



Craig-Hallum Alpha Select Conference

November 2022

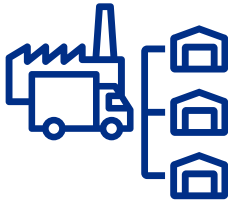
Westport Fuel Systems

Disclaimer and Forward-Looking Statements

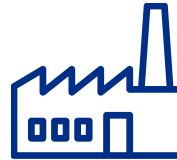
This presentation contains forward-looking statements, including statements regarding revenue expectations, future strategic initiatives and future growth, future of our development programs (including those relating to HPDI and Hydrogen), expected margin pressure, the Russia-Ukraine conflict and related impacts, expectations regarding slower sales growth to our OEM launch partner due to higher LNG prices, the demand for our products, the future success of our business and technology strategies, intentions of partners and potential customers, the performance and competitiveness of Westport Fuel Systems' products and expansion of product coverage, future market opportunities as well as Westport Fuel Systems management's response to any of the aforementioned factors. These statements are neither promises nor guarantees but involve known and unknown risks and uncertainties and are based on both the views of management and assumptions that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activities, performance or achievements expressed in or implied by these forward-looking statements. These risks, uncertainties and assumptions include those related to our revenue growth, operating results, industry and products, the general economy, conditions of and access to the capital and debt markets, access to required semiconductors, solvency, governmental policies, sanctions and regulation, technology innovations, fluctuations in foreign exchange rates, operating expenses, continued reduction in expenses, ability to successfully commercialize new products, the performance of our joint ventures, the availability and price of natural gas, global government stimulus packages and new environmental regulations, the acceptance of and shift to natural gas vehicles, the relaxation or waiver of fuel emission standards, the inability of fleets to access capital or government funding to purchase natural gas vehicles, the development of competing technologies, our ability to adequately develop and deploy our technology, the actions and determinations of our joint venture and development partners, the effects and duration of COVID-19, the Russia-Ukraine conflict and ongoing semiconductor shortages as well as other risk factors and assumptions that may affect our actual results, performance or achievements or financial position discussed in our most recent Annual Information Form and other filings with securities regulators. Readers should not place undue reliance on any such forward-looking statements, which speak only as of the date they were made. We disclaim any obligation to publicly update or revise such statements to reflect any change in our expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in these forward-looking statements except as required by National Instrument 51-102. The contents of any website, RSS feed or twitter account referenced in this press release are not incorporated by reference herein.

Changing the Way the World Moves

Delivering market-ready alternative-fuel systems for today's combustion-powered vehicles



Tier 1 Supplier



Manufacturing

7 global locations



Low-Carbon, Affordable

Full suite of renewable and alternative fuels



Sales in 70

countries



>100 Distributors

worldwide



**>1,400 Patents &
Applications**

Developing cleaner fuel systems and components that
address challenges of climate change without sacrificing cost or performance



Why Westport?

- Leader in transportation fuel systems for clean, low carbon fuels
- Enabling lower costs for our customers: low cost of operation and low cost of emissions compliance
- Proprietary HPDI fuel system technology, proven and in production now
- Demonstrated superior performance and efficiency with Hydrogen HPDI fuel systems
- Diverse product and customer portfolio
- Significant growth opportunity underpinned by the accelerating energy transition



Strategy

1

Drive sustainable growth in our existing markets through a diversified portfolio of technology, products, and services

2

Unlock new and emerging markets through the delivery of cleaner, affordable transportation solutions

3

Drive operational excellence and reputation as a Tier 1 supplier with enhanced quality and reliability

Recent Developments



- Announced world-leading efficiency results for Hydrogen fueled internal combustion engines
- Introduced H₂ HPDI™ fuel system for internal combustion engines to global OEMs at IAA to strong OEM interest and feedback
- Presented H₂ HPDI™ to key policymakers in Brussels and Washington, DC, as the lowest cost solution for heavy-duty CO₂ abatement

Climate Change Has Changed Our Industry

Our alternative-fuel systems meet the world's urgent demands, today.



Climate change requires urgent attention: if we continue to emit CO₂ at current levels, we have only ten years remaining in the global carbon budget before we breach the 1.5-degree Celsius threshold, emphasizing the need for immediate action.

