although private motor coach demand may be impacted."

"Given our year-to-date performance we've narrowed our 2025 guidance ranges and remain confident in our ability to deliver strong revenue and margin growth in the fourth quarter. We expect this momentum will result in NFI recording it's highest quarterly Adjusted EBITDA performance in Company history," Soubry concluded.

2025 North American Battery Recall

During the quarter, NFI initiated a voluntary recall with the National Highway Traffic Safety Administration and Transport Canada. The recall impacted approximately 700 battery-electric buses and coaches (primarily New Flyer buses) equipped with certain battery modules from a common supplier, XALT Energy, LLC (referred to as XALT). After issuing the recall, NFI deployed operational guidelines and software to limit the state of charge and speed of charging for the continued safe operation of the affected buses and coaches.

The Company has now determined that full battery replacement on these buses is required. NFI is finalizing its execution plan, with the replacement campaign expected to take approximately 18 to 24 months to complete, starting in the first half of 2026. In 2025 Q3, NFI recorded a warranty provision of \$229.9 million, reflecting the estimated costs for full battery replacement on all the vehicles impacted by the recall and estimated future costs associated with supporting vehicles in service that have other older XALT batteries (collectively, the Battery Recall). NFI has executed a tentative term sheet with XALT regarding the ongoing battery recall and is working towards a definitive agreement concerning the associated costs.

Amounts accrued for the Battery Recall are based on management's best estimates of the amounts that will ultimately be required to settle such items as of this writing. Adjustments to these figures may be made as changes in the cost estimates become known. These adjustments can have a favorable or unfavorable impact on NFI's results.

Additionally, on October 28, 2025, XALT announced its decision to exit battery manufacturing, advising that it will wind down its U.S. battery operations. XALT's wind down does not change NFI's expectation to finalize an agreement that meets the Company's operational requirements and the needs of its customers.

NFI had previously taken proactive steps to move its primary battery supply for New Flyer battery-electric buses to a different supplier, who has been providing battery systems to NFI since 2023. This supplier is expected to provide batteries on new battery-electric buses in production and potentially the replacement of batteries on buses impacted by the recall.

Segment Results

Manufacturing

- Manufacturing revenue increased by \$164.2 million, or 29.4%, from 2024 Q3, reflecting improved pricing on heavy-duty transit and coach deliveries, stronger product mix and higher transit and low-floor cutaway deliveries.
- Manufacturing net loss of \$131.9 million, as improved unit margins were offset by the Battery Recall warranty provision and timing delays from seat related supply disruption.
- Without the impact of the Battery Recall the Manufacturing segment would have reported net earnings of \$26.7 million, a \$32.5 million improvement from 2024 Q3.
- Manufacturing Adjusted EBITDA¹ improved by \$36.1 million from 2024 Q3. The increase was primarily driven by higher revenue and improved unit margins within North American heavy-duty transit and coach.
- At quarter-end, the Company's total backlog¹ (firm and options) of 15,606 EUs (value of \$13.2 billion) increased by 7.0% on an EU basis and 10.4% on a dollar basis, from 2024 Q3.
- NFI added 644 EUs of new orders, supporting an LTM Book-to-Bill ratio¹ of 108.5%. The average price of an EU in backlog¹ is now \$0.85 million, a 3.2% increase from 2024 Q2, reflecting the continued improvements in new order pricing.

Aftermarket

- Aftermarket revenue of \$157.1 million, increased by 2.8% from 2024 Q3, primarily from increased pricing dynamics.
- Aftermarket net earnings decreased by \$6.4 million from 2024 Q3 reflecting unfavourable sales mix and tariff impacts.
- Aftermarket Adjusted EBITDA¹ decreased by \$6.0 million, or 17.5%, primarily due to the same items that impacted Net earnings.

