



Leading the **ZE**volution.™

Laurentian Bank Securities 8th Annual Institutional Investor Conference
April 6, 2021

Cautionary Statement

Certain statements in this presentation are “forward looking statements,” which reflect the expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. These forward-looking statements are made as of the date of this presentation and NFI assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws. See the Appendix to this presentation for more details about the forward-looking statements.

In addition, certain financial measures used in this presentation are not recognized earnings measures and do not have standardized meanings prescribed by International Financial Reporting Standards (“IFRS”). Therefore, they may not be comparable to similar measures presented by other issuers. See the Appendix to this presentation and the Company's related Management Discussion & Analysis (“MD&A”) for more information and detailed reconciliation to the applicable IFRS measures.

All figures in U.S. dollars unless otherwise noted.



Key Terms

- Buses manufactured by New Flyer and ADL's single and double deck buses are classified as "**transit buses**". ARBOC manufactures body on-chassis or "**cutaway**" and "**medium-duty**" buses that service transit, paratransit, and shuttle applications. Collectively, transit buses, medium-duty buses and cutaways, are referred to as "**buses**".
- A "**motor coach**" or "**coach**" is a 35-foot to 45-foot over-the-highway bus typically used for intercity transportation and travel over longer distances than heavy-duty transit buses, and is typically characterized by (i) one or two axles in the rear (related to the weight of the vehicle), (ii) high deck floor, (iii) baggage compartment under the floor, (iv) high-backed seats with a coach-style interior (often including a lavatory), and (v) no room for standing passengers.
- **Zero-emission buses** ("**ZEBs**") consist of trolley-electric, hydrogen fuel cell-electric, and battery-electric buses.
- One **equivalent unit** (or "**EU**") represents one production slot, being one 30-foot, 35-foot, 40-foot, 45-foot heavy-duty transit bus, one double deck bus, one medium-duty bus, one cutaway bus or one motor coach, whereas one articulated transit bus represents two equivalent units. An articulated transit bus is an extra-long transit bus (approximately 60-feet in length), composed of two passenger compartments connected by a joint mechanism. The joint mechanism allows the vehicle to bend when the bus turns a corner, yet have a continuous interior.
- Many public customer contracts include options to purchase transit buses and motor coaches in the future, and a large portion of the Company's order book is represented by "**options**" as opposed to "**firm orders**."



NFI is a leading **global independent bus and motor coach manufacturer** driving the evolution to zero-emission mobility.

OUR VISION

To enable the **future of mobility** with innovative and **sustainable solutions**.

OUR MISSION

To design and deliver **exceptional transportation solutions** that are safe, accessible, efficient and reliable.



NA Market Leader in Heavy-Duty Transit Buses and Infrastructure Solutions



NA Market Leader in Motor Coaches



UK Market Leader in Bus and Coach; World Leader in Double Deck Buses



NA market leader in Low-floor Cutaway and medium-duty Shuttle buses

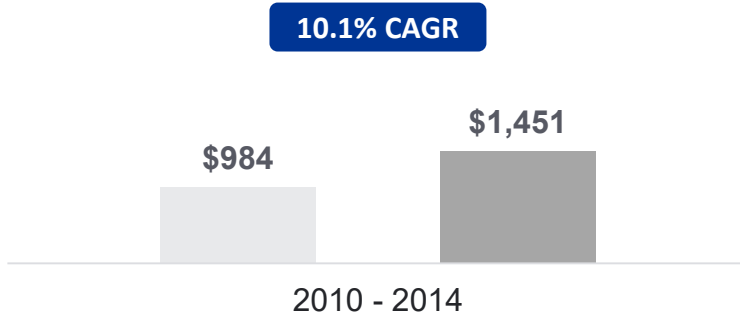


Market leader in Bus/Coach Parts

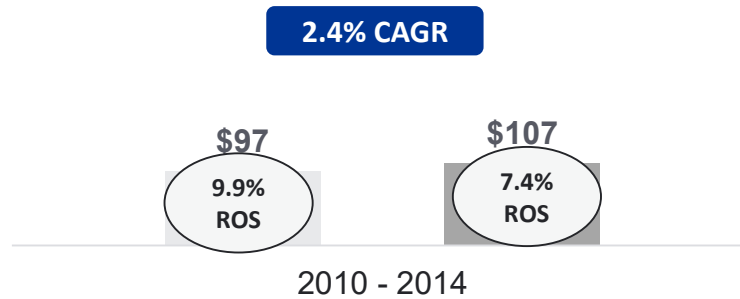
Our history builds the foundation for our future

North American Market Rationalization 2010 - 2014

REVENUE (\$M)



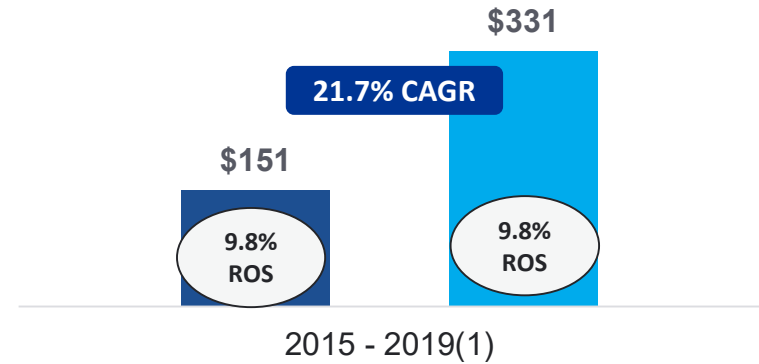
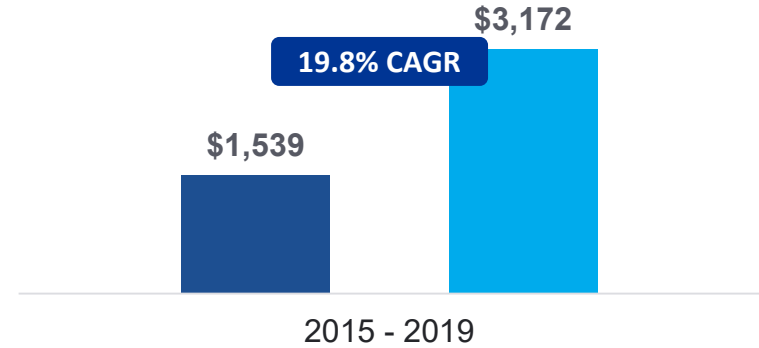
ADJ EBITDA (\$M)



