NFI Leading the ZEvolution.™

Earnings Presentation – 2021 Q1 Results

May 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**.”

Leading the ZEvolution.™

450+
years of bus and coach experience

50+
years of electric bus experience

13
countries with NFI buses in service

105k
vehicles in service

Clean Diesel | Natural Gas | Hybrid Electric | Trolley Electric | Battery Electric | Fuel Cell Electric

40+ million
Electric service miles since 2015[1]

1,465
ZEBs delivered since 2015[2]

94
ZEBs delivered in 2021 Q1 (10% of total)

80+
Cities with an NFI ZEB in service or on order

1,568
ZEBs in backlog (18% of total backlog)[3]

200+
chargers installed via Infrastructure Solutions™

20% to 25%
of 2021 production will be ZEBs

8,000
Annual ZEB production capacity[4]

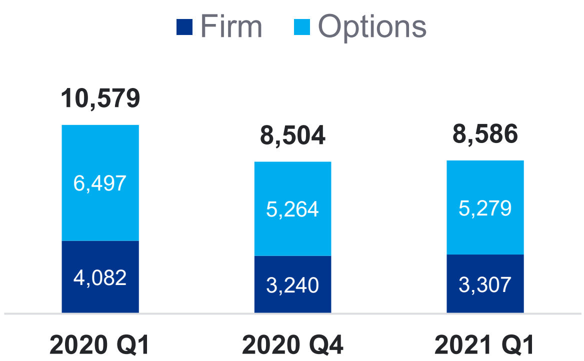
(1) Service miles driven in North America, the UK and New Zealand; does not include electric trolleys
(2) Includes battery-electric, fuel-cell electric and electric trolleys
(3) Includes firm and option orders
(4) Based on capacity at NFI facilities in North America and the UK

2021 Q1 Executive Summary

- **Strong first quarter 2021 results, with encouraging signs of market recovery, and growth in backlog and active procurements**
- **Electric buses represented 10% of deliveries in the quarter (94 ZEB EUs delivered)**
- **NFI Forward transformation achieved its targets in 2021 Q1**
  - ~$12 million in Adjusted EBITDA savings
  - ~$1 million in annualized Free Cash Flow generation
- **Continued focus on deleveraging, strengthening balance sheet, increasing liquidity**
  - Completed bought-deal equity financing (“Offering”) for gross proceeds of C$250 million Mar 1, 2021
- **Focus on environmental, social and governance issues**
  - Announced completion of over 40 million electric service miles
  - Joined the 50-30 Canadian diversity challenge and issued NFI’s Human Rights Statement
- **Backlog remains a position of strength**
  - Ending total backlog position up slightly, at 8,586 EUs (valued at $4.4 billion)
  - Active Bids up 14% from 2020 Q4
  - ZEBs are now 18% of the backlog, up from just 6% as at end of 2020 Q4
- **2021 Adjusted EBITDA guidance of $220 million to $240 million**
  - NFI is on the path to recovery, government funding announcements in all core markets support positive longer-term outlook

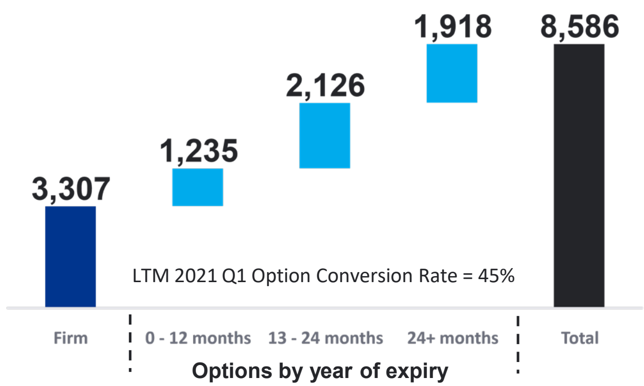
Backlog and 2021 Q1 New Vehicle Deliveries

Backlog – Firm & Option

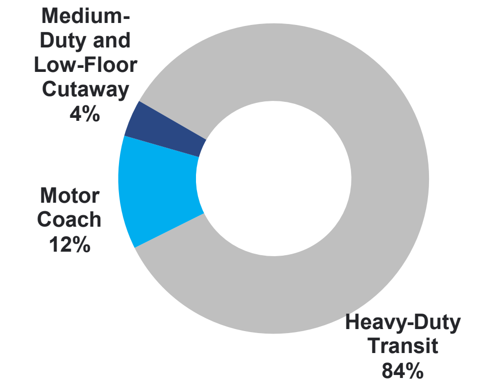


(1) *ADL backlog added in 2019 Q2. ADL backlog not included in historic 2018 figures*