Hydrogen Council //

*"Path to Hydrogen Competitiveness" report,
January 2020, p. 2*



Macro Enablers Driving Growth

Regulation

Mandating cleaner transportation

- Carbon neutrality objectives, CO2 emissions and fuel efficiency standards for vehicles
- Air pollutant emissions standards for vehicles
- Renewable energy and alternative fuels infrastructure regulations
- Increasing carbon reporting requirements for companies

Affordability

Compelling TCO with gaseous fuels

- Affordability required to achieve scale
- Population and economic growth drive increased transportation needs

Fuel Availability

Rapid expansion of infrastructure

- China: 7,000+ LNG stations; largest existing LNG infrastructure; ~250 H₂ stations
- Europe: 4,181 CNG, 579 LNG, 47,788 LPG stations and growing
- India: 10,000 CNG stations by 2030
- US: 1,680 CNG and 144 LNG stations and growing

Renewables

Perfect fit with Westport's solutions

- Biomethane is a "ready now" alternative delivering net-zero carbon transport
- Promising green hydrogen plans
- Matching the cleanest gaseous fuels with the most efficient engine technologies

Product Availability

Westport solutions are being deployed TODAY

- Don't have to wait to address demands for cleaner affordable transportation

Delivering Emission Reductions Through Alternative Fuel Capabilities

LPG

Liquefied Petroleum Gas / Propane / Autogas



- Favourable price advantage over diesel in key markets
- Strong and growing refuelling network in Europe
- Most commonly used alternative fuel in the world

CNG

Compressed Natural Gas



- Over 4,000+ CNG stations in Europe
- Indian CNG market a major growth opportunity for Westport
- Price advantage over diesel in select markets

LNG

Liquefied Natural Gas



- Key driver of heavy-duty growth
- China, Europe both large and growing refuelling infrastructure
- Increased focus on biomethane as result of Russia-Ukraine conflict

H₂

Hydrogen



- Strong OEM interest in H₂ HPDI offering
- Increasing global recognition of H₂ as the future zero-emissions fuel
- H₂ HPDI can offer better economics and performance

**All available as renewable fuels
substitute for fossil-based fuels**

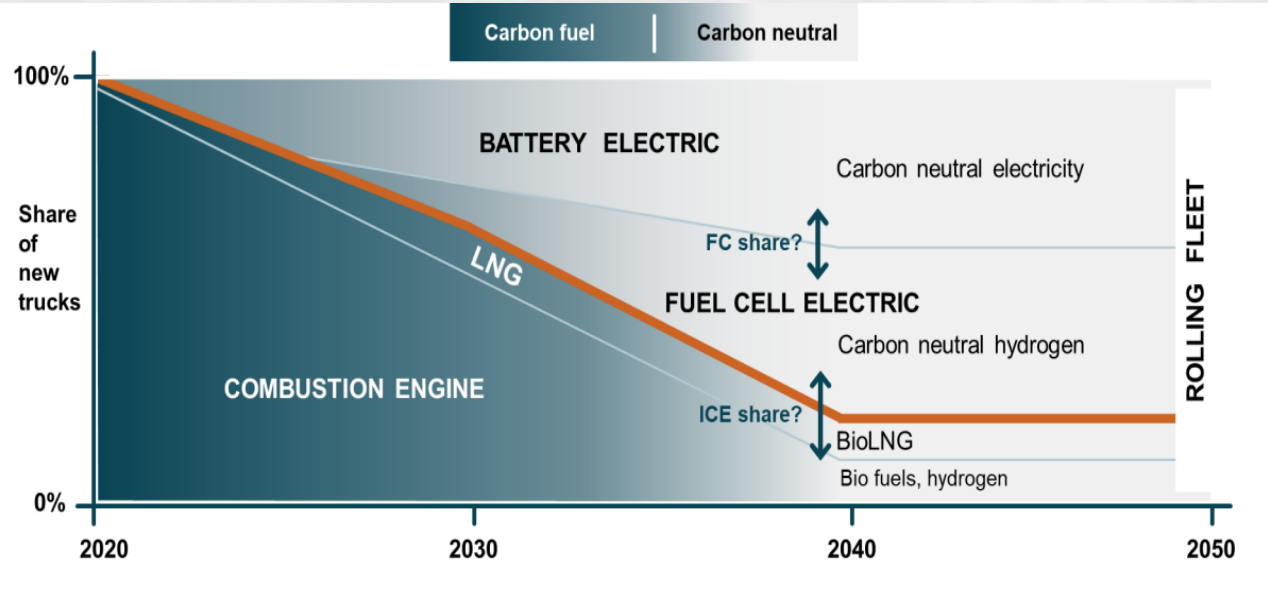
Leading Global Supplier

Broad range of products addressing diverse market segments

	CHANNELS TO MARKET		
	Original Equipment Manufacturers (OEMs)		Independent Aftermarket (IAM) Dealers/Distributors
Market Segments	Light- & Medium-Duty	Heavy-Duty	Light, Medium and Heavy-Duty
Westport Products	Fuel Systems & Components	HPDI 2.0™ Systems	Bi-Fuel Conversion Kits
Gaseous Fuels	LPG, CNG, LNG and Hydrogen		CNG, LPG and H ₂
Primary Geographic Focus	Developed markets and global OEMs		Developing markets including Italy, Russia, Turkey, Poland, Algeria, and Argentina
Revenue (2021)	\$195M		\$116M