Acquisitions & Initiatives



Diversification and Vertical Integration 2015 - 2019¹

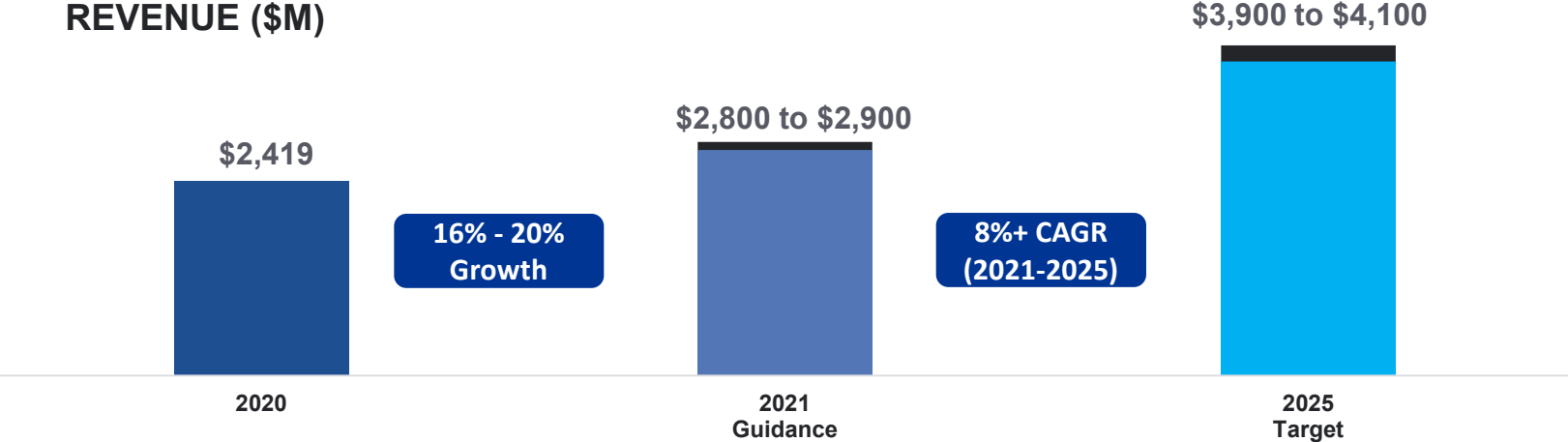


¹ 2019 Pro-Forma for a Full Year of ADL's Results. ADL was acquired on May 28, 2019

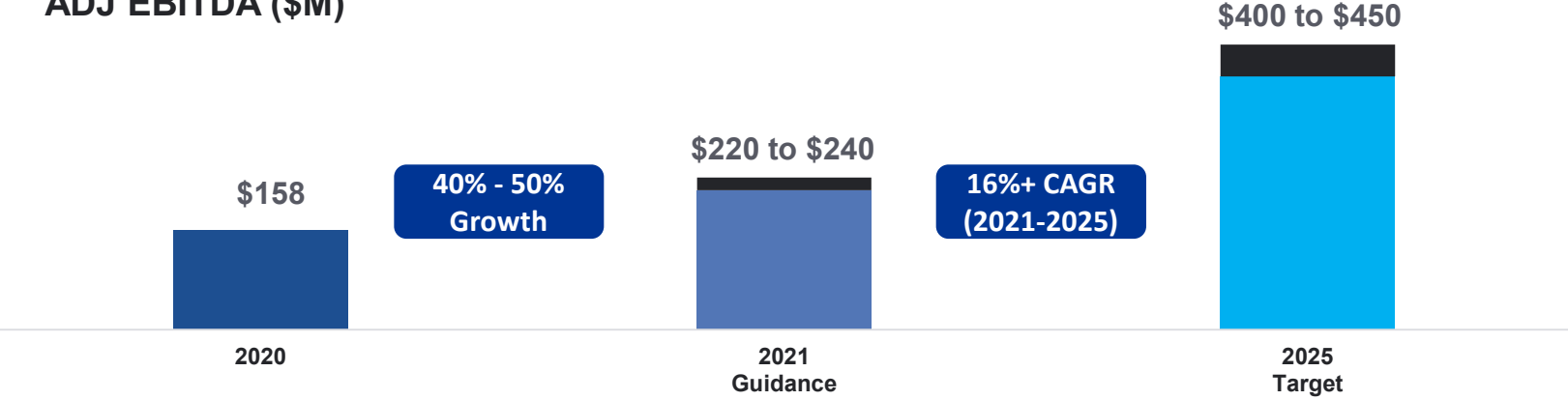
Positioned for growth and margin enhancement

Recovery, NFI Forward, and Leading the ZEvolution 2020 – 2025

REVENUE (\$M)

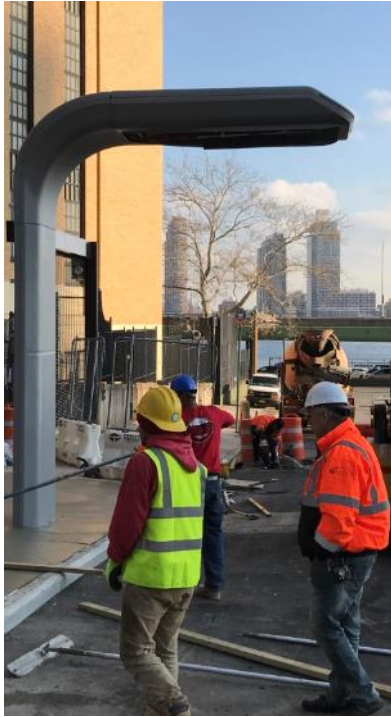


ADJ EBITDA (\$M)



Migrated from manufacturer to solutions provider

Infrastructure Solutions



NEW FLYER
INFRASTRUCTURE
SOLUTIONS™

Buses and Coaches



Connected Vehicles and Diagnostics



CONNECT 360
AD24

Aftermarket, Warranty & Service



nfi.parts™



Leading

Electric Bus Mobility

50+

years of electric bus experience

105k

vehicles in service (ZEB replacement opportunity)

11

countries with NFI buses in service

23+ million

Electric service miles since 2015

1,371

ZEBs delivered since 2015

389

ZEBs delivered in 2020 (9% of total deliveries)

80+

Cities with an NFI ZEB in service or on order

632

ZEBs in backlog (5.8% of total backlog)

\$24.7 million

Infrastructure Solutions revenue in 2020

20% to 25%

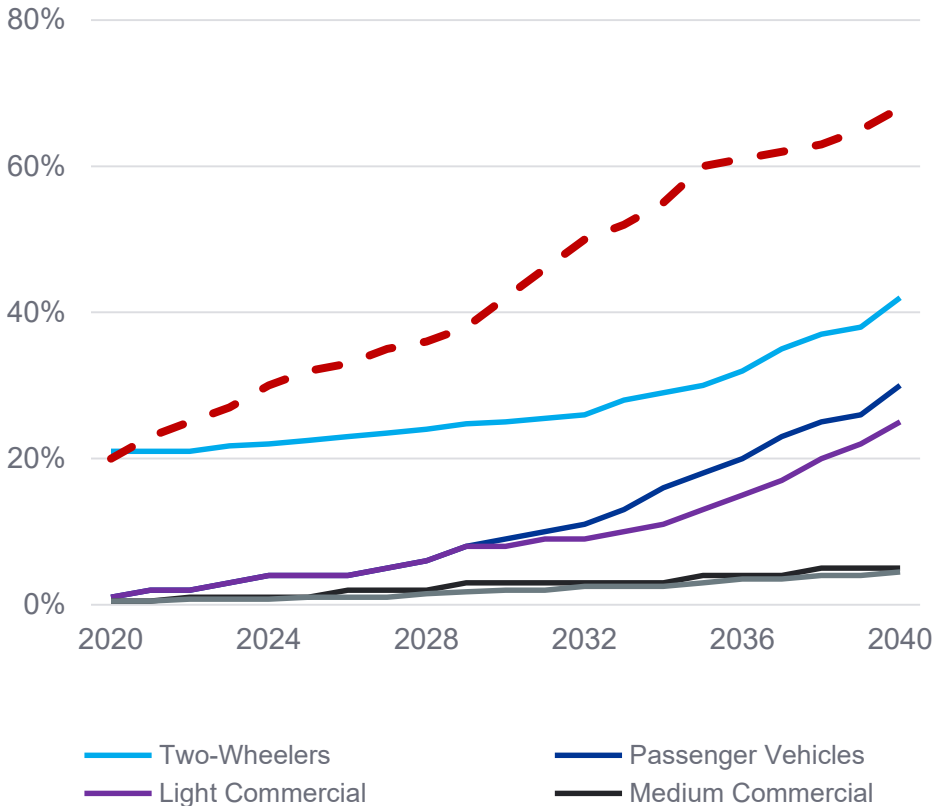
of 2021 production will be ZEBs

8,000

Annual ZEB production capacity

Buses and coaches are migrating to electric propulsion and NFI will lead the transition

