

Driving Cleaner Performance



Westport Fuel Systems

Disclaimer and Forward-Looking Statements

This presentation contains forward-looking statements, including statements regarding future revenue expectations, future demand for LPG, future growth in markets, future of our development programs (including those relating to High Pressure Direct Injection ("HPDI") and Hydrogen), expected margin improvements, fuel pricing advantages, duration of government incentive programs, expectations regarding sales growth, 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, 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 including impacts due to inflation, 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, government incentive programs 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 Russia-Ukraine conflict, ongoing semiconductor shortages and supply chain disruptions 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.

Corporate Profile

- Based in Vancouver, British Columbia, Canada, Westport is a leading supplier of advanced fuel delivery components and systems for a wide range of affordable alternative low-carbon fuels such as natural gas, renewable natural gas, propane, and hydrogen
- Shares publicly listed on two major stock exchanges:
 - NASDAQ: WPRT
 - TSX: WPRT
- 17,174,972 common shares issued and outstanding, as at November 7, 2023
- Recent Key Financial Metrics:
 - 3Q23 Revenues of \$77 MM (vs. \$71 MM in 3Q22)
 - 3Q23 Adjusted EBITDA of -\$3.0 MM (vs. -\$4.5 MM in 3Q22)

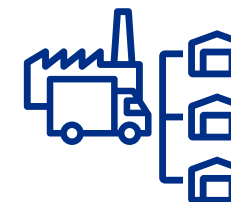




Changing the Way the World Moves



- Global Operations**
- 7 manufacturing locations
 - Sales in >70 countries
 - 100+ distributors



**Tier 1 Original
Equipment
Manufacturer
("OEM") Supplier**



**Low-Carbon,
Affordable Fuels**



>1,400 Patents



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

4

Extract efficiencies internally through prudent capital management



Recap of 2023 Highlights

1. Signed a non-binding LOI to establish a JV with Volvo, accelerating the adoption of HPDI and reducing CO₂ emissions
2. Announced a hydrogen HPDI project with a leading global locomotive OEM
3. Awarded an additional production supply agreement for Euro 7 LPG fuel systems by a global OEM
4. Announced the third major OEM collaborator to evaluate Westport's hydrogen HPDI fuel system
5. Expanded our global manufacturing footprint in China to support the ongoing and future growth of hydrogen
6. Agreed with Cartesian to terminate existing debt agreement, releasing the security on our HPDI 2.0 intellectual property

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 H ₂		CNG, LPG and H ₂
Primary Geographic Focus	Developed markets and global OEMs		Developing markets including Italy, Russia, Turkey, Poland, Algeria, and Argentina
Revenue (2022)	\$198 Million		\$108 Million

Scale of the Challenge

Urgently need solutions for Well-to-Wheel
and Life Cycle CO₂ reductions

What is
needed?