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

- Net loss of \$140.9 million (\$1.18 per Share), compared to Net loss of \$15.0 million in 2024 Q3, driven primarily by the Battery Recall.
- Adjusted Net Earnings¹ of \$12.1 million (\$0.10 per Share), includes adjustments for the Battery Recall and other fair market value normalization adjustments.
- ROIC¹ increased to 9.1% from 5.3% in 2024 Q3, primarily due to the increase in Adjusted EBITDA¹ and a decrease in the invested capital base¹, which decreased due to lower shareholders equity and long-term debt combined with lower working capital balances.

Market Outlook

Management continues to see strong operational and financial metrics that support expectations for improvements to revenue, gross profit, Adjusted EBITDA¹, Free Cash Flow¹, and ROIC¹, for the remainder of 2025 and into 2026 and beyond. Confidence in the long-term outlook comes as the Company executes on its backlog¹, increases bus and coach production, and delivers on high-margin units while growing its aftermarket and Infrastructure Solutions™ businesses.

Management's growth expectations are driven by several key factors:

- **New Order Activity:** NFI received orders for 5,893 EUs on an LTM basis, with expectations for further orders in 2025 and 2026 following the U.S. government's May announcement of funding apportionments for fiscal year 2025.
- **Funding and Market Demand:** In May 2025, the FTA released funding apportionments for \$20.6 billion with dedicated bus programs remaining at the same levels as 2024. This funding supports future procurement activity and NFI's North American Public Bid Universe remains strong with active bids of 7,503 EUs, and a five-year forecasted customer demand of 22,956 EUs. NFI has also seen overall increases in market demand for public and private coaches and low-floor cutaways fueled by growing ridership, increased travel, aging fleet assets and ongoing return to work initiatives.

- **Increasing Public Transit Ridership and Increasing Fleet Age:** Ridership levels in the U.S. remain on an upward trend, with the latest available American Public Transit Association (APTA) Ridership Trends Dashboard report (as of 2025 Q2) showing bus ridership growth of 1.8% year-over-year. Average fleet age in North American transit has also increased, with APTA estimating the fleet age at 8.8 years and NFI estimating that nearly half of North American transit buses have surpassed 12 years of service.
- **Improvements in Overall Supplier Health:** NFI has continued to see a significant decline in the number of moderate and high-risk suppliers, now at three high-risk suppliers out of the Company's top 800 suppliers.

NFI's strategy to provide the broadest offering of propulsion agnostic buses and coaches, built on common production lines, has positioned the Company well to realize upon growing demand as it can support customers diverse fleet plans even if demand for specific propulsion types shift. This offering includes low and zero-emission buses and coaches, alongside its broader solutions offering of aftermarket parts, training, Infrastructure Solutions™, and financing.

Financial Guidance

Reflecting year-to-date financial performance and expected fourth quarter deliveries and aftermarket parts sales, NFI has made adjustments to tighten its expected financial guidance ranges for Fiscal 2025.

	2025 Original Guidance	2025 Updated Guidance
Revenue	\$3.8 to \$4.2 billion	\$3.5 to \$3.7 billion
ZEBs (electric) as a percentage of manufacturing sales	35% - 40%	approximately 35%
Adjusted EBITDA ¹	\$320 to \$360 million	\$320 to \$340 million
Cash Capital Expenditures	\$50 to \$60 million	\$45 to \$50 million
ROIC ¹	9% to 12%	9% to 12%

Revenue and ZEBs (electric) as a percentage of manufacturing sales: Updated range reflects year-to-date performance, expected deliveries and sales mix for the fourth quarter (which typically has higher sales volumes from private segment customers in the U.K. and North America). Overall ZEB deliveries and sales for 2025 are expected to be on the lower end of the original guidance range reflecting timing impacts from customer acceptances and the impacts of some supply related disruption.

Adjusted EBITDA¹: The higher end of the range was adjusted reflecting year-to-date performance within the manufacturing and aftermarket segments and lower ZEB deliveries. NFI expects year-over-year improvement in vehicle deliveries and improved gross margins, supporting expectations for the Company to report its highest ever quarterly Adjusted EBITDA¹ in 2025 Q4.

Cash Capital Expenditures: The range was updated to reflect year-to-date investments and expectations that cash capital expenditures for 2025 will be lower than original guidance, even as the Company has invested into new facilities and equipment.