EV share of global vehicle fleet by segment¹



¹ Bloomberg New Energy Finance Outlook 2020

Select NFI customers comments on EV transition²



“Commitment to 100% zero-emissions by 2040”



“From 2025 onwards committed to acquiring 100% electric vehicles”



Metro

“Committed to a 100% zero-emission fleet by 2040”



King County

“Committed to 100% ZEB by 2040”



Transport for London

“By 2037 all buses across London will be zero emission”



“Ambitious goal of an all-electric fleet by 2035”

² Company websites and reports

NFI's zero-emission journey started in 1969



1994

First Compressed Natural Gas (CNG) bus

BAE SYSTEMS

2005

First Diesel Hybrid with BAE and first Gas Engine Hybrid



2012

First battery-electric bus



2015

Launched NF Connect

NEW FLYER.
INFRASTRUCTURE SOLUTIONS™

2018

Launched NF Infrastructure Solutions



2020

Launched MCI eCoach



1969

First North American electric trolley

1998

First diesel hybrid vehicle produced with Allison

2010

20 Fuel Cell buses for 2010 Olympics

2014

First production of fuel-cell range extender

2017

Opened VIC and launched next generation electric-battery bus

2019

Acquired ADL and launched NF Connect 360

2021

Launched Xcelsior AV, ARBOC Equest CHARGE, ADL H2.0 hydrogen, new NF models

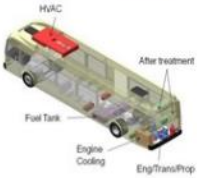


Structures designed for life with common components

All buses built on common structure

>90% of components are shared across legacy and EV platforms

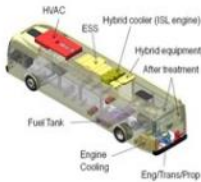
Clean Diesel



Natural Gas



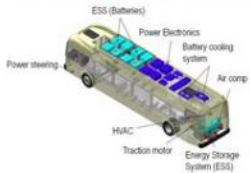
Hybrid-Electric



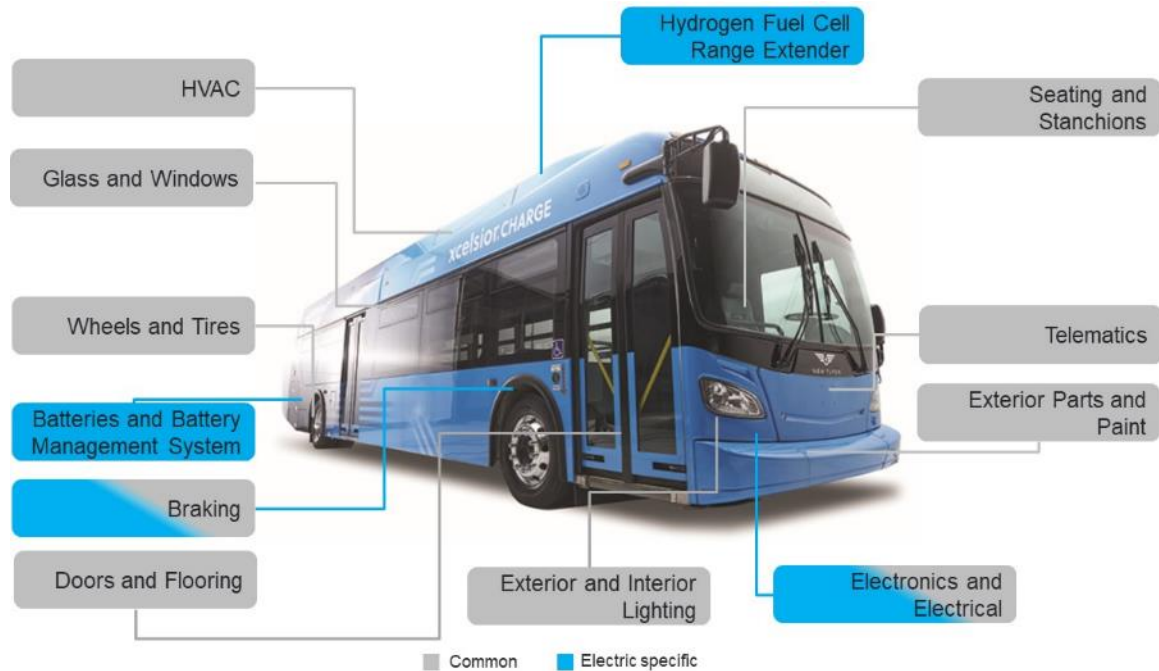
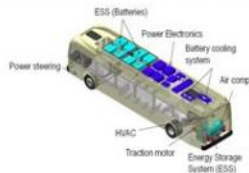
Electric-Trolley



Battery-Electric



Fuel cell-Electric



NFI has designed its production to be capable of manufacturing various propulsion formats on common platforms with shared suppliers

Industry's widest range of ZEB's already exist

24- & 35-foot
Electric Equest



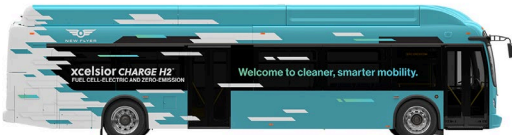
35-foot
Long Range &
Rapid Charge



40-foot
Long Range &
Rapid Charge



40-foot
Fuel-Cell
Electric



60-foot
Long Range &
Rapid Charge



60-foot
Fuel-Cell
Electric



Single-Deck
Battery-Electric



Double-Deck
Battery-Electric



Double-Deck
Fuel-Cell Electric



Motor Coach
Electric J4500e



Motor Coach
Electric D45 CRTe LE



The largest ZEB production capacity in North America and the United Kingdom

8,000

team members

160+

weekly production capacity

3,500,000+

sq ft of
production space

14

ZEB-capable
production facilities

2

dedicated new product
development facilities

4,371

EUs produced in 2020

20% to 25%

of 2021 production
estimated to be ZEB

35% to 40%

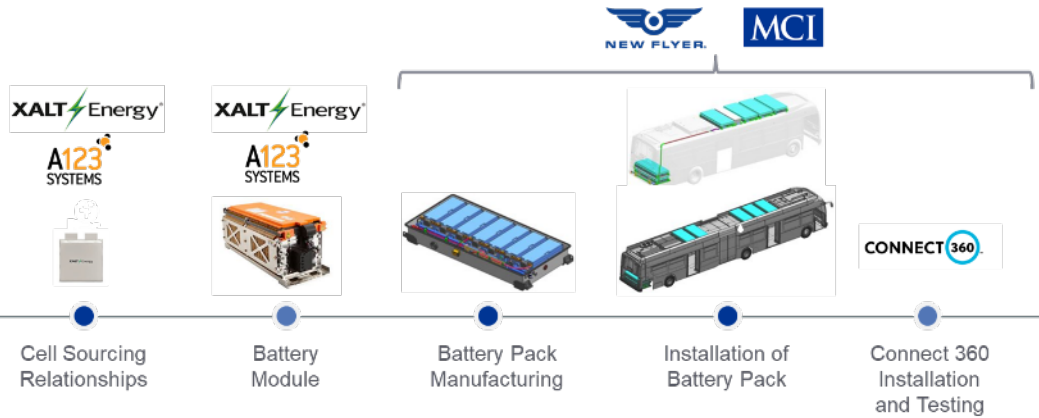
of 2025 production
estimated to be ZEB

Capable of manufacturing battery-electric, fuel-cell, and electric trolleys. Can produce Single-Deck, Articulated, Double-Deck, Medium-Duty, and Cutaway models