Quickly
Deployable
Solutions

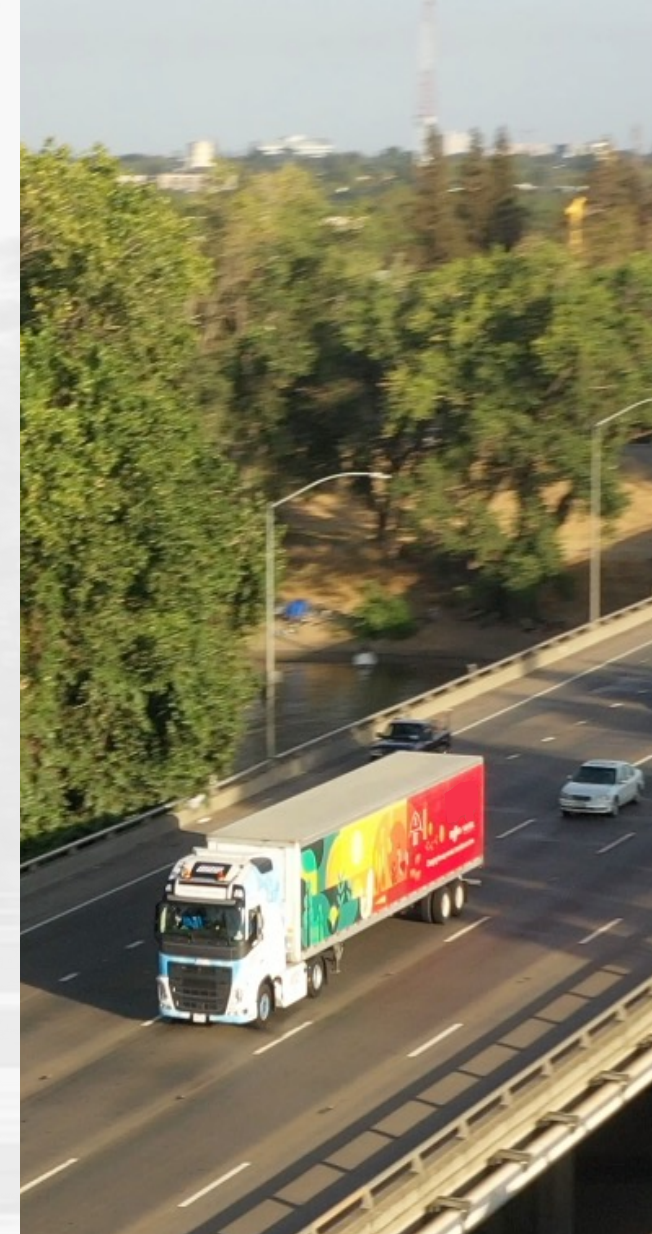
Innovative
Solutions

Ambitious
Solutions

Efficient
Solutions

Cost-
Effective
Solutions

Practical
Solutions



A Portfolio of Solutions is Required

OEMs are looking at LPG, LNG, biofuels, fuel cells, electric and hydrogen in the push to decarbonize

"The way we see it is there won't be a single winning technology. We actually need a diverse array of technologies to meet all of our customer and application needs."

– Jim Nebergall Head of H₂-ICE Cummins, January 2023

"We recognize that decarbonization needs to be achieved using a multifaceted approach. We're continuously looking at opportunities, which is why LNG engines are something we are excited to pilot."

– Linde Canada, Press Release, 2023

"Our efficient gas-powered trucks have a performance comparable to their diesel equivalents. Fueling up is almost as fast as a diesel truck and the growing network of more than 600 fuel stations for both bio-LNG and LNG in Europe makes them ideal for long-haul transports."

– Daniel Bergstrand, Product Manager Volvo Trucks, January 2023

"..But no one solution fits all. Future mobility is likely to be a mix of solutions, for reducing emissions, including use of alternate fuels and hybrids in the near term, to zero-emission technologies (battery electric vehicles (BEVs) and hydrogen-powered vehicles) in the long term, depending on consumer acceptance, vehicle application and geography."

– Ernst & Young India, 2023

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 total cost of ownership as compared to gaseous fuels

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

Fuel Availability

Rapid expansion of infrastructure, alternative fuel usage

- China: 7,000+ LNG stations; largest existing LNG infrastructure; ~1000 H₂ stations and growing
- Europe: ~4,000 CNG, 633 LNG, ~48,000 LPG stations, 254 H₂ stations and growing
- US: 1,680 CNG, 144 LNG stations, ~100 H₂ stations and growing