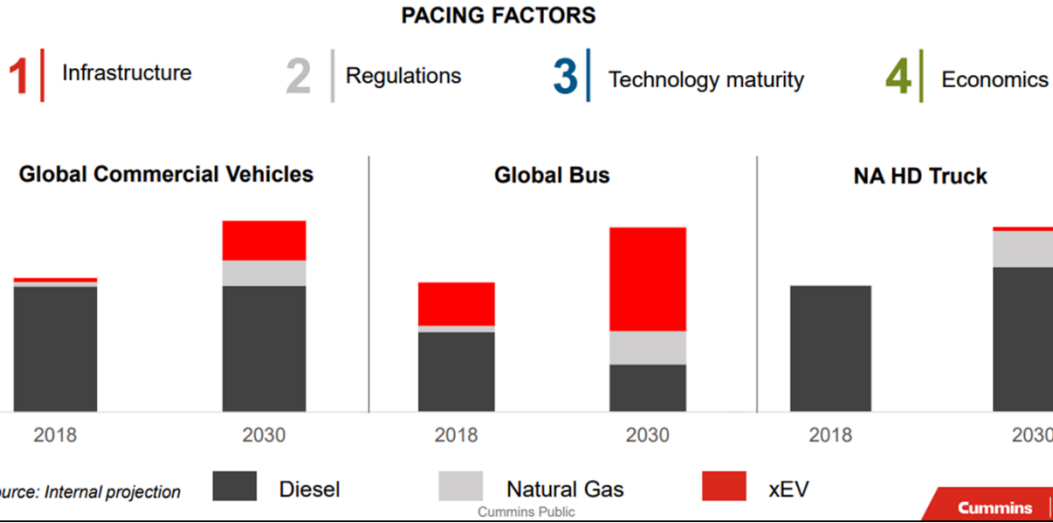
Multiple Clean Energy Technologies Required for Energy Transition

Westport's High Pressure Direct Injection (HPDI) product offer first-mover advantage in the face of aggressive regulatory mandates



Source:
Volvo Group Capital Markets Day, July 5, 2022
<https://www.volvogroup.com/en-en/investors/reports-and-presentations.html>