Backlog – Timing



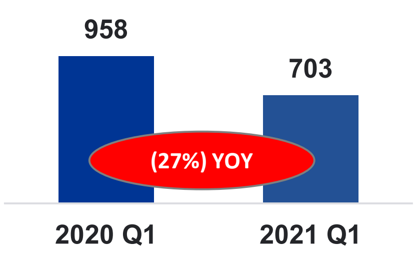
Backlog – By Product



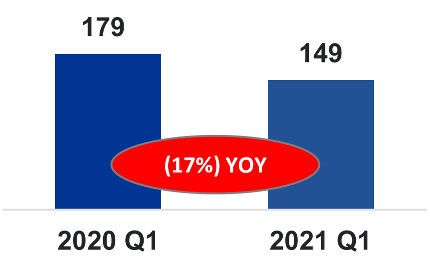
(2) Options for ARBOC vehicles are held by dealers, rather than the operator, and are not included as an option in the NFI backlog.

Deliveries: 2021 Q1 EUs

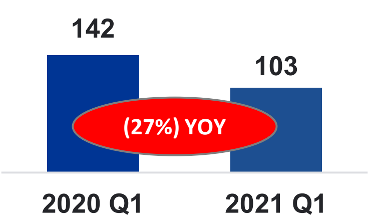
Heavy-Duty Transit



Motor Coach



Medium-Duty / Low-Floor Cutaway



2021 Q1 Showed Early Signs of Recovery, and ZEBs are now 18% of Total Backlog

2021 Q1: Income Statement and Balance Sheet

2021 Q1 Performance

	2020 Q1	2021 Q1
Sales	$710.4M	$574.1M
Adjusted EBITDA[1]	$56.0 (7.9% ROS)	$54.8 (9.6% ROS)
EPS (reported)	($1.08)	$0.11
EPS (Adjusted)[1]	($0.01)	$0.09

2021 Q1	Revenue	Adjusted EBITDA[1]
Manufacturing	$459.2M	$35.8M
Aftermarket	$114.9M	$22.5M
Corporate	–	($3.5M)

2021 Q1 Cash Flow & Liquidity

Cash Flow ($M)

	2020 Q1	2021 Q1
Adjusted EBITDA	$56.0	$54.8
Interest Expense	($14.4)	($16.7)
Current Income Tax	($16.9)	($12.3)
Cash Capital Expenditures plus Lease	($10.6)	($12.7)
Proceeds from disposition of property	$0.1	$2.3
Other	-	$0.1
Free Cash Flow (USD)[1]	**$14.2**	**$15.5**
FX Rate	1.3977	1.2576
Free Cash Flow (CAD)[1]	**$19.8**	**$19.4**
Dividends (CAD)	$13.3	$15.1
Payout Ratio	**67.2%**	**77.8%**

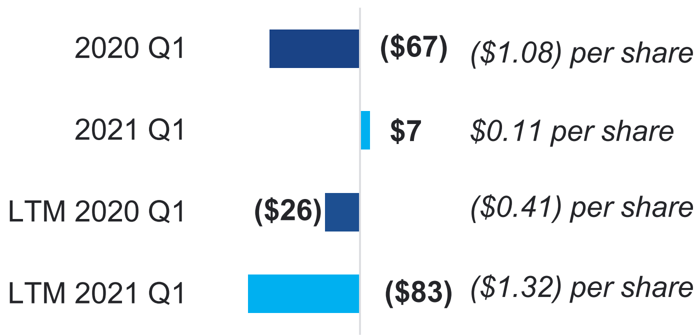
Liquidity[1]

	2020 Q1	2021 Q1
Liquidity[1]	**$146.6**	**$319.0**

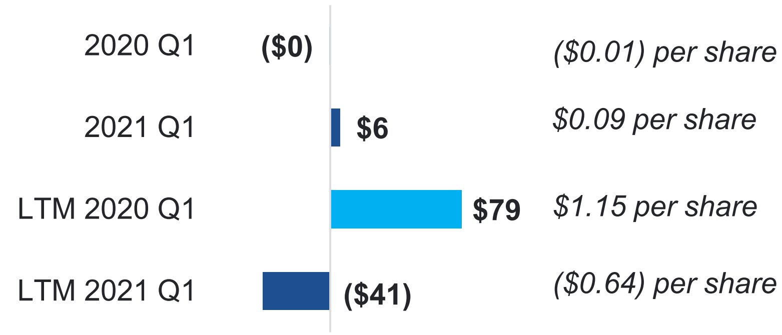
(1) Non-IFRS Measure. See Cautionary Statement and Slide 17