Please refer to NFI's MD&A dated March 13, 2025, for the information regarding the original assumptions and expectations for 2025 guidance that have been adjusted above to reflect the latest estimates. Note that the guidance numbers above include the year-to-date impact of U.S. and Canadian tariffs, but do not reflect the potential impact of tariffs on fourth quarter performance.

Tariff Impacts

During the third quarter, NFI was subject to tariffs on imports of steel and aluminum in the U.S. and Canada, and tariffs on imports of goods from various international jurisdictions. In addition, NFI also began to receive updated pricing from its suppliers reflecting the impacts of tariffs on input components they source and import into the U.S. NFI has been actively engaging with its customers to discuss the pricing impacts of tariffs on buses and coaches for their parts and commodities sourced from international suppliers, and has begun the process of negotiating and charging surcharges to reflect the costs of those tariffs.

NFI had seen stability in the overall tariff environment and its impact on operations during the third quarter, but did anticipate that it may experience some additional costs as suppliers increase prices to reflect the impact of tariffs on their products. A new tariff of 10% on all imports of buses and coaches into the United States from any jurisdiction went into effect on November 1st, 2025, and is expected to lead to increased pricing and tariff surcharges to end users. NFI anticipates that a significant portion of increased costs resulting from U.S. and Canadian tariffs impacting its public transit buses and public motorcoaches can be passed on to end customers through contractual obligations and through general price increases. This is likely to require negotiation with customers and such contractual protections may not cover all costs or be effective for extended periods.

Tariff-driven cost increases may be more difficult to offset in the private coach market. However, the impact on NFI's 2025 results is moderated by the transactional sales model and current inventory of private coaches that are in the United States and have lower tariff costs. Over the medium and longer-term higher prices from tariffs may negatively impact overall demand (and production) within the private coach segment, as all importers now face a standard 10% tariff. NFI is assessing the potential impacts of these newly implemented tariffs and will adjust production and cost levels as required. 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 of 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, the current seat supply disruptions may be extended and/or exacerbated beyond management's current expectations, and there remains a risk of additional supply or operational disruptions. 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.

Third Quarter 2025 Results Conference Call

A conference call for analysts and interested listeners will be held on Friday, November 7, 2025, at 7:30 a.m. Eastern Time (ET). An accompanying results presentation will be available prior to market open on Friday, November 7, 2025, 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/4d6kaumk/>.

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 November 7, 2025, until 11:59 p.m. ET on November 7, 2026, at <https://edge.media-server.com/mmc/p/4d6kaumk/>. Other materials will also be available on NFI's website at www.nfigroup.com.

About NFI Group

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.

With over 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**[®] (motor coaches), **Alexander Dennis Limited** (single and double-deck buses), **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 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 ("Shares") trade on the Toronto Stock Exchange ("TSX") under the symbol NFI and its convertible unsecured debentures ("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.

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Footnotes:

1. 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 audited consolidated financial statements (including notes) (the "Financial Statements") and the related Management's Discussion and Analysis (the "MD&A").
2. Results noted herein are for the 13-week period ("2025 Q3") and the 52-week period ("2025 Q3 LTM") ended September 28, 2025. The comparisons reported in this press release compare 2025 Q3 to the 13-week period ("2024 Q3") and 2025 Q3 LTM to the 52-week period ("2024 Q3 LTM") ended September 29, 2024. Comparisons and comments are also made to the 13-week period ("2025 Q2") ended June 29, 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)	2025 Q3	2024 Q3	39-Weeks Ended September 28, 2025	39-Weeks Ended September 29, 2024	52-Weeks Ended September 28, 2025	52-Weeks Ended September 29, 2024
Net loss	(140,879)	(14,993)	(308,140)	(21,859)	(289,576)	(24,190)
Addback						
Income tax (recovery) expense	(51,513)	360	(40,088)	(3,452)	(39,804)	(15,644)
Interest expense ⁸	31,961	38,553	96,040	103,141	123,838	140,420
Amortization	19,616	18,708	57,621	60,556	77,195	80,234
(Gain) loss on disposition of property, plant and equipment and right of use assets ¹⁵	(36)	11	(195)	(32)	29	(94)
Loss on debt modification ¹³	-	-	-	-	-	1,600
Loss on debt extinguishment ¹⁴	-	-	43,185	234	43,185	234
Fee for early repayment of 2023 second lien debt ¹⁶	-	-	10,825	-	10,825	-
Unrealized foreign exchange (gain) loss on non-current monetary items and forward foreign exchange contracts	(1,338)	1,585	(2,396)	(6,531)	(14,482)	(5,271)
Past service costs and other pension costs ¹²	-	-	-	-	-	(7,000)
Equity settled stock-based compensation	499	925	2,220	2,191	2,262	2,891
Unrecoverable insurance costs and other ⁷	-	-	-	116	-	1,009
Expenses incurred outside of normal operations ⁹	4,471	-	24,804	-	35,861	132
Battery Recall ¹⁸	229,859	-	229,859	-	229,859	-
Prior year sales tax provision ¹¹	-	-	-	-	-	41
Impairment loss on intangible assets ¹⁰	-	-	80,897	1,028	82,147	1,028
Impairment loss on goodwill ¹⁵	-	-	9,965	-	9,965	-
Impairment (recovery) loss on property, plant and equipment ¹⁵	(3,829)	-	504	-	504	-
Restructuring costs ⁶	(7,864)	8,056	9,352	11,160	10,531	9,616
Adjusted EBITDA ^{NG}	80,947	53,205	214,453	146,552	282,339	185,006
Depreciation of property, plant and equipment and right of use assets	(12,299)	(10,718)	(35,190)	(36,276)	(46,695)	(48,124)
Tax at 31%	(21,281)	(13,171)	(55,571)	(34,186)	(73,050)	(42,433)
NOPAT ^{NG}	47,367	29,316	123,691	76,091	162,594	94,449
Adjusted EBITDA ^{NG} is comprised of:						
Manufacturing	53,365	17,329	139,155	48,983	174,361	60,077
Aftermarket	28,319	34,333	91,918	106,771	124,688	136,251
Corporate	(737)	1,543	(16,620)	(9,202)	(16,710)	(11,322)

(Footnotes on page 9)

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)		39-Weeks	39-Weeks	52-Weeks	52-Weeks
	2025 Q3	2024 Q3	Ended September 28, 2025	Ended September 29, 2024	Ended September 28, 2025	Ended September 29, 2024
Net cash generated by (used in) operating activities	83,869	(45,240)	55,059	(2,152)	72,551	52,974
Changes in non-cash working capital items ²	(250,531)	35,445	(230,066)	47,983	(223,172)	28,812
Interest paid ²	12,531	45,824	79,834	90,924	110,017	110,034
Interest expense ²	(28,411)	(30,837)	(91,894)	(93,998)	(122,527)	(125,904)
Income taxes paid (recovered) ²	9,912	9,788	36,959	264	38,755	(8,143)
Current income tax expense ²	(15,497)	(6,206)	(36,968)	(23,361)	(49,918)	(7,488)
Repayment of obligations under lease	(5,472)	(3,867)	(15,703)	(16,378)	(23,685)	(23,683)
Cash capital expenditures	(12,842)	(7,309)	(26,375)	(21,792)	(34,897)	(31,914)
Acquisition of intangible assets	(3,972)	(3,097)	(8,706)	(10,328)	(15,975)	(13,156)
Proceeds from disposition of property, plant and equipment	69	66	82	923	122	1,442
Defined benefit funding ³	704	975	2,172	2,475	2,527	3,393
Defined benefit expense ³	(816)	(1,237)	(2,708)	(2,829)	(3,650)	(3,523)
Past service costs and other pension costs ¹²	-	-	-	-	-	(7,000)
Expenses incurred outside of normal operations ⁹	4,471	-	24,804	-	35,861	132
Unrecoverable insurance costs and other ⁷	-	-	-	116	-	1,009
Asset impairment ¹⁷	-	-	(1,619)	-	(1,619)	-
Fee for early repayment of 2023 second lien debt ¹⁶	-	-	10,825	-	10,825	-
Battery Recall ¹⁸	229,859	-	229,859	-	229,859	-
Prior year sales tax provision ¹¹	-	-	-	-	-	41
Restructuring costs ⁶	(7,864)	8,056	9,352	11,160	10,531	12,170
Foreign exchange loss on cash held in foreign currency ⁴	(1,189)	(406)	(18)	(1,390)	(146)	(4,895)
Free Cash Flow^{NG}	14,821	1,955	34,889	(18,382)	35,459	(15,699)
U.S. exchange rate ¹	1.3765	1.3516	1.3874	1.3516	1.3883	1.3585
Free Cash Flow (C\$)^{NG}	20,401	2,642	48,404	(24,845)	49,227	(21,326)
Free Cash Flow per Share (C\$)^{NG, 5}	0.1713	0.0222	0.4066	(0.2088)	0.4137	(0.1792)