Multiple solutions and approaches to battery technology

NF and MCI's in-house battery pack production



- Continuous focus on battery market research and testing
- Remain cell agnostic to retain flexibility and the best available cells
- Significant R&D costs to develop cells and battery modules in-house
- Battery cells and modules when consolidated into battery packs drive range, performance, cycle life, charge rates and reliability
- Different use cases, on-route vs depot charging, drive decisions for cell selection

ADL – Partnership and Internal production

Chassis on body



- Since 2016, ADL and BYD have worked in partnership to develop market-leading EVs for the UK

Integrated chassis



Retain flexibility to provide the best offering to customers

Full-service offering including infrastructure, telematics and aftermarket service and support

NEW FLYER. / INFRASTRUCTURE SOLUTIONS™

- Introduced in 2019 to support NFI North American Electric Bus Deployments
- Provides a cohesive transition of bus fleets to zero-emission bus technology
- Focuses on energy management optimization, as well as infrastructure planning and development

On-route



Plug-in



Depot



CONNECT 360. AD24

- Performance analytics dashboard for battery-electric buses
- Additional range capability with improved driver performance, reduced operating cost, and maximum fleet utilization
- Decision-making information to optimize charging strategies and intelligence on preserving battery energy throughout the day
- Enables Over-The-Air Software Updates



nfi.parts™

- Aftermarket support for NFI's fleet of 105,000 vehicles plus other makes and models
- Training, detailed vehicle manuals and warranty support
- Dedicated e-commerce webstores, national and international same-day shipping capabilities from 24 stocking locations
- 300+ field and technical service technicians plus 24/7 support



Positive Political Momentum Supports Capital Purchases

Unprecedented government support for zero-emission transit



\$14.9B transit funding program (Feb 2021 announcement) (**\$2.75B** of which is dedicated to zero-emission transit in 2021-2026)

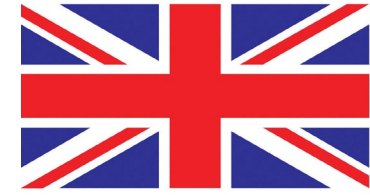
\$1.5B CIB financing to support ZEBs and charging infrastructure (Oct 2020 announcement)



Proposed **\$494B** INVEST in America Act; including a 5x increase for ZEB procurement (2020)

“Biden Wants Zero-Emission Public Transit for Cities With 100,000+ People”¹

“15 States follow California’s lead and agree that transit agencies must purchase all-electric buses”²



Ten Point Plan for a Green Industrial Revolution (Nov 2020)

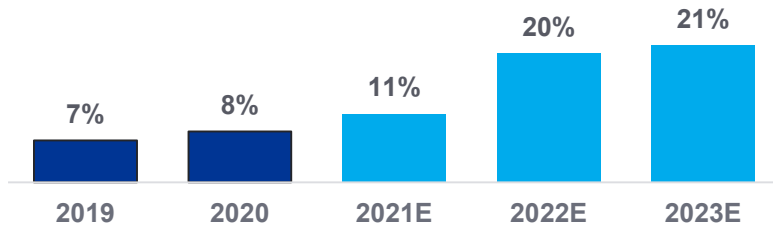
£5.0B transit & cycling funding program (Feb 2020)

*“The UK government’s National Bus Strategy will see **more than 4,000 zero-emission vehicles** put into service and the creation of Britain’s first all-electric bus town”⁴*

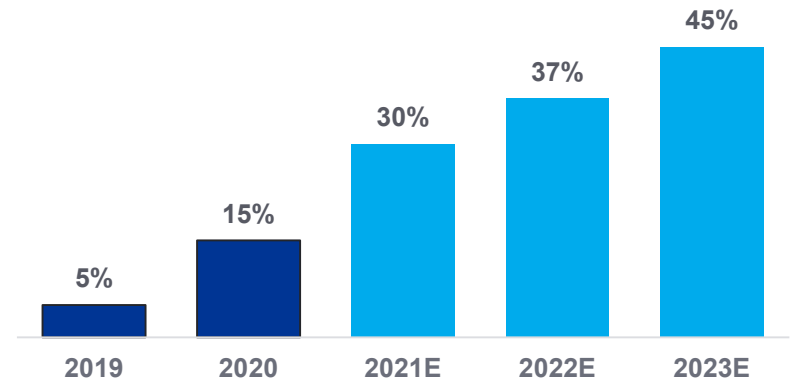
¹ Mass Transit Mag, ² Reuters, ³ CUTRIC, ⁴ BBC

Projected market adoption rates of ZEBs¹ highlight transition will take time

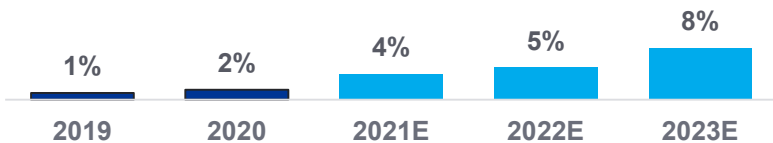
North American Heavy-Duty Transit



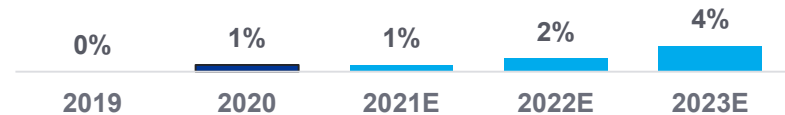
UK Transit



North American Coach



North American Cutaway



¹ Percentage of annual deliveries based on management estimates

If the adoption rate increases, NFI is already there

NFI is pioneering automated bus technology

New Flyer Xcelsior AV™

North America's first SAE Level 4 (SAE J3016) Automated Heavy-Duty Transit Bus



Launched January 2021

ADL's Automated Double Deck

UK's first Automated Heavy-Duty Transit Bus; pilot project with leading customer Stagecoach for depot applications



Launched Glasgow, Scotland pilot in 2019

FY 2020: Income statement and balance sheet

FY 2020 Performance

	<u>FY 2019</u>	<u>FY 2020</u>
Sales	\$2,893.4M	\$2,419.2M
Adjusted EBITDA	\$322.2 11.1% ROS	\$157.7 6.5% ROS
EPS <small>(reported)</small>	\$0.93	(\$2.52)
EPS <small>(Adjusted)</small>	\$1.65	(\$0.75)