Net Earnings and Adjusted Net Earnings

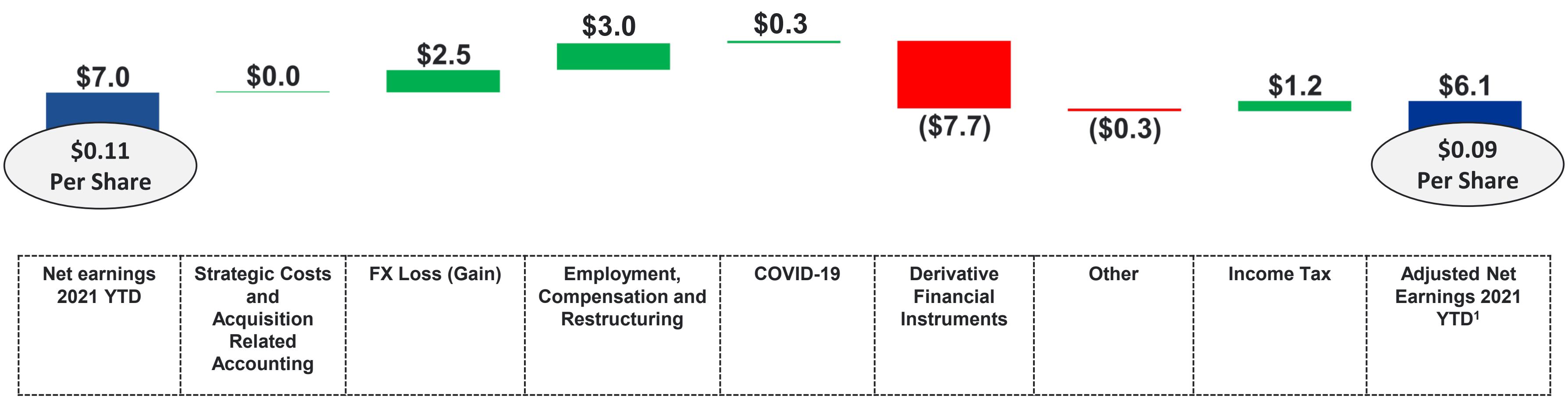
Net Earnings ($M)



Adjusted Net Earnings ($M)[1]



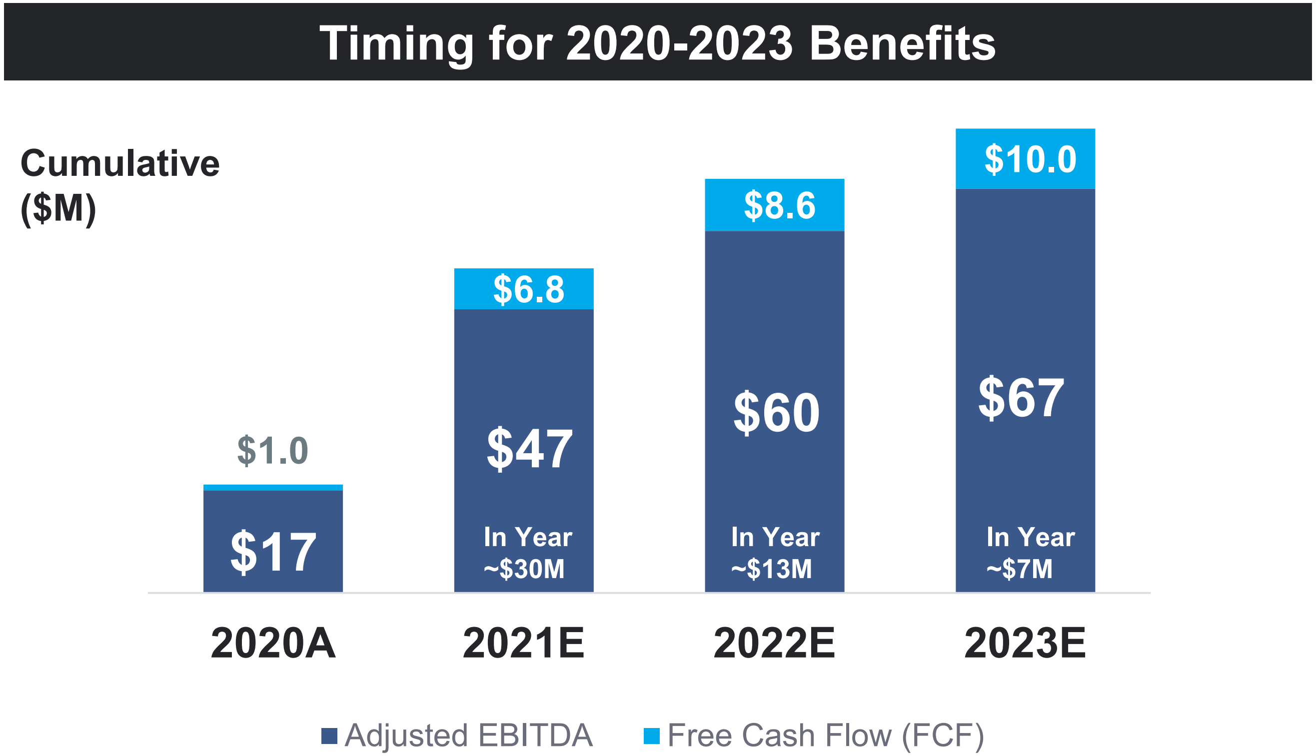
Net Earnings to Adjusted Net Earnings Reconciliation