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 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 2025 Q3 was 119,083,747 and 119,028,532 for 2024 Q3. The weighted average number of Shares outstanding for 2025 Q3 LTM and 2024 Q3 LTM was 119,056,781 and 118,989,934, respectively.
6. 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 restructuring initiatives. In 2025 Q2, NFI recorded a \$14.8 million restructuring provision related to the expected role reductions at Alexander Dennis. Free Cash Flow^{NG} reconciling amounts are net of right-of-use asset and property, plant and equipment impairments. 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 \$12.6 million related to previously expected role reductions.
7. Normalized to exclude non-operating costs related to an insurance event that are not recoverable, or are related to the deductible.
8. Includes fair market value adjustments to interest rate swaps, cash conversion option on the Debentures, and to the prepayment option on the Company's second lien debt. 2025 Q3 includes a gain of \$0.2 million compared to a gain of \$0.2 million in 2024 Q3 for the interest rate swaps. 2025 Q3 includes a gain of \$2.1 million and 2024 Q3 includes a gain of \$5.2 million on the cash conversion option. The prepayment option related to the 2023 Second Lien Debt had a gain of \$16.0 million in 2025 Q3 and a gain of \$0.6 million in 2024 Q3.
9. Includes adjustments made related to items that occurred outside of normal operations. This includes specified items purchased in broker markets at a premium and associated broker fees, which the Company provided to suppliers, and does not normally directly purchase. In 2025 Q3, \$4.5 million in labour and overhead costs were incurred as a result of the seat supply disruption, in addition to \$9.7 million recognized in 2025 Q2, \$10.6 million recognized and 2025 Q1, and \$11.1 million recognized in 2024 Q4.
10. In 2024 Q1, the Company recognized an impairment loss on a New Product Development ("NPD") project for \$1.0 million. In 2025 Q2, the Company recorded a \$80.9 million intangible asset impairment related to the Alexander Dennis manufacturing business unit.
11. Provision for sales taxes as a result of a previous state sales tax review.
12. Costs and recoveries associated with amendments to, and closures of, the Company's pension plans. 2022 Q2 includes \$7.0 million for the liability related to the closure of MCI's Pembina facility and withdrawal from the multi-employer pension plan. In 2023 Q4, the Company made the decision to continue operations of the Pembina facility indefinitely, thereby reversing the above adjustments made in 2022 Q2.
13. As a result of the Company's comprehensive refinancing, the Company had recognized an accounting gain in 2023 Q3 stemming from the modification made to its prior secured facilities. In 2023 Q4, an accounting loss was recorded to adjust the gain on debt modification.
14. In 2024 Q2, the Company recognized an accounting loss for the debt extinguishment related to the amendments made to the MDC 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.
15. 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 a \$4.3 million property, plant and equipment impairment, and a \$10 million goodwill 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 impairment

16. The company was assessed an early repayment fee of \$10.8 million was associated with the 2023 Second Lien Debt.
17. In 2025 Q2, NFI recorded an impairment on the previously recorded California Air Resources Board (CARB) credit of \$1.6 million.
18. During 2025 Q3, NFI initiated a Battery Recall related to certain battery modules from a common supplier, XALT Energy, LLC. The recall impacted approximately 700 battery-electric buses and coaches (primarily New Flyer buses).