Slow and varied technology transition

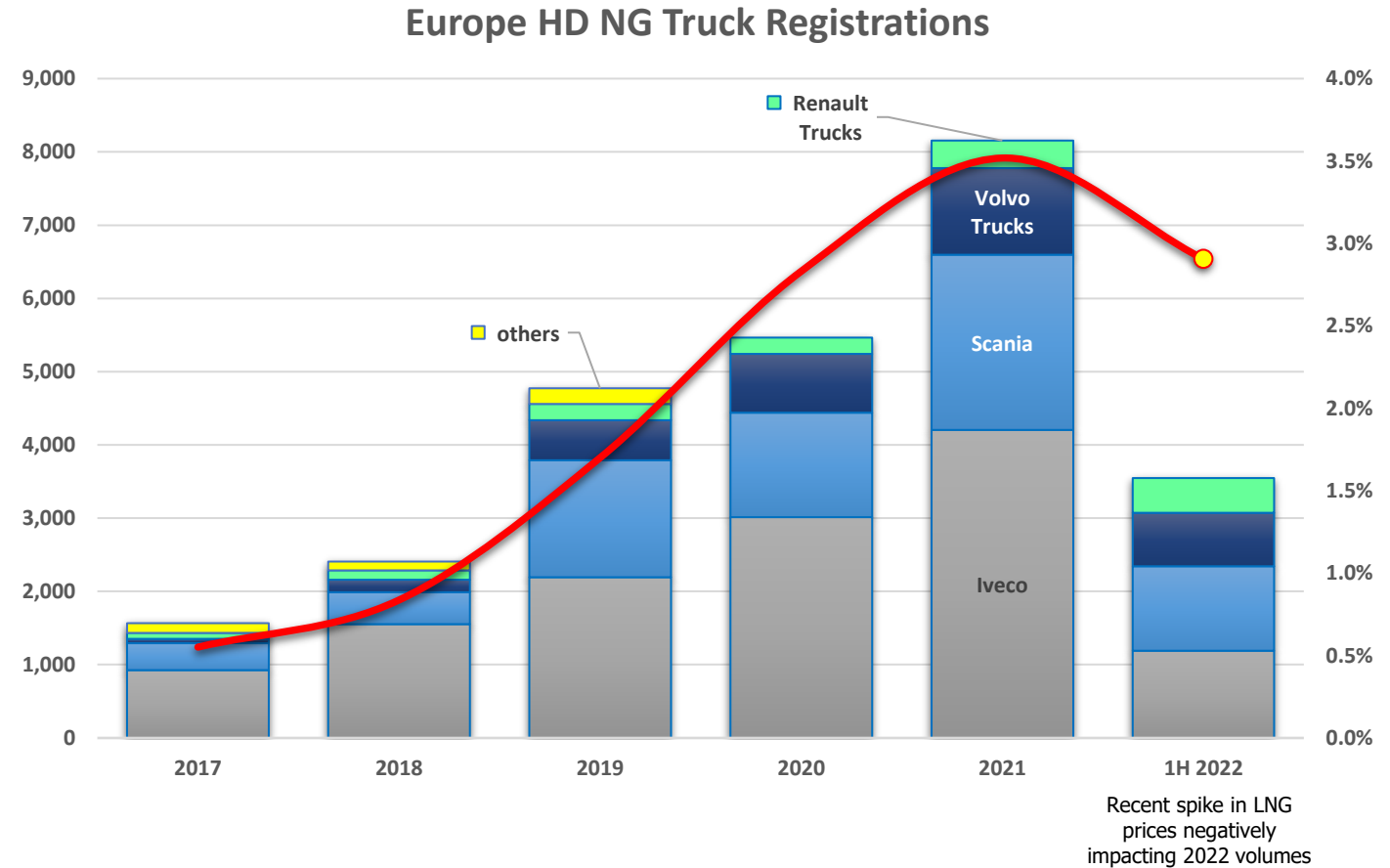


Source:
Cummins Analyst Day Presentation, November 21, 2019
<https://investor.cummins.com/events-presentations/presentations>

The future will have a diversity of solutions across a range of applications.
Economics will drive the most cost effective to dominate.

Adoption Continues for Natural Gas Trucks in Europe

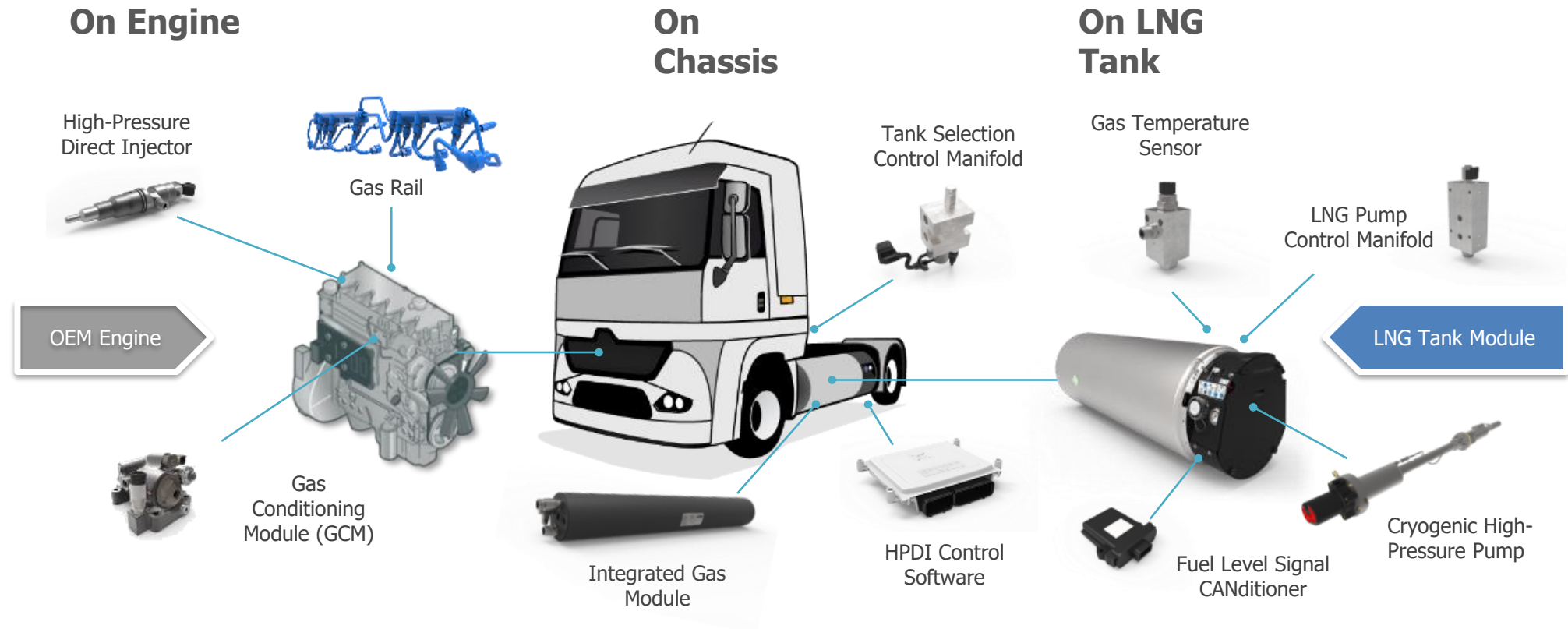
- OEM's market share for natural gas trucks approaching 3.5% in 2021, representing ~40% year-over-year growth
- Over 500 LNG stations serving heavy-duty truck fleets across Europe, a number that continues to grow
- As adoption of bioLNG increases, the total CO₂ reductions (Well to Wheel) accumulates rapidly