	<u>FY 2020</u>	<u>Revenue</u>	<u>Adjusted EBITDA</u>
Manufacturing		\$2,017.7M	\$102.0M
Aftermarket		\$401.5M	\$66.7M
Corporate			(\$11.0M)

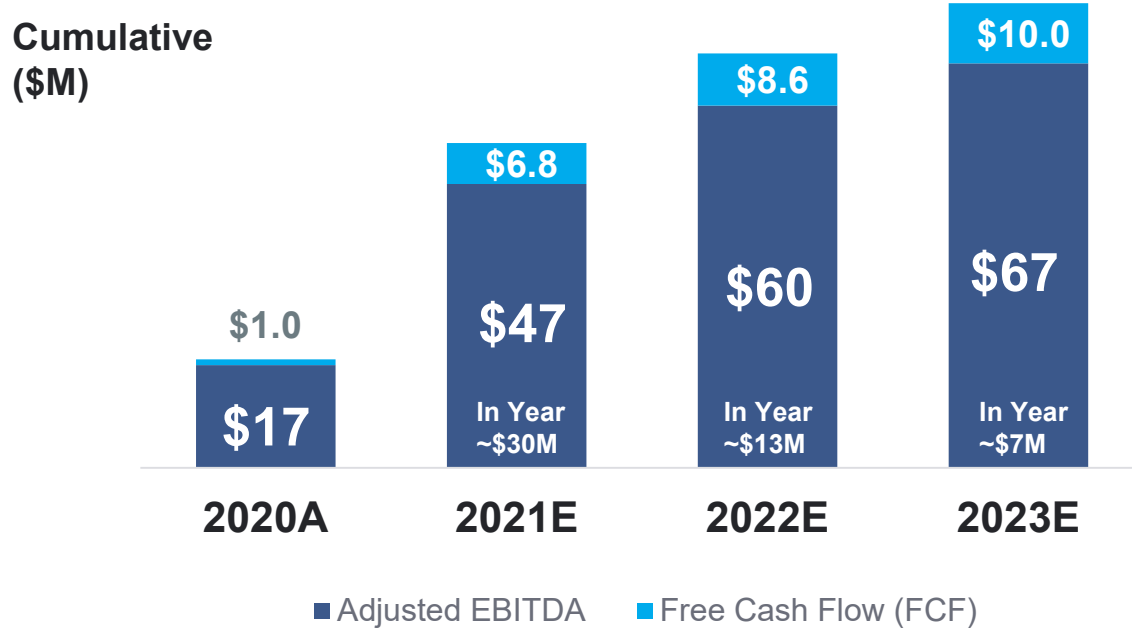
FY 2020 Cash Flow & Liquidity

<u>Cash Flow (\$M)</u>		
	<u>FY 2019</u>	<u>FY 2020</u>
Adjusted EBITDA	\$322.2	\$157.7
Interest Expense	(\$50.5)	(\$61.8)
Current Income Tax	(\$61.3)	(\$26.6)
Cash Capital Expenditures plus Lease	(\$50.0)	(\$44.6)
Proceeds from disposition of property	\$0.2	\$2.8
Other	-	-
Free Cash Flow (USD)	\$160.4	\$27.5
FX Rate	1.3180	1.2651
Free Cash Flow (CAD)	\$211.4	\$34.7
Dividends (CAD)	\$105.5	\$53.1
Payout Ratio	49.9%	153.0%

<u>Liquidity</u>		
	<u>FY 2019</u>	<u>FY 2020</u>
Liquidity	\$209.3	\$233.5

NFI Forward Update

Timing for 2020-2023 Benefits



All NFI Forward Initiatives
At or Above Targets

Cash Flow on Track for \$10M+

- Solid NFI Forward progress in Fiscal 2020:
 - \$17.0 million in Adjusted EBITDA savings from 2019 levels; additional \$1.0 million in annualized Free Cash Flow generation

2021 Guidance

Revenue

\$2.8 billion to \$2.9 billion

ZEBs expected to make up 20% to 25% of 2021 manufacturing revenue

- Driven by market recovery in NA Bus and Coach and UK transit
- Continued growth of ARBOC in cutaway and medium-duty markets
- ADL's international expansion in Europe and APAC

Adjusted EBITDA

\$220M to \$240M

- Expecting Private markets begin to return to pre-COVID levels by 2023
- Significant volume drop-through with cost base reductions generated from NFI Forward initiative

Cash Capex including NFI Forward
\$50M

- Estimating \$35M for maintenance capex
- Remainder for NFI Forward and other smaller growth projects

Adjusted ETR

~31%

- Minimum US taxes drive higher Adjusted Effective Tax Rate ("ETR")
- Anticipating improvement beyond 2021

Seasonality

2021: Decline in Q1; YoY growth in Revenue and Adjusted EBITDA in Q2, Q3 and Q4

- Q1, Q2 and Q3 will be 13-week periods
- Q4 will be a 14-week period
- ADL and MCI expect higher Q3/Q4 deliveries

Longer-term financial targets for 2025

Revenue

\$3.9 billion to \$4.1 billion

ZEBs expected to make up 35% to 40% of manufacturing revenue

- Driven by market recovery in NA Bus and Coach and UK transit
- Continued growth of ARBOC in cutaway and medium-duty markets
- ADL's international expansion in Europe and APAC

Adjusted EBITDA

\$400M to \$450M

- Private markets begin to return to pre-COVID levels in 2023
- Significant volume drop-through with cost base reductions generated from NFI Forward initiative
- Viewed as conservative target

ROIC

>12%

- Adj. EBITDA performance combined with realizing upon benefits of investments made in facilities, products, acquisitions
- Potential tax upside may drive higher ROIC

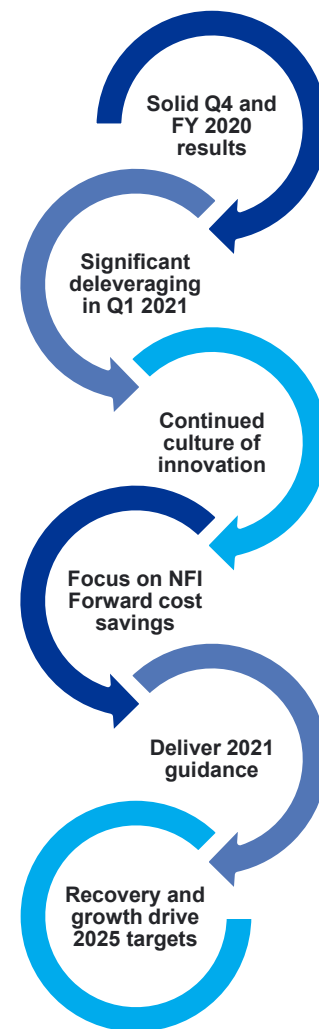
Capital allocation priorities

- 1 DEBT MANAGEMENT & LEVERAGE REDUCTION**
- 2 INVEST IN HIGHEST RETURN PROJECTS:** EPS expansion comes from funding highest ROIC projects
- 3 DIVIDENDS:** Provide dividends to shareholders, as we have since 2005
- 4 ACQUISITIONS:** Continue to acquire companies that provide diversification, channel expansion, technology, and geography advantages
- 5 SHARE REPURCHASE (NCIB):** Depends on stock price to value