Low Carbon & Renewables

We have the products to capture the growth

- 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

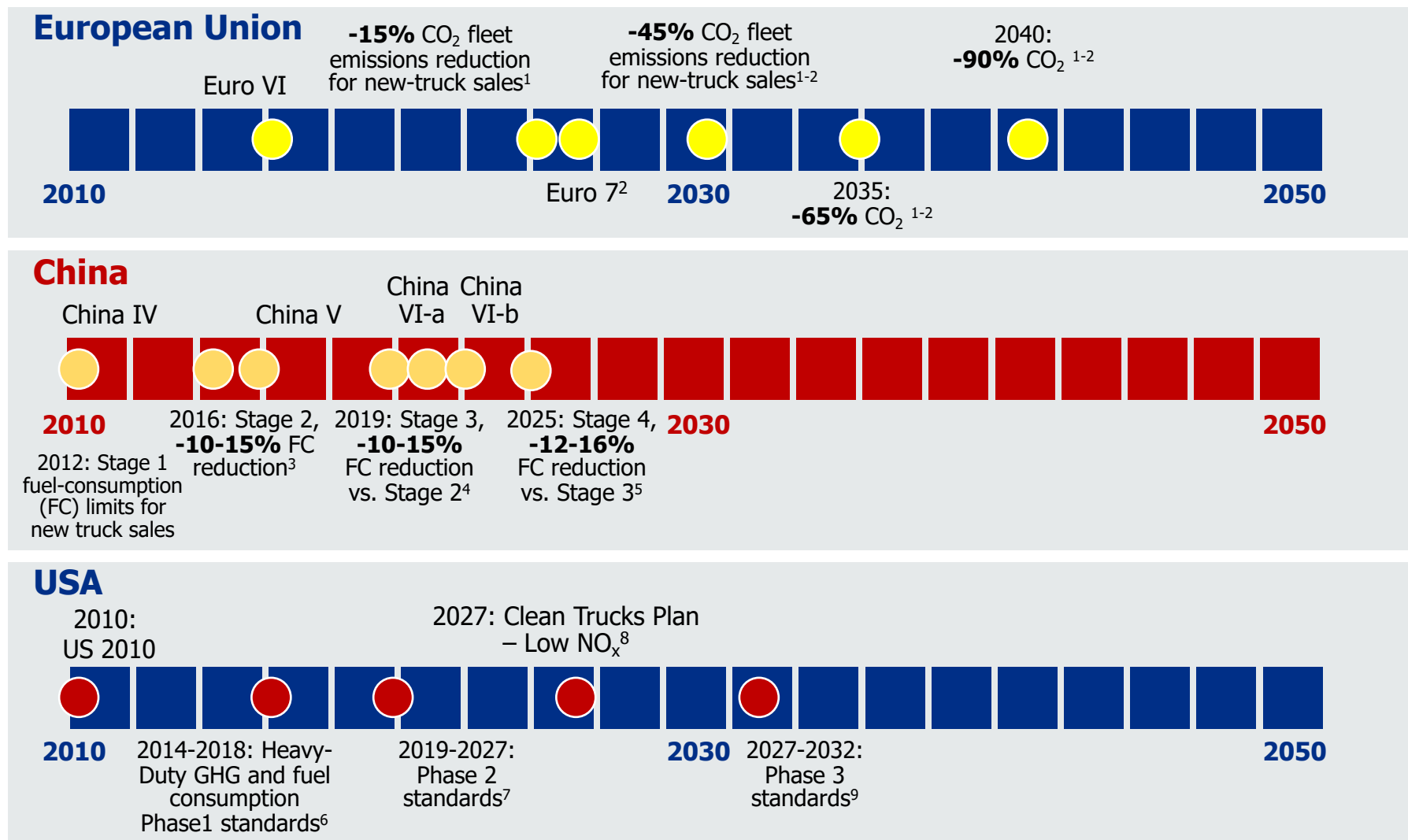
Product Availability

Westport solutions are being deployed today

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

Substituting Fossil Fuels and Accelerating a Clean Energy Transition

Regulatory Momentum in Our Core Regions



Source: Westport, RBC

¹Base year 2019. ²Proposed. ³Base year 2012; average reduction target over all weight classes. 48 L/100km for GCW>49T tractor-trailers. ⁴40,5 L/100km for GCW>49T tractor-trailers.

⁵Proposal published in June 2022. ⁶2017: CO₂ 460 g/bhp.hr - Fuel 4.52 gal/100 bhp.hr for heavy-heavy-duty (HHD) engines in tractors. ⁷2021: Further 2-3% CO₂ reduction per year. 2027:

CO₂ 432 g/bhp.hr - Fuel 4.2436 gal/100 bhp.hr for HHD tractors. ⁸NO_x 35 mg/bhp.hr, new HC, PM, CO limits and extended life periods. ⁹Proposal published in April 2023. No update proposed for engine standards. Targets for Class 8 High Roof Sleeper Cab: 64.3 g/t-mile in 2027-2029 (unchanged), annual reductions of 10%, 11% and 6% resp. for 2030-31-32.

Biomethane with HPDI Today Sets Path for H₂ HPDI Tomorrow

100%+

Carbon reduction using
biomethane with HPDI
available today

35bcm

Estimated annual EU
biomethane production by
2035

57%

Potential biomethane
market share for EU heavy-
duty vehicles by 2050

HPDI using biomethane is on the road today.

Sources: IEA World Energy Outlook, European Commission
BCM = Billion Cubic Meters