Sources: IHS Markit, ACEA, WFS analysis

Natural Gas Share of Class 8 Market

HPDI is a High-Performance, Low-Emissions Fuel System Solution for Today's Combustion-Powered Heavy-Duty Trucks





HPDI: Cost-effective

HPDI is the most cost-effective way to reduce CO₂ in long-haul trucking and other high-load, long-haul applications.

HPDI: LNG

- Same torque, efficiency, and reliability as diesel engines
- **20% CO₂ reduction tailpipe**
- **100% CO₂ reduction with Bio-LNG**
- No change to vehicle or engine architecture

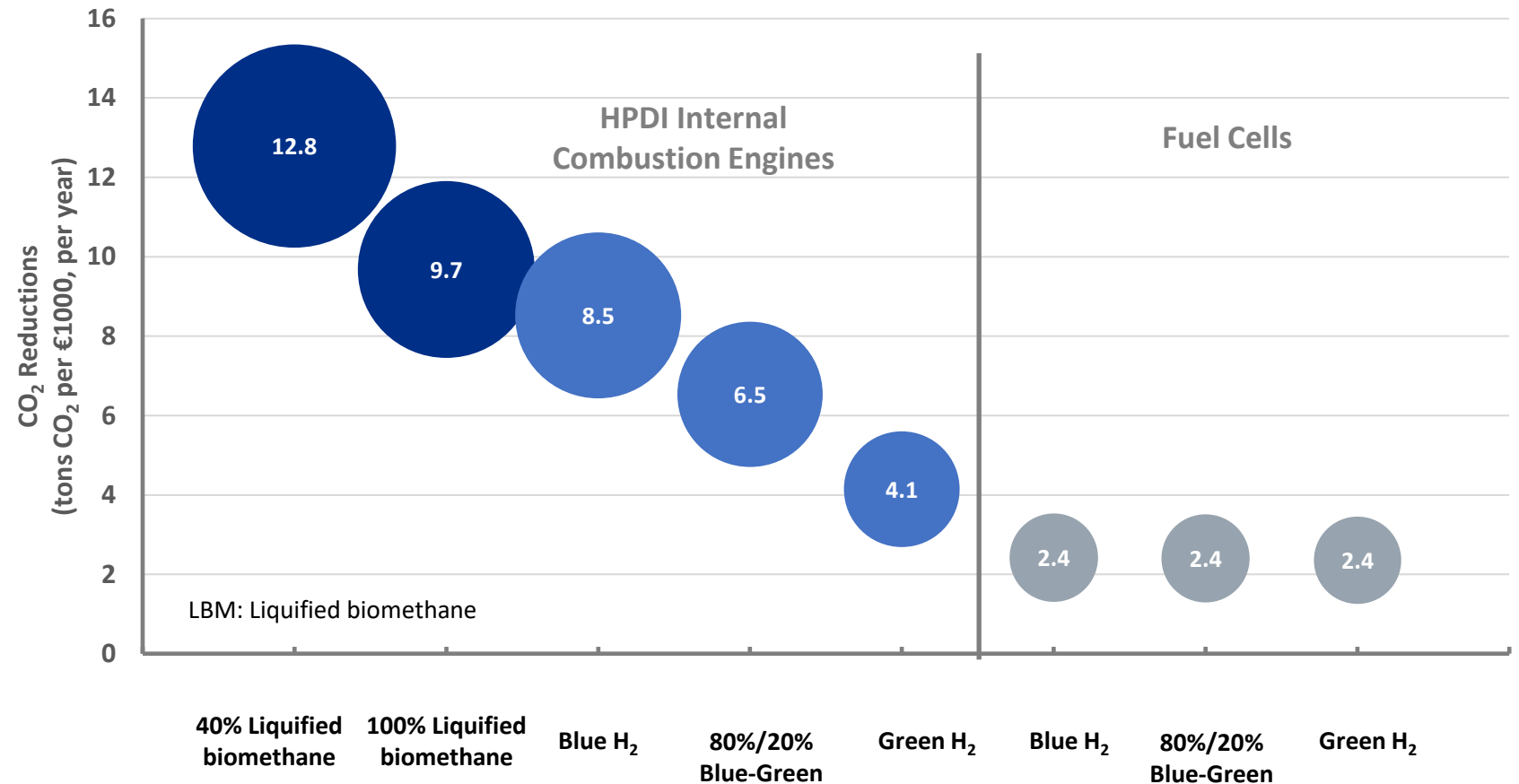
H₂ HPDI

- 20% more power, 15% more torque
- **Near Zero CO₂ emissions**
- **Lowest cost to CO₂ compliance**
- Preserve existing engine manufacturing