Focused approach to drive value creation

NFI Investment Thesis

- ✓ Market dynamics position bus and coach transition to EV; NFI is the industry's leader with the deepest customer relationships and in prime position to capitalize on the zero-emission evolution (**ZE**volution™)
- ✓ Strong government support in all core markets
- ✓ NFI was built through decades of investment, innovation and product development
- ✓ NFI has the largest manufacturing capacity (8,000 EUs annually), largest installed fleet and most reliable aftermarket network
- ✓ NFI is a turnkey mobility solutions provider supporting the transition from legacy to EV propulsion: infrastructure solutions, vehicles, telematics, parts support
- ✓ Today, NFI's Backlog is 5.8% ZEBs, and 30% of our total Public bid universe is ZEBs, driving profitable growth
- ✓ Management is positioning NFI for market recovery with a streamlined, leaner operation to drive volume leverage through NFI Forward
- ✓ 2021 viewed as a transition year with COVID-19 pandemic continuing to impact end markets; will take time to recover to pre-COVID-19 levels, but government stimulus and vaccines will assist recovery
- ✓ Leading the **ZE**volution. 2025 Targets highlight strong annual growth: Adjusted EBITDA \$400M to \$450M, with 35% to 40% of production coming from ZEBs

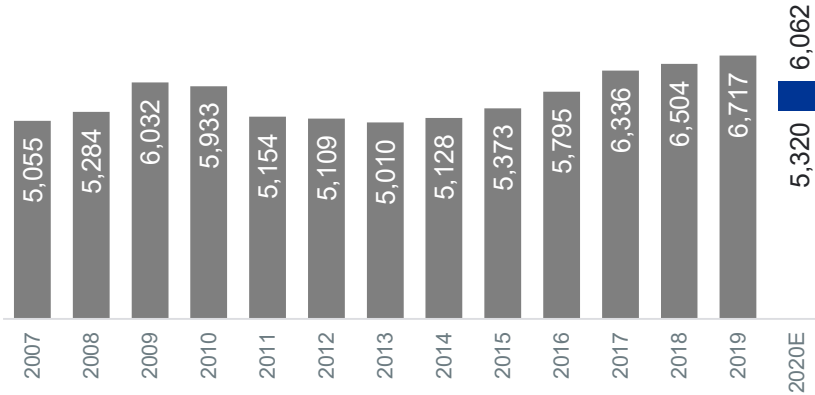


Appendices



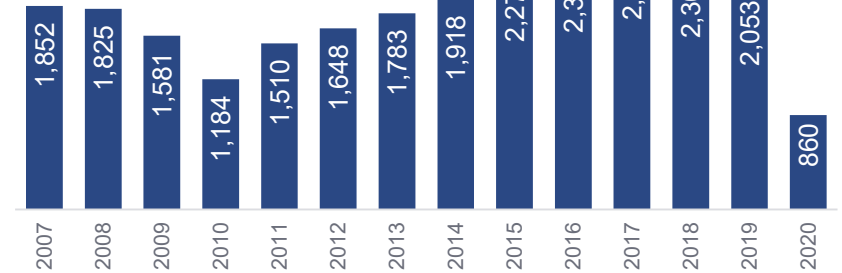
Core markets annual deliveries

North American Heavy-Duty Transit¹



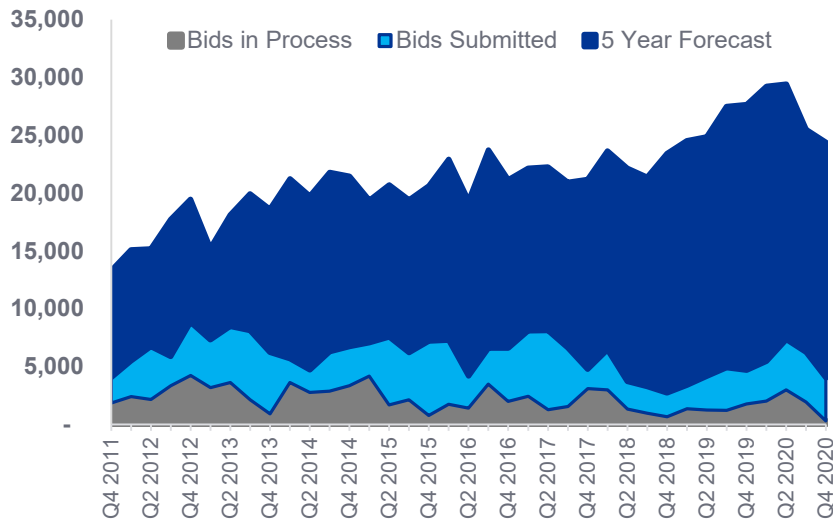
(1) Metro Magazine and Management Estimates. Final market data for 2020 not yet available

North American Motor Coach (public and private)²

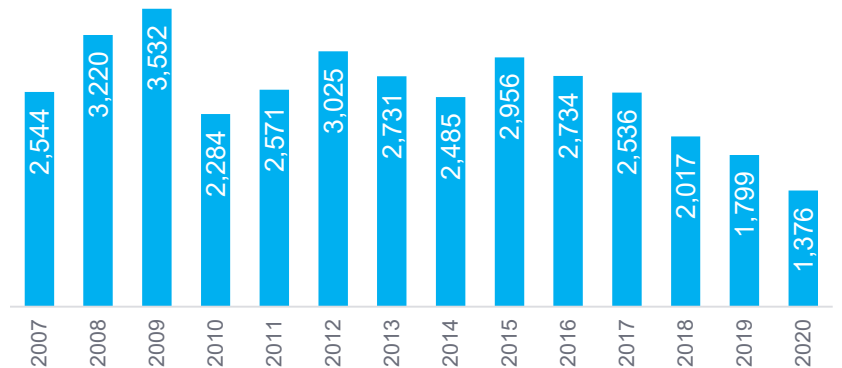


(2) Source: American Bus Association

North American Public Bid Universe (public)³



United Kingdom Bus & Coach (public and private)⁴

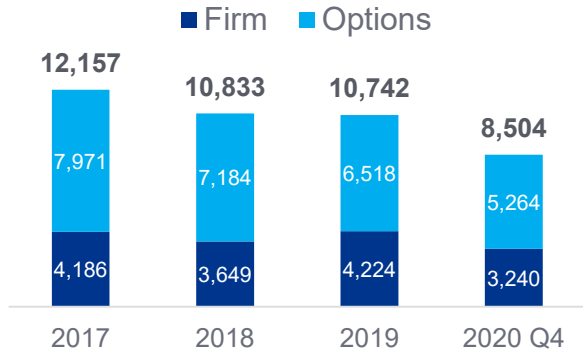


(3) Management estimates and databases

(4) Source: SMMT

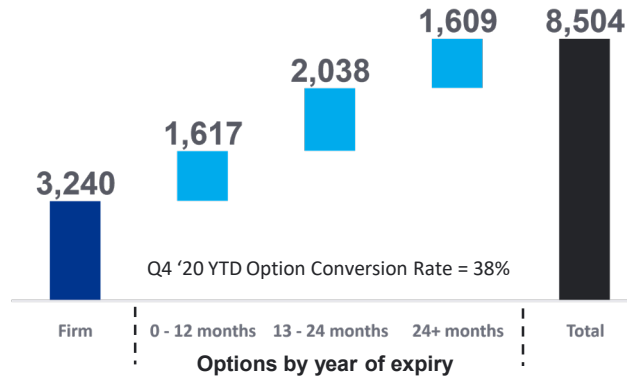
Backlog and Q4 2020 New Vehicle Deliveries