Global H₂ Demand is Increasing and Driving up Investment

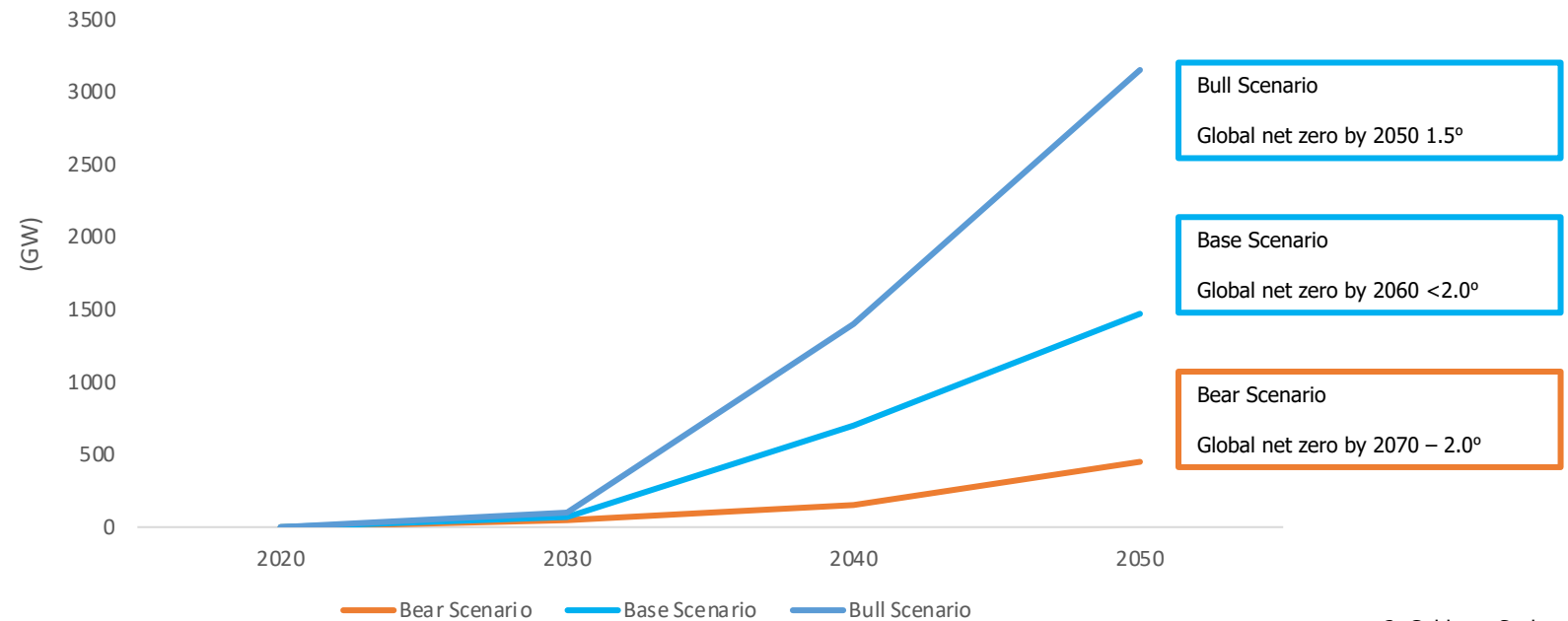
\$570B

Announced global hydrogen investment across 1,400 announced projects through 2030¹

40-45%

Production cost reduction projected for renewable hydrogen by 2030 vs. 2020 World H₂ council baseline¹

Global Installed Electrolyzer Capacity Based on Goldman Sachs Global Hydrogen Demand Model²



2. Goldman Sachs

Why H₂ HPDI: The Value Proposition

Lowest cost to
develop



20% more power
than a diesel engine

Lowest cost to
industrialize



10% more efficient than
diesel engine and
equivalent to fuel cell
efficiency

Low cost to
operate



**Preserves internal
combustion engine
infrastructure and
supply chain
investments**



15% more torque
than a diesel engine



Minimal changes to
engine architecture



**Near zero CO₂
emissions;** lower cost
CO₂ abatement than fuel
cell



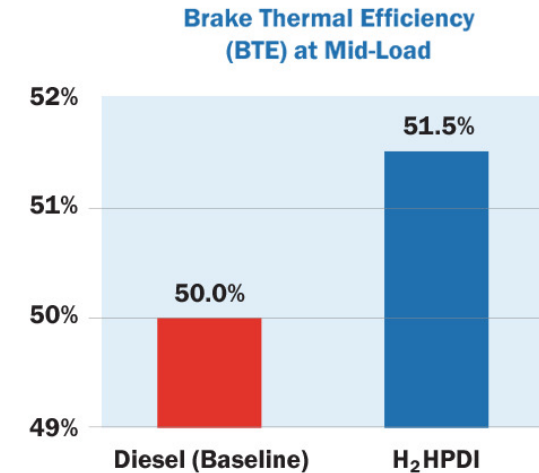
Significant Test Results With Scania

Real-world demonstration of the tremendous value and best-in-class performance that HPDI offers

- Significant brake thermal efficiency improvement, when H₂ HPDI applied to best-in-class engine platforms that have recently achieved the long-targeted 50% BTE threshold
- Affordable pathway to employ a zero-carbon fuel using existing engine architecture and manufacturing infrastructure