Net Earnings positively impacted by savings from NFI Forward and the receipt of government grants

(1) Non-IFRS Measure. See Cautionary Statement and Slide 17

NFI Forward Update



All NFI Forward Initiatives **At or Above Targets**

Cash Flow on Track for $10M+

Continued NFI Forward progress in 2021 Q1:

- $11.6 million in Adjusted EBITDA savings, and an additional $0.8 million in annualized Free Cash Flow generation

2021 Guidance - Reaffirmed

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
- Pandemic-related supply challenges not causing material impact; continue to monitor with suppliers

Adjusted EBITDA

$220M to $240M

- Expecting Private markets won't begin to return to pre-COVID levels until 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

Seasonality

2021: Q2 significantly higher, Q3 flat to slightly down, Q4 higher

- On a year-over-year basis:
    - 2021 Q2 expected to be significantly higher
    - 2021 Q3 expected to be flat to slightly down
    - 2021 Q4 expected to be higher
- 2021 Q1, Q2 and Q3 will be 13-week periods, while Q4 will be a 14-week period

Management reaffirms its 2021 financial guidance for Revenue, Adjusted EBITDA, and Cash Capital Expenditures; updating tax and seasonality

NFI Adjusted Effective Tax Analysis

	2021 Q1
Adj. EBITDA	**$54.9M**
D&A	$24.6M
Interest Expense	$17.7M
Adj. EBT	**$12.5M**
Tax Variable	$1.9M
Tax Fixed	$4.5M
Total Adjusted Tax	**$6.4M**
ETR Adjusted	*51.4%*
Adj. Net Income	$6.1M
Shares (wt. avg)	~65M[1]
Adjusted EPS	**$0.09**

Components of Tax

*Tax Variable = 21% - 23%

+

Tax Fixed (Annual) = $18M -$22M

Variable and Fixed components of tax creates challenges in quarterly rate and timing of expense recognition

*Variable tax is based on full year projection. Quarterly % may vary depending on discrete tax items

(1) The weighted average number of Shares outstanding for 2021 Q1 was 65,036,019

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)

$17.6B of overall **$101.4B** in new spending for a "green recovery"
(Apr 2021 Budget 2021)

2021 Announced Target:
40% to 45% *GHG emission reduction from 2005 levels by 2030*

Proposed **$2.3T** American Jobs Plan; 8-year investment package; includes **$85B** to modernize existing transit, and **$174B** "to win the EV market", and more (2021)

Draft **$494B** INVEST in America Act; includes a 5x increase for ZEB procurement
(2020/2021)