HPDI Growth Story Driven by Cost Efficiency

HPDI solutions are more cost effective than fuel cells for CO₂ abatement

- 4x more cost effective using blue hydrogen
- 6x more cost effective using 40% liquid biomethane. HPDI is doing this today in markets like Germany where LNG is already 60% bio-LNG



HPDI for heavy-duty, long-haul applications offers superior fuel efficiency and responds NOW to EU CO₂ 2025 regulations

Introducing H₂ HPDI

More power, torque, and efficiency than diesel, using zero carbon hydrogen fuel

Hydrogen combustion is a nascent solution but could fill an important niche by harnessing established technologies and supply chains.

Bernd Heid, Christopher Martens, and Anna Orthofer

"How Hydrogen Combustion Engines Can Contribute to Zero Emissions",
McKinsey & Company article, June 2021

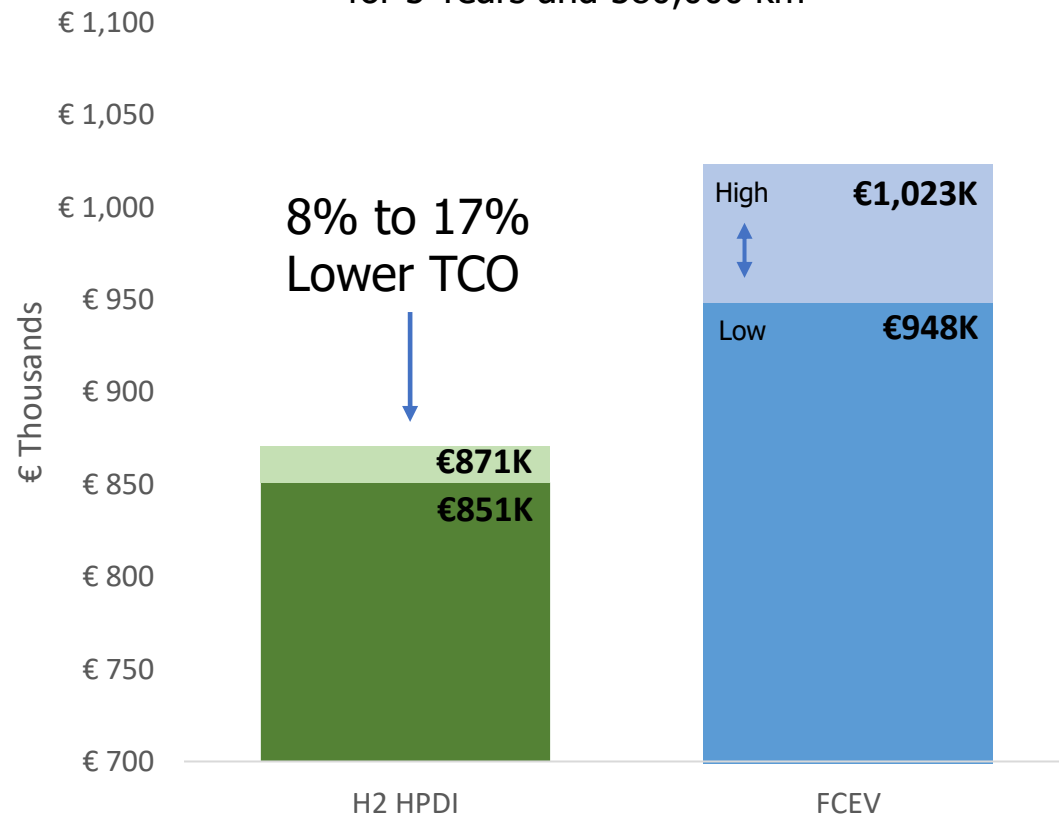
- Better TCO than fuel cell for high load applications
- Strong interest from OEMs
- Lowest cost path to use green hydrogen
- Using existing engines and engine manufacturing assets by only changing the fuel system results in shorter time to market, fast adoption, and faster transition



H₂ HPDI: Pathway to Near-Zero Emissions

Total Cost of Ownership (TCO)

for 5 Years and 580,000 km



Source: AVL / Westport TCO study, 2021

Benefits vs. Fuel Cell



For the Truck Customer

- Lower upfront acquisition costs
- Proven truck design and durability
- Familiar truck operation