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)			39-Weeks Ended	39-Weeks Ended	52-Weeks Ended	52-Weeks Ended
	2025 Q3	2024 Q3	September 28, 2025	September 29, 2024	September 28, 2025	September 29, 2024
Net loss	(140,879)	(14,993)	(308,140)	(21,859)	(289,576)	(24,190)
Adjustments, net of tax ^{1,2}						
Unrealized foreign exchange (gain) loss	(923)	1,094	(1,653)	(4,506)	(9,992)	(3,637)
Unrealized loss (gain) on interest rate swap	106	1,915	(246)	794	(689)	794
Unrealized (gain) loss on cash conversion option	(1,475)	3,598	(703)	779	(6,047)	1,134
Unrealized gain on prepayment option of second lien debt ³	-	(3,734)	(9,420)	(5,871)	(10,160)	(6,640)
Unrealized loss on second lien optional redemption	1,056	-	2,201	-	2,201	-
Loss on debt modification ⁴	-	-	-	-	-	1,104
Accretion associated to gain on debt modification	-	(345)	(1,013)	(1,007)	(1,703)	(1,458)
Loss on debt extinguishment ⁵	-	-	29,798	161	29,798	161
Equity settled stock-based compensation	344	638	1,532	1,511	1,561	1,994
(Gain) loss on disposition of property, plant and equipment	(25)	8	(135)	(22)	20	(65)
Past service costs and other pension costs ⁶	-	-	-	-	-	(4,830)
Unrecoverable insurance costs and other ⁷	-	-	-	80	-	696
Deferred tax assets not recognized ¹⁴	-	-	34,443	-	34,443	-
Expenses incurred outside of normal operations ⁸	3,085	-	17,115	-	24,744	(1,191)
Other tax adjustments	-	-	(6,311)	-	(6,311)	-
Impairment loss on goodwill ¹²	-	-	9,965	-	9,965	-
Battery Recall ¹⁵	158,603	-	158,603	-	158,603	-
Fee for early repayment of 2023 second lien debt ¹³	-	-	7,469	-	7,469	-
Impairment (recovery) loss on property, plant, and equipment ¹²	(3,829)	-	504	-	504	-
Accretion in carrying value of convertible debt and cash conversion option	1,500	1,419	4,414	4,174	5,854	5,511
Prior year sales tax provision ⁹	-	-	-	-	-	28
Impairment loss on intangible assets ¹⁰	-	-	80,897	709	81,760	709
Restructuring costs ¹¹	(5,426)	5,559	6,453	7,700	7,267	6,635
Adjusted Net Earnings (Loss) ^{NG}	12,137	(4,841)	25,773	(17,357)	39,711	(23,245)
Loss per Share (basic)	(1.18)	(0.13)	(2.59)	(0.18)	(2.43)	(0.20)
Loss per Share (fully diluted)	(1.18)	(0.13)	(2.59)	(0.18)	(2.43)	(0.20)
Adjusted Net Earnings (Loss) per Share (basic) ^{NG}	0.10	(0.04)	0.23	(0.15)	0.34	(0.20)
Adjusted Net Earnings (Loss) per Share (fully diluted) ^{NG}	0.10	(0.04)	0.22	(0.15)	0.33	(0.20)