2021 Announced Target:
50% to 52% *GHG emission reduction from 2005 levels by 2030*

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

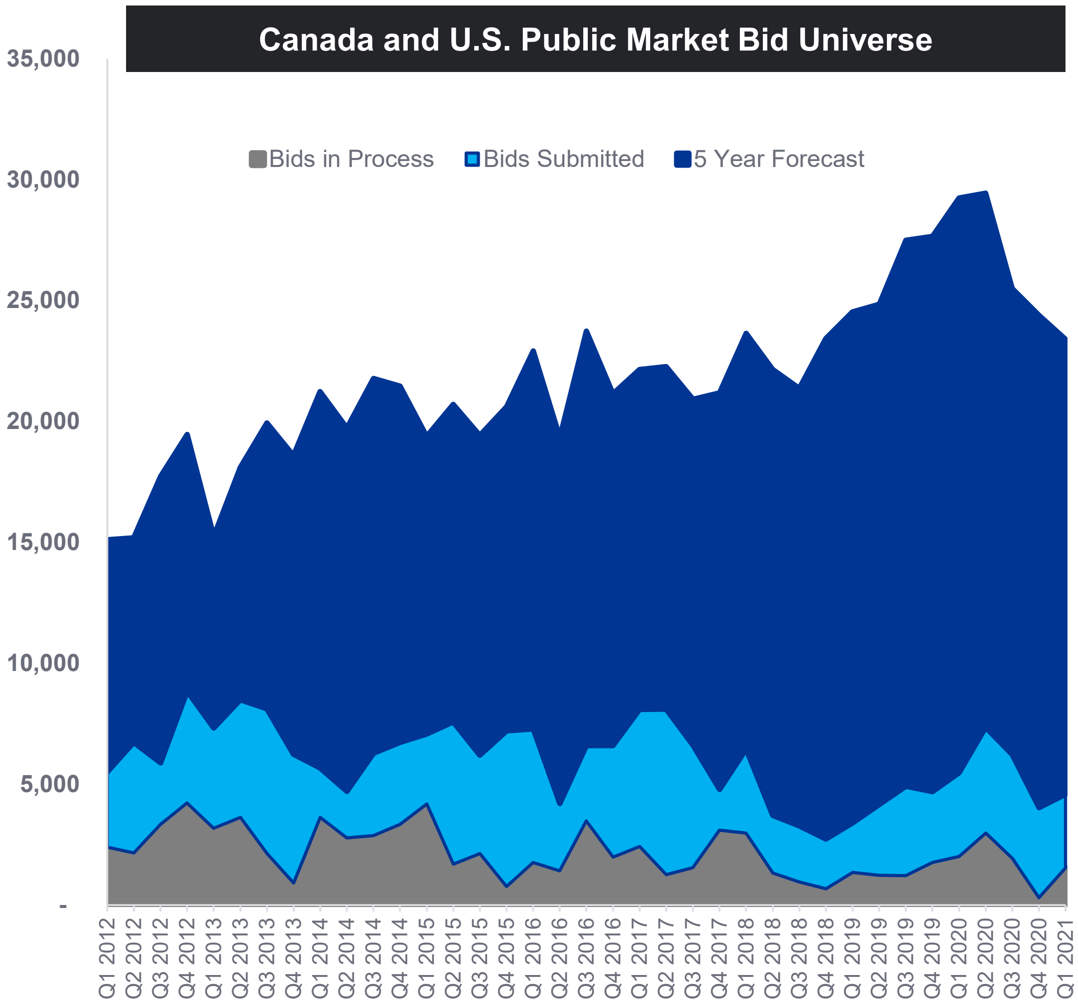
£5.0B transit & cycling funding program (Feb 2020)

£50 million SULEB (Scottish Ultra-Low Emission Bus Scheme)
(Part-funded 172 ZEB proposals with ADL as intended supplier)

2021 Announced Target:
78% *GHG emission reduction from 1997 levels by 2035*

12

Public Market Bid Universe Showing Signs of Recovery



1,532 EUs

Bids in Process

3,053 EUs

Bids Submitted

18,802 EUs

Five-Year Procurement Outlook compiled from Customer Fleet replacements plans

+13.7%

Active Bids increase from 2020 Q4

The Public Bid Universe does not include Purchasing Schedules:

20+

Purchasing Schedules with NFI named

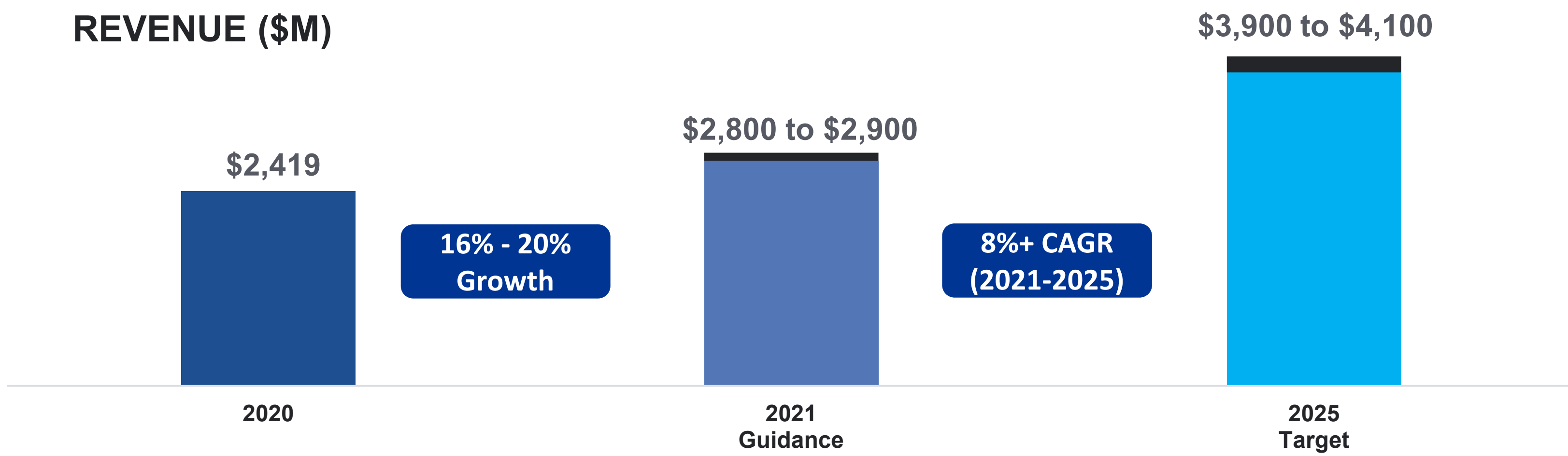
600+

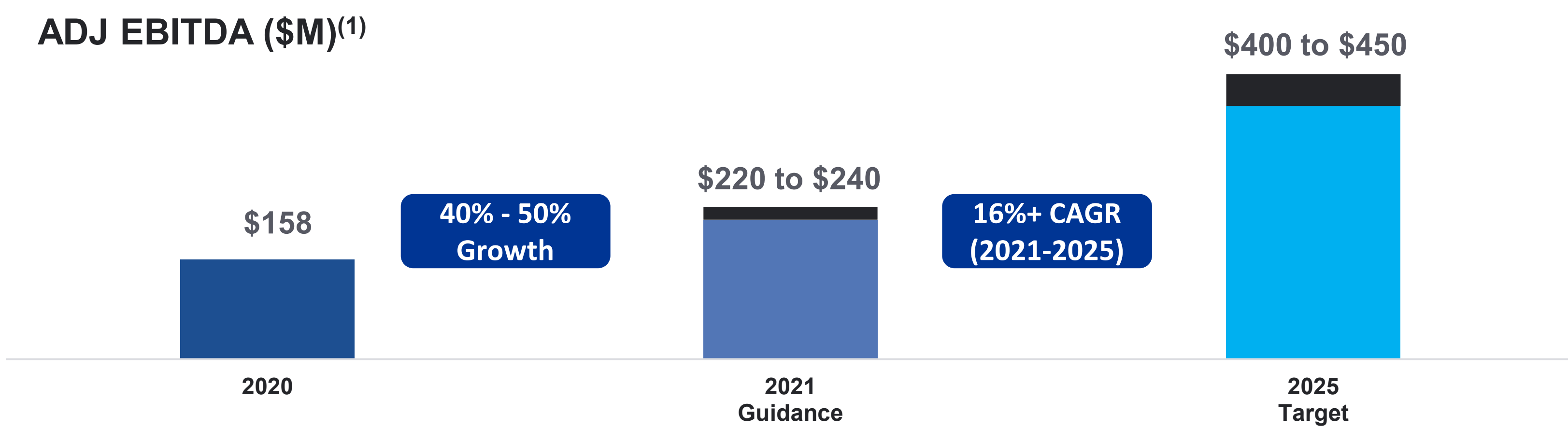
Vehicle awards from Purchasing Schedules[1]

(1) Since 2018

Positioned for Growth and Margin Enhancement

Recovery, NFI Forward, and Leading the *ZE*volution 2020 – 2025

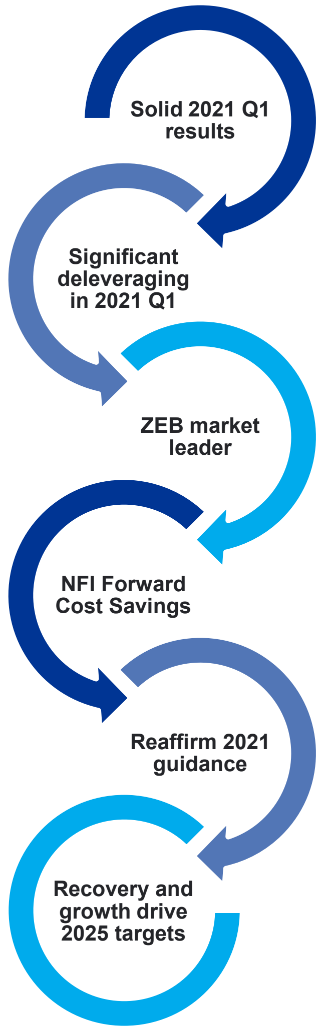




1) Non-IFRS Measure. See Cautionary Statements and Slides 19 and 20.