For the OEM

- Low product development cost
- Preserve current manufacturing, supply chain, and service infrastructure
- Avoid manufacturing investments for fuel cells, batteries, and motors



For the Environment

- Renewable, zero carbon fuel
- Lower investment path to reduce CO₂ in heavy-duty, long-haul trucking

Significant Test Results Announced

Producing performance and emissions results exceeding the diesel parent engine

Ongoing projects:

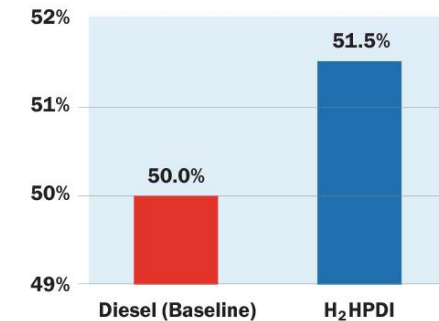


Significant test results from our ongoing H₂ HPDI demonstration program with Scania using their newest, state-of-the-art 13L CBE1 platform

- Achieved a 51.5% brake thermal efficiency, eclipsing the 50% achieved with Scania's state-of-the-art engine with diesel by 1.5%
- Affordable pathway to employ a zero-carbon fuel using existing engine architecture and manufacturing infrastructure



Brake Thermal Efficiency (BTE) at Mid-Load



The engine test results from the Scania 13-Litre CBE1 platform running with Westport's H₂ HPDI fuel system demonstrates even higher efficiency than the already super-efficient diesel engine.

Affordability Drives Conversion in Light-Duty OEM and IAM



Passenger Cars		
	Petrol ¹	LPG ²
Incremental price per vehicle		€800
Fuel cost (€/litre or kg)	€1.70	€1.03
Annual distance (km)	20,000	20,000
Fuel consumption (km/l or kg)**	13	13
Annual fuel cost	€2,617	€1,669
Annual Fuel Cost Savings		€948
Payback (months)		10
CO ₂ Emission Reductions (%)***		~10%

The actual payback period is dependent upon vehicle transaction prices, annual distance traveled, fuel prices, and the import taxes and incentives. All of these factors can vary over time and between jurisdictions.

[1] Based on Italian fuel prices as of November 2022

[2] Based on Italian fuel prices as of November 2022

Major OEMs Offering a Range of CNG Models in India

Growing market share in India

- 50% increase in sales as compared to Q2 2021
- Significant increase in infrastructure for CNG underway.
 - More than 4,000 CNG stations in place and nearly 1,000 to be commissioned in the next year
- OEMs participating in alternative fuel programs for CNG with existing and new engine platforms



Key passenger vehicle, commercial vehicle, and three-wheeler OEMs have upscaled their CNG programs with their high-selling models now offering a CNG option

HPDI Driving Growth

- Additional volumes with existing customers
- Additional OEM customers
- Additional geographies: North America, Japan
- Additional applications: Off-road, mining and rail
- Additional fuels: Hydrogen



Delayed OEM Continues to be a Profit Driver

Best-in-class bi-fuel systems.

- Shorter time to market
- Higher flexibility in tracking and adjusting to market demand
- Ability to offer an LPG/CNG model range without typical OEM investment



Leader in the LPG and CNG Conversion Space

IAM business has foundations for profitable, measured growth

- Unlock new markets
- Maintain market leadership with a focus on quality, reliability and affordable products
- Focus on technology leadership, expanding our IAM platform
- Increase market share & profitability in our current markets
- Aggressively pursue cost reductions



Path to Profitability

Clearly defined priorities to maintain and improve financial strength

- 1 Increase HPDI sales volumes, driving economic of scale and advance commercialization of H₂ HPDI
- 2 Drive profitable growth in new and existing markets
- 3 Aggressively work to enhance margins
- 4 Preserve liquidity
- 5 Efficient capital allocation and M&A strategy

