March 13, 2026, Sent VIA Email

Subject: Update to February 25, 2026 Letter Regarding Ballard Fuel Cell External Coolant Leak

Dear Valued Customer,

On February 25, 2026, details were shared concerning an investigation conducted involving coolant leaks identified on hydrogen fuel cell buses at our Anniston, Alabama production facility.

As was previously shared, during a routine inspection, a New Flyer team member observed liquid beneath a Ballard hydrogen fuel cell installed on a bus. Ballard subsequently confirmed that the liquid was coolant. Following this observation, additional inspections at the Anniston facility identified similar instances on a limited number of buses, typically involving small droplets sometimes collecting below the fuel cell. In these cases, approximately 250–300 ml of coolant was observed to have escaped from the manifold inlet port, an area subject to higher inlet-side pressures.

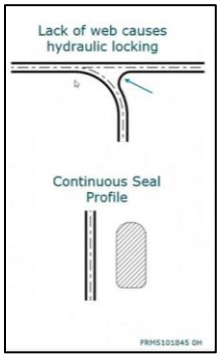
Out of an abundance of caution, New Flyer immediately placed a temporary stop-shipment on all hydrogen fuel cell–powered buses and initiated a joint investigation with Ballard, our fuel cell supplier. Ballard personnel continue to be on site in Anniston to support the root cause and corrective action activities.

Working with Ballard, we originally thought and conveyed that a supplier change made in early 2025 to the manifold-channel gasket was responsible for the leaking conditions. This was based on an observation that the 2026 channel gaskets exhibited better “fitment” properties than the previous 2025 version. Through subsequent testing and analysis, we have learned that there are 3 primary root causes that can influence how fully the manifold and gasket seat when bolted together. This reduced seating can create localized areas where sealing performance is diminished, potentially contributing to the leak condition observed.

The 3 contributing factors include:

- Returned parts to Ballard exhibited tooling flash on the manifold. This tooling flash is located within the manifold channel where the gasket seats.
- Excess volume of webbing on the gasket creates a hydraulic locking condition where the manifold does not have space for expansion in the corners of the gasket creating a “squeeze out” condition of the EPDM.
- The gasket squared profile presents a configuration in which, under certain conditions, the EPDM gasket volume may approach the limits of the available channel space depending upon assembly conditions.

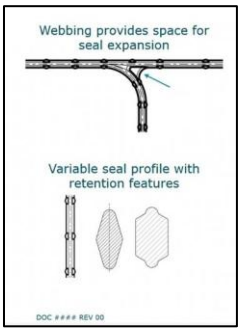
Red circles indicate areas of tooling flash on the manifold



Current manifold gasket seal profile and hydraulic locking condition

Through a combination of removing the tooling flash from the manifold and reworking the EPDM gaskets to remove excess material in the corners of the gasket, we have been successful in eliminating the leak. This has been verified on over 30 buses.

As a permanent corrective action, Ballard has utilized existing certified tooling to produce parts with refined profiles that improve channel fit. The updated design incorporates webbing that supports controlled gasket expansion in the manifold corners. These parts were produced in silicone based on the tooling already available for this material. Ballard is also ensuring the manifolds do not have the tooling flash.



We are confident that eliminating tooling flash, combined with either reworked EPDM gaskets or silicone gaskets, provides an effective corrective action to prevent leaks and allows buses to be released for shipment. Both corrective actions involve torquing the manifold bolts to 8Nm, which is the specification. We originally thought there was merit to increasing the torque from 8Nm to 11Nm but by addressing the root causes, we find the increased torque is no longer needed.