NFI Summary & Outlook

- Solid quarter with significant improvements to leverage and signs of market recovery from increased active bids and procurements in North America and the UK
- NFI Forward advancing well, delivering significant savings and positioning NFI for market recovery with a streamlined, leaner operation to drive volume leverage
- Unprecedented government support in all core markets strengthens long-term outlook
- 2021 viewed as a transition year with COVID-19 pandemic continuing to impact end markets, but strong signs of recovery supported by government funding and vaccine rollout
- NFI's culture of innovation continues to deliver; numerous EV product launches including battery- and fuel-cell electric vehicles, plus North America's first SAE Level 4 automated transit bus
- Reaffirmed revenue, Adj. EBITDA and capex guidance for 2021
- NFI is Leading the ***ZE***volution to a future of electric mobility



Appendices

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 May 5, 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.

Appendix: Financial Highlights

$ M (except EU and EPS)	Q1		
	2021	**2020**	**Change**
Deliveries (EUs)	**955**	**1,279**	*(25.3%)*
Revenue	**$574.1**	**$710.4**	*(19.2%)*
Gross Profit	**$85.8**	**$83.7**	*2.6%*
Gross Profit %	***15.0%***	***11.8%***	*320bps*
Adjusted EBITDA	**$54.8**	**$56.0**	*(2.1%)*
Adjusted EBITDA Margin %	***9.6%***	***7.9%***	*170bps*
Earnings from operations	**$26.9**	**($25.4)**	*205.9%*
Net earnings	**$7.0**	**($67.2)**	*110.4%*
Net earnings per share	**$0.11**	**($1.08)**	*110.2%*
Adjusted Net Earnings	**$6.1**	**($0.5)**	*1120.0%*
Adjusted Net Earnings per Share	**$0.09**	**($0.01)**	*1000.0%*
Orders – Firm (EUs)	**812**	**1065**	*(23.8%)*
Orders – Options (EUs)	**400**	**281**	*42.3%*
Total Backlog	**8,586**	**10,579**	*(18.8%)*

Appendix: Non-IFRS Reconciliation (2021)

Reconciliation of IFRS to non-IFRS
As of March 28 2021

In '000	First Quarter
Net Sales	**$ 574,120**
Net Earnings	**$ 7,033**
% of net sales	1.2%
Adjustment, Gross	
Restructuring and Other Corporate Initiatives	$ 2,372
Goodwill Impairment	$ -
Derivative related	$ (7,663)
Foreign exchange loss/gain	$ 2,529
Equity settled stock-based compensation	$ 650
Asset related	$ (355)
Employment related (past service costs)	$ -
COVID-19	$ 289
Other	$ 40
Income taxes	$ 1,164
Net Earnings - Adjusted	**$ 6,059**
% of sales	1.1%
Adjustments:	
Income taxes	$ 6,422
Finance costs	$ 17,795
Amortization	$ 24,564
Adjusted EBITDA	**$ 54,840**
% of net sales	9.6%

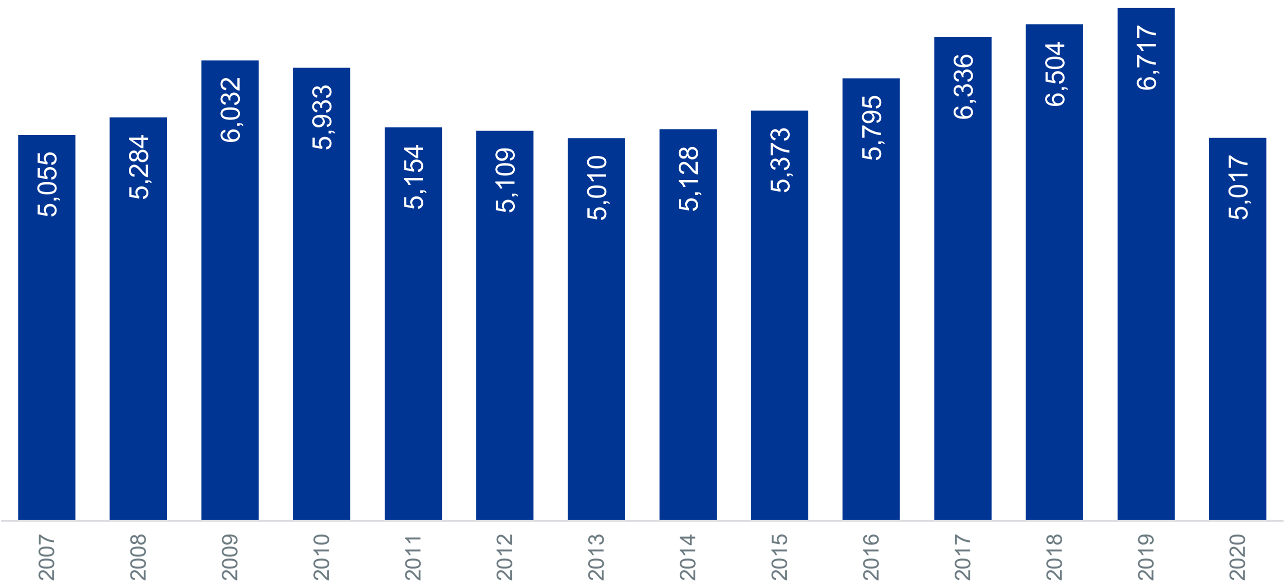
Appendix: Non-IFRS Reconciliation (2020)