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.
3. The unrealized gain on the prepayment option is related to the Company's Second Lien Debt instrument.
4. As a result of the Company's refinancing in 2023, the Company has recognized an accounting gain stemming from the modification made to its prior secured facilities.
5. In 2024 Q2, the Company recognized an accounting loss for the debt extinguishment related to the amendments made to the MDC senior unsecured facility. In 2025 Q2, the Company recognized an accounting loss for the debt extinguishment as a result of the Company's comprehensive refinancing with the 2025 First Lien Facility.
6. Costs and recoveries associated with amendments to, and closures of, the Company's pension plans. In 2022 Q2, \$7.0 million liability was recorded related to the anticipated closure of MCI's Pembina facility and withdrawal from the multi-employer pension plan. In 2023 Q4, the Company made the decision to continue operations of the Pembina facility indefinitely, thereby reversing the above adjustments made in 2022 Q2.
7. Normalized to exclude non-operating costs related to an insurance event that are not recoverable, or are related to the deductible.
8. Includes adjustments made related to items that occurred outside of normal operations. This includes specified items purchased in broker markets at a premium and associated broker fees, which the Company provided to suppliers, and does not normally directly purchase. In 2025 Q3, \$4.5 million in labour and overhead costs were incurred as a result of the seat supply disruption, in addition to \$9.7 million recognized in 2025 Q2, \$10.6 million recognized and 2025 Q1, and \$11.1 million recognized in 2024 Q4. 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 \$12.6 million related to previously expected role reductions.
9. Provision for sales taxes as a result of a previous state sales tax review.
10. In 2024 Q1, the Company recognized an impairment loss on an NPD project for \$1.0 million. In 2025 Q2, the Company recorded a \$80.9 million intangible asset impairment related to the Alexander Dennis manufacturing business unit.
11. 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 role reductions at Alexander Dennis. Free Cash Flow^{NG} reconciling amounts are net of right-of-use asset and property, plant and equipment impairments
12. 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 a \$4.3 million property, plant and equipment impairment, and a \$10 million goodwill 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 impairment.
13. The Company was assessed a fee for early repayment associated with the 2023 Second Lien Debt.
14. 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.
15. During 2025 Q3, NFI initiated a Battery Recall related to certain battery modules from a common supplier, XALT Energy, LLC. The recall impacted approximately 700 battery-electric buses and coaches (primarily New Flyer buses).

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

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^{ING}. ROIC^{ING} is not a recognized measure under IFRS and does not have a standardized meaning prescribed by IFRS. Accordingly, ROIC^{ING} may not be comparable to similar measures presented by other issuers. See Non-IFRS Measures for the definition of ROIC^{ING}.

(\$ thousands)	2025 Q3	2025 Q2	2025 Q1	2024 Q4
Shareholders' Equity	417,925	557,787	703,529	707,754
Addback				
Long term debt	273,334	324,660	643,872	610,237
Second lien debt	607,887	611,056	174,202	173,741
Obligation under lease	134,973	129,738	129,629	129,511
Convertible debentures	231,841	233,567	221,540	218,020
Senior unsecured debt	33,659	33,322	51,051	50,040
Derivatives	(15,644)	(13,852)	(6,874)	(10,497)
Cash	(72,649)	(78,912)	(107,985)	(49,557)
Invested Capital^{ING}	1,611,326	1,797,366	1,808,964	1,829,249
Average of invested capital ^{ING} over the quarter	1,704,346	1,803,165	1,819,107	1,836,095
	2024 Q3	2024 Q2	2024 Q1	2023 Q4
Shareholders' Equity	699,717	704,031	697,580	702,913
Addback				
Long term debt	610,624	576,145	562,324	536,037
Second lien debt	173,309	172,910	172,568	172,396
Obligation under lease	130,020	131,382	135,959	138,003
Convertible debentures	230,453	225,628	225,972	228,985
Senior unsecured debt	56,210	54,997	61,081	61,796
Derivatives	2,327	(2,740)	(1,783)	8,010
Cash	(59,720)	(77,445)	(68,491)	(49,615)
Invested Capital^{ING}	1,842,940	1,784,908	1,785,210	1,798,525
Average of invested capital ^{ING} over the quarter	1,813,922	1,785,059	1,791,868	1,802,654

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 Secured Facilities, without consideration given to the minimum banking liquidity requirement under the Secured Facilities.

"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 Call. 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 motor coach purchase contracts if it is unable to meet the applicable delivery deadlines under such contacts. 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 coaches, 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 coach 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.