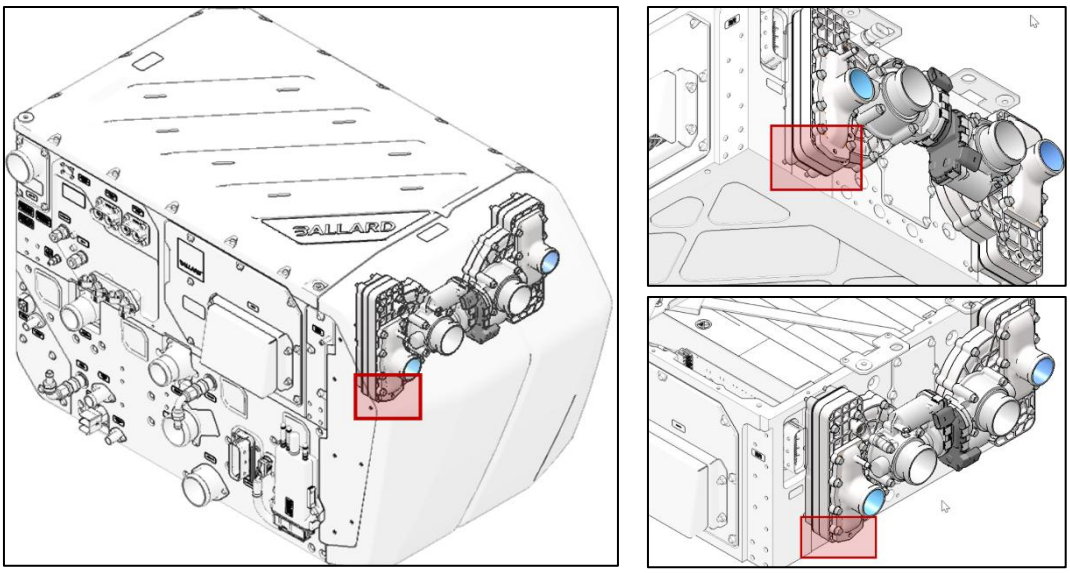
We are validating the effectiveness of both methods described above by completing a 25-mile road test and inspecting for leaks using a borescope and then completing a 2nd borescope inspection after 12 hours post road test.

Customers may have questions on how these findings impact the buses that shipped prior to this discovery. We reiterate that this condition does **not** present a safety risk. The coolant seepage occurs externally to the fuel cell, below electrical connections, and within a protected area of the fuel cell compartment. While the coolant leak was noticed from visual inspection, the onboard monitoring systems recognize low coolant in the system if a coolant leak is visually undetected.

Because Ballard cannot state with certainty the long-term durability of this coolant connection joint, Ballard has elected to proactively upgrade the affected coolant connection on all approximately 170 buses already delivered. To date, field experience shows a very low observed failure rate (2 of approximately 170 buses), and the condition is not safety-related as noted above. Available data indicates that any failures occurring after initial installation would be expected to present much later in the service life. Based on this information, Ballard will implement a proactive upgrade campaign that is appropriate and precautionary, but not urgent.

This campaign will be carefully planned and scheduled to minimize disruption to customer operations. Ballard is actively developing logistics and additional service instructions for execution and currently estimates that the campaign will be completed within approximately one year. Ballard, or New Flyer on Ballard's behalf, will contact affected customers with additional details and scheduling information as plans are finalized.

While campaign logistics are being finalized, customers should continue to follow their standard preventive maintenance practices, including routine inspections for coolant leaks. The below pictures (shaded area specifically) identify the area where these coolant leaks have been found.



Both New Flyer's standard 6,000-mile inspection interval and Ballard's three-month inspection interval include coolant leak inspection as a normal maintenance item. If a coolant leak is identified during regular inspections, customers are encouraged to contact their New Flyer representative or Ballard directly so that a repair can be coordinated in advance of the broader upgrade campaign. If no coolant leak is identified, no further action is required and bus can be returned to revenue service.

We appreciate the patience demonstrated by customers to allow us the time to confidently identify the root cause and corrective action measures required. If you have questions or would like additional details specific to your fleet or delivery schedule, please do not hesitate to contact me or your Customer Program Manager (CPM).

Sincerely,

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