BACKLOG – FIRM AND OPTION

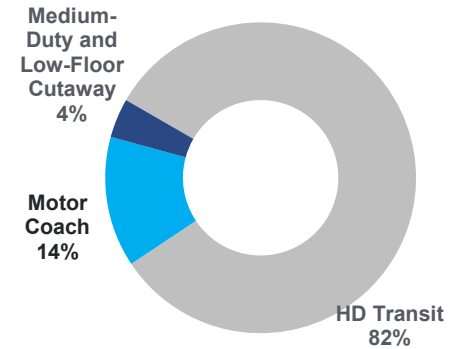


(1) ADL backlog added in Q2 2019. ADL backlog not included in historic 2017 and 2018 figures

BACKLOG – TIMING

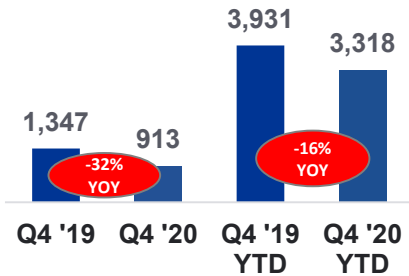


BACKLOG – BY PRODUCT

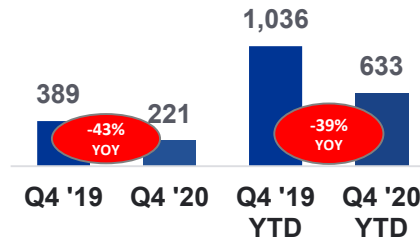


(2) Options for ARBOC vehicles are held by dealers, rather than the operator, and are not included as an option in the NFI backlog.

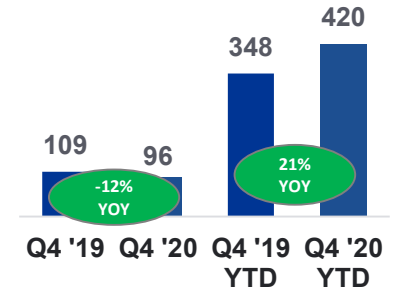
HEAVY-DUTY TRANSIT



MOTOR COACH



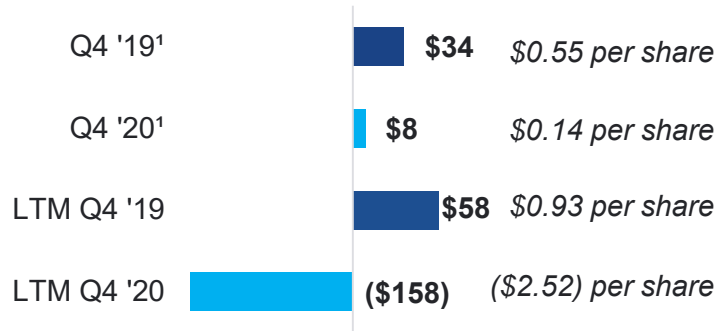
MEDIUM-DUTY / LOW-FLOOR CUTAWAY



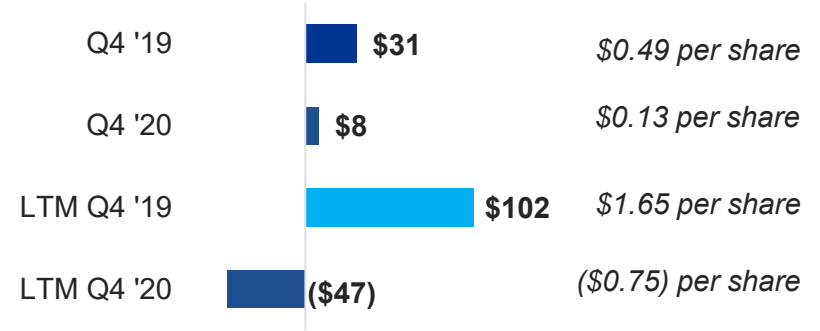
Strong Bid Activity Will Help Drive Future Growth

Net Earnings and Adjusted Net Earnings

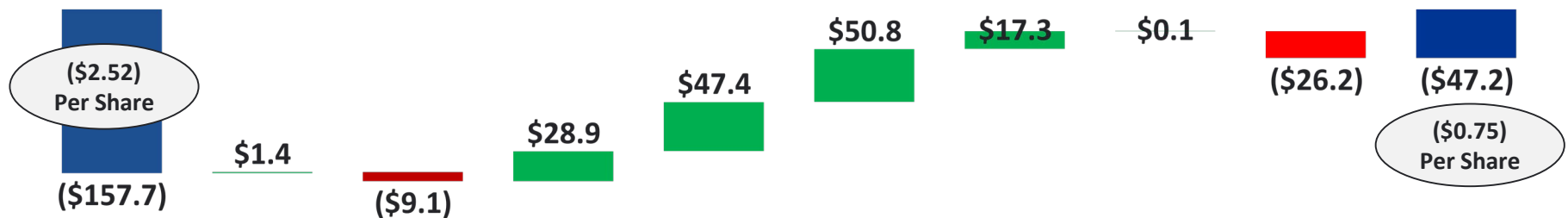
Net Earnings (\$M)



Adjusted Net Earnings (\$M)



Net Earnings to Adjusted Net Earnings Reconciliation⁽¹⁾



Net earnings 2020 YTD	Strategic Costs and Acquisition Related Accounting	FX Loss (Gain)	Employment, Compensation and Restructuring	COVID 19	Goodwill Impairment	Derivative Financial Instruments	Other	Income Tax	Adjusted Net Earnings 2020 YTD

FY Impact of COVID & Restructuring (NFI Forward) Impacting Reported Results

(1) Fiscal 2019 figures are not adjusted for impact of IFRS 16 – see slide 4 for details. Detailed quarterly reconciliations for Fiscal 2019 and Fiscal 2018 provided in the Appendix

Appendix: Non-IFRS Reconciliation (2020)

Reconciliation of IFRS to non-IFRS

As of December 27 2020

In '000	First Quarter	Second Quarter	Third Quarter	Forth Quarter	Full Year
Net Sales	\$ 710,384	\$ 333,334	\$ 663,922	\$ 711,523	\$ 2,419,163
Net Earnings	\$ (67,239)	\$ (74,049)	\$ (24,913)	\$ 8,465	\$ (157,736)
<i>% of net sales</i>	-9.5%	-22.2%	-3.8%	1.2%	-6.5%
Adjustment, Gross					
Restructuring and Other Corporate Initiatives	\$ 22	\$ 2,307	\$ 25,428	\$ 1,180	\$ 28,937
Goodwill Impairment	\$ 50,790	\$ -	\$ -	\$ -	\$ 50,790
Derivative related	\$ 23,508	\$ 454	\$ (2,446)	\$ (4,243)	\$ 17,273
Foreign exchange loss/gain	\$ (43)	\$ (2,164)	\$ (3,608)	\$ (3,235)	\$ (9,050)
Equity settled stock-based compensation	\$ 14	\$ 551	\$ 597	\$ 608	\$ 1,770
Asset related	\$ 163	\$ 229	\$ (191)	\$ (257)	\$ (56)
Employment related (past service costs)	\$ (463)	\$ 48	\$ 1	\$ 6	\$ (408)
COVID-19	\$ -	\$ 17,557	\$ 24,392	\$ 5,413	\$ 47,362
Other	\$ (56)	\$ (30)	\$ 233	\$ 37	\$ 184
Income taxes	\$ (7,176)	\$ (5,492)	\$ (13,767)	\$ 202	\$ (26,233)
Net Earnings - Adjusted	\$ (480)	\$ (60,589)	\$ 5,726	\$ 8,176	\$ (47,167)
<i>% of sales</i>	-0.1%	-18.2%	0.9%	1.1%	-1.9%
Adjustments:					
Income taxes	\$ 11,754	\$ (7,415)	\$ 10,757	\$ 12,784	\$ 27,880
Finance costs	\$ 14,657	\$ 15,633	\$ 18,028	\$ 17,871	\$ 66,189
Amortization	\$ 30,140	\$ 28,145	\$ 26,374	\$ 26,125	\$ 110,784
Adjusted EBITDA	\$ 56,071	\$ (24,226)	\$ 60,885	\$ 64,956	\$ 157,686
<i>% of net sales</i>	7.9%	-7.3%	9.2%	9.1%	6.5%