Setting the foundation to support the achievement of our strategic priorities

2021 Financial Highlights

Revenue

\$312 million



24% YoY

- Continued recovery, despite global supply-chain headwinds

OEM Revenue

\$195 million



31% YoY

- Growing sales of HPDI
- Recovery of LD OEM sales

Adjusted EBITDA

\$17.5 million



vs. \$14.7 million in FY20

- Increased gross margin
- Gain on Stako acquisition
- Income tax recovery

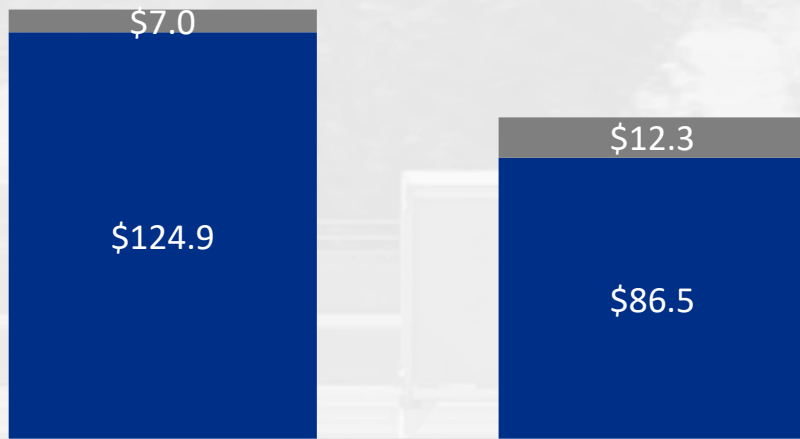
Strong Results Despite Significant Macro Headwinds

Liquidity

Addressing margin improvements, and cash conservation

- Pricing action taken with customers
- Working to monetize high levels of inventory

Cash and Liquidity
(\$ Millions)



Q4 21

Q3 22

■ Cash ■ HSBC AR Facility

Debt & Cartesian Royalty Payable
(\$ Millions)



Q4 21

Q3 22

■ Debt ■ Cartesian Royalty Payable

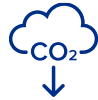
Sustainability is a Core Principle

Sustainability is at the core of our technology strategy, our product portfolio, and our operations



Governance

- Formed a 10-member ESG Steering Committee, led by the CEO, to oversee core programs and targets, integrating ESG into the company's goals and processes



Our ESG Strategy

- Focused on taking concrete steps to ensure that the way we do business has positive impacts throughout our value chain



Stakeholder Engagement

- Learning, improving, and ensuring our strategies, activities and reporting are aligned with the needs and interests of those affected by our business



Diversity and Inclusion

- ~50% gender representation on the Board of Directors
- Over 30% female representation across global workforce



Environment

- Helping our customers to be leaders in affordable, sustainable, and efficient transportation solutions



Our Carbon Footprint

- We have committed to developing a Climate Action Plan that outlines our path to near-zero GHG emissions and aligns our climate-related disclosures with TCFD recommendations



Summary

- Leader in transportation fuel systems for clean, low carbon fuels
- Enabling lower costs for our customers: lower cost of operation and low cost of emissions compliance
- Proprietary HPDI fuel system technology, proven and in production now
- Demonstrated superior performance and efficiency with Hydrogen HPDI fuel systems
- Diverse product and customer portfolio
- Significant growth opportunity underpinned by the accelerating energy transition

Questions?



Executive Leadership Team



David M. Johnson

Chief Executive Officer
& Board Director

Industry veteran with more than 30 years of experience leading engine development for automotive and commercial vehicle industries including at Ford Motor Company in Truck Powertrain Planning. Since then, Mr. Johnson has served in a variety of roles with leading automotive companies including senior roles at Navistar and General Motors.



Richard Oraziotti

Chief Financial Officer

Served as Senior Vice President, Treasurer of Goldcorp, Inc. Chartered Professional Accountant ("CPA") in British Columbia. Global Executive MBA from the IESE Business School at the University of Navarra and a Bachelor of Business Administration from Simon Fraser University.



Lance Follett

Chief Legal Officer &
Executive Vice President

Served as Vice President of Licensing, Vice President of European Partnerships and Senior Vice President of Corporate Development and Intellectual Property for Westport Fuel Systems. Member of the Law Society of British Columbia and a registered Patent Agent. B.Sc. (Hons) degree from the University of British Columbia, and a J.D. from the University of Victoria.



Nicola Cosciani

EVP, Global Operations

Served as Supply Chain Manager, Operation Manager and Business Unit Manager for companies such as ABB and FIAMM. Participated in different regulatory bodies in Italy and the European Community. Holds degree in Economics from Bologna University.



Tim Smith

EVP & Chief of Staff

Served in technical, management, and executive roles at Daimler Trucks North America, Navistar, and Dana Corporation. Bachelor of Science degree in Mechanical Engineering from the University of Toledo.



Bart van Aerle

EVP

Served as Vice President Prins, one of the corporation's material subsidiaries and key brand of Westport Fuel Systems in the Netherlands. Previously, Mr. van Aerle Holds a Bachelor of Business Administration and Engineering from Fontys University in Eindhoven

Independent Directors



**Daniel M.
Hancock Chair**



**Michele J.
Buchignani**



**Brenda J.
Eprile**



Rita Forst



**Anthony
('Tony')
Guglielmin**



**Prof. Dr. Karl Viktor
Schaller**



**Eileen
Wheatman**



**Philip
Hodge**



Thank you.