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)**
% of net sales	-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)**
% of sales	-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**
% of net sales	7.9%	-7.3%	9.2%	9.1%	6.5%

Market Update: North American Heavy Duty Transit

North American Heavy-Duty Transit[1,2]

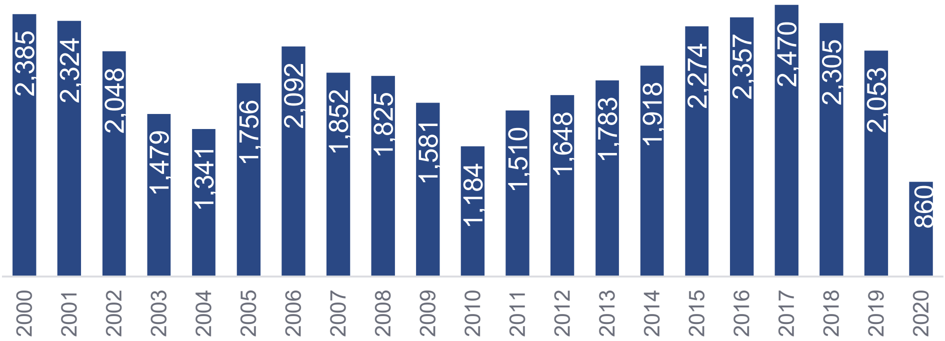


NFI's 2020 Market Share: 43%

(1) Source: Metro Magazine and Management Estimates
(2) All deliveries in Equivalent Units (EUs)

Market Update: Private Under Continued Pressure

North American Motor Coach Market (public and private)[1]

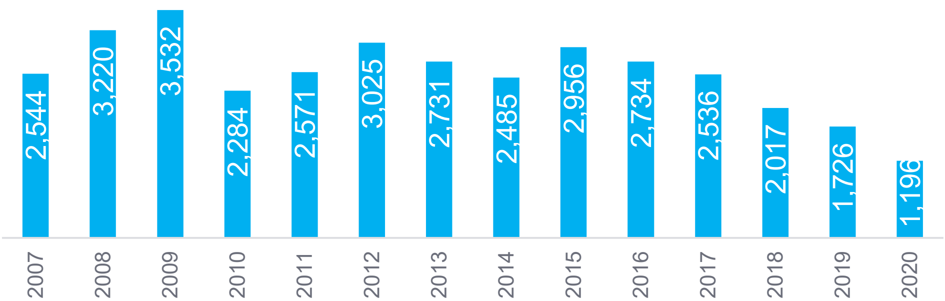


North American Motor Coach Market Update

- Total market decreased by 58.1% year-over-year
- 120 EUs delivered in 2021 Q1 (vs 160 EUs in 2020 Q1)
- Market remains depressed, but management expects to see a gradual recovery in 2021 with return to work and vaccines; full recovery contingent on tourism, sports, and leisure

NFI's 2020 Market Share: 74%

United Kingdom Bus and Coach Market (public and private)[2]



UK Bus and Coach Market Market Update

- UK bus and coach market down by 46% in 2021 Q1 compared to 2020 Q1
- Performance is expected to improve in the coming months as the effect of the pandemic
- ADL maintained a 57% share of zero-emission bus registrations, which now account for 30% of all new buses (up from 6% in 2020)

NFI's 2020 Market Share: 75%

(1) Source: American Bus Association
(2) Source: SMMT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