Appendix: Non-IFRS Reconciliation (2019)

Reconciliation of IFRS to non-IFRS Year Ending December 29, 2019

In '000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Net Sales	\$ 566,995	\$ 683,353	\$ 725,347	\$ 917,741	\$ 2,893,436
Net Earnings	\$ 16,149	\$ 8,507	\$ (1,085)	\$ 34,127	\$ 57,698
<i>% of net sales</i>	2.8%	1.2%	-0.1%	3.7%	2.0%
Adjustments, Gross:					
Restructuring and Other Corporate Initiatives	\$ 5	\$ 13,338	\$ 342	\$ (251)	\$ 13,434
Acquisition related costs	\$ -	\$ 8,690	\$ 20,158	\$ 2,156	\$ 31,004
Derivative related	\$ 9,447	\$ 12,263	\$ 5,047	\$ (4,454)	\$ 22,303
Foreign exchange loss/gain	\$ (935)	\$ (6,645)	\$ 4,993	\$ (1,640)	\$ (4,227)
Equity settled stock-based compensation	\$ 419	\$ 558	\$ 152	\$ 437	\$ 1,566
Asset related	\$ (20)	\$ 15	\$ (93)	\$ 52	\$ (46)
Employment related (past service costs)	\$ -	\$ -	\$ (1,671)	\$ 70	\$ (1,601)
Tax adjustments	\$ -	\$ 3,794	\$ -	\$ 300	\$ 4,094
Net Earnings - Adjusted	\$ 25,065	\$ 40,520	\$ 27,843	\$ 30,797	\$ 124,225
<i>% of net sales</i>	4.4%	5.9%	3.8%	3.4%	4.3%
Adjustments:					
Income taxes	\$ 7,655	\$ 5,869	\$ 2,355	\$ 26,118	\$ 41,997
Finance costs	\$ 8,601	\$ 12,334	\$ 14,615	\$ 15,826	\$ 51,376
Amortization	\$ 18,981	\$ 22,399	\$ 32,055	\$ 31,134	\$ 104,569
Adjusted EBITDA	\$ 60,302	\$ 81,122	\$ 76,868	\$ 103,875	\$ 322,167
<i>% of net sales</i>	10.6%	11.9%	10.6%	11.3%	11.1%

Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements”, which reflect the current expectations of management regarding the Company’s future growth, financial performance and financial position and the Company’s strategic initiatives, plans, business prospects and opportunities, including the duration, impact of and recovery from the COVID-19 pandemic. A number of factors and risks may cause actual results to differ materially from the results discussed in the forward-looking statements (including factors relating to the Company’s “NFI Forward” initiatives, the global COVID-19 pandemic, and the Company’s January 11, 2021 financial guidance (the “Guidance”). For more detail regarding the assumptions, factors and risks relating to these “forward looking statements”, please refer to the Company’s press release and management discussion and analysis (“MD&A”) dated March 4, 2021 and the factors and risks contained in its Annual Information Form and other materials filed with the Canadian securities regulatory authorities which are available on SEDAR at www.sedar.com. These forward-looking statements are made as of the date of this presentation and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by applicable securities laws.

All figures in U.S. dollars unless otherwise noted.

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 that do not reflect the current ongoing cash operations of the Company as described in the Company’s disclosure documents available on SEDAR at www.sedar.com. References to “ROIC” are to net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment, depreciation of right-of-use assets and income taxes at a rate of 31%) divided by average invested capital for the last 12-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).

Management believes Adjusted EBITDA and ROIC are useful measures in evaluating the performance of the Company. However, Adjusted EBITDA and ROIC are not recognized earnings measures under IFRS and do not have standardized meanings prescribed by IFRS. Readers of this press release are cautioned that Adjusted EBITDA or ROIC 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. Historical reconciliations of net earnings to Adjusted EBITDA has been provided in the Company’s disclosure documents available on SEDAR at www.sedar.com. NFI’s method of calculating Adjusted EBITDA and ROIC may differ materially from the methods used by other issuers and, accordingly, may not be comparable to similarly titled measures used by other issuers.

Appendix: Key Definitions

- **Adjusted EBITDA:** Earnings before interest, income taxes, depreciation and amortization after adjusting for the effects of certain non-recurring and/or non-operations related items 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, non-recurring restructuring costs, fair value adjustment to acquired subsidiary company's inventory and deferred revenue, proportion of the total return swap realized, equity settled stock-based compensation, recovery of currency transactions, prior year sales tax provision, and release of provision related to purchase accounting
- **Free Cash Flow:** Defined as net cash generated by operating activities adjusted for changes in non-cash working capital items, interest paid, interest expense, income taxes paid, current income tax expense, effect of foreign currency rate on cash, defined benefit funding, non-recurring transitional costs relating to business acquisitions, past service costs, costs associated with assessing strategic and corporate initiatives, defined benefit expense, cash capital expenditures, proportion of the total return swap realized, proceeds on disposition of property, plant and equipment, gain received on total return swap settlement, fair value adjustment to acquired subsidiary company's inventory and deferred revenue and principal payments on capital leases.
- **Return on Invested Capital (“ROIC”):** Defined as net operating profit after taxes (calculated as Adjusted EBITDA less depreciation of plant and equipment and income taxes at the expected effective tax rate) divided by average invested capital for the last twelve-month period (calculated as to shareholders' equity plus long-term debt, obligations under finance leases, other long-term liabilities, convertible debentures and derivative financial instrument liabilities less cash).
- **Adjusted Net Earnings:** Defined as net earnings 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, portion of the total return swap realized, costs associated with assessing strategic and corporate initiatives, non-recurring costs or recoveries relating to business acquisition, 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, gain on bargain purchase option, past service costs, recovery on currency transactions, prior year sales tax provision, gain on release of provision related to purchase accounting.
- **Adjusted Net Earnings per Share:** Defined as Adjusted Net Earnings divided by the average number of Shares outstanding.



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The NFI logo consists of the letters 'NFI' in white, bold, sans-serif font, centered within a blue square that has a slight wave-like bottom edge. The background of the entire image is a futuristic, dark blue tunnel with glowing light strips along the walls and ceiling, leading towards a city skyline at night, with the Petronas Towers being prominent on the left.

NFI

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