Producing performance and emissions results exceeding the diesel parent engine

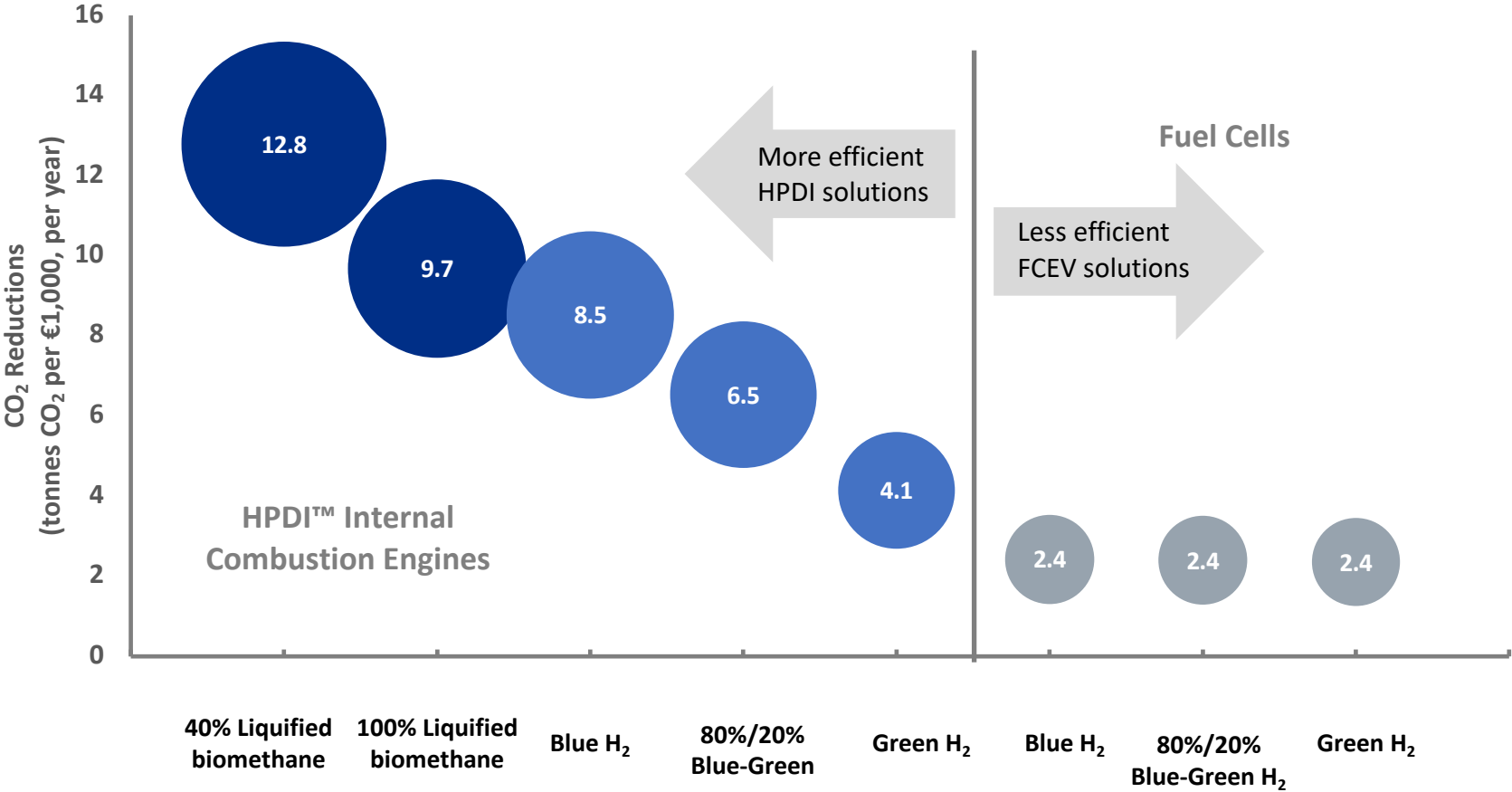


The engine test results from the Scania 13-Litre CBE1 platform running with Westport's H₂ HPDI fuel system demonstrates even higher efficiency than the already super-efficient diesel engine.

HPDI Offers Greater CO₂ Reductions per Euro Invested

HPDI
presents
superior
effectiveness
for CO₂
abatement

Cost Abatement in Tonnes of CO₂ Reduced per €1,000 Invested
WTW CO₂ – includes fuel source and manufacturing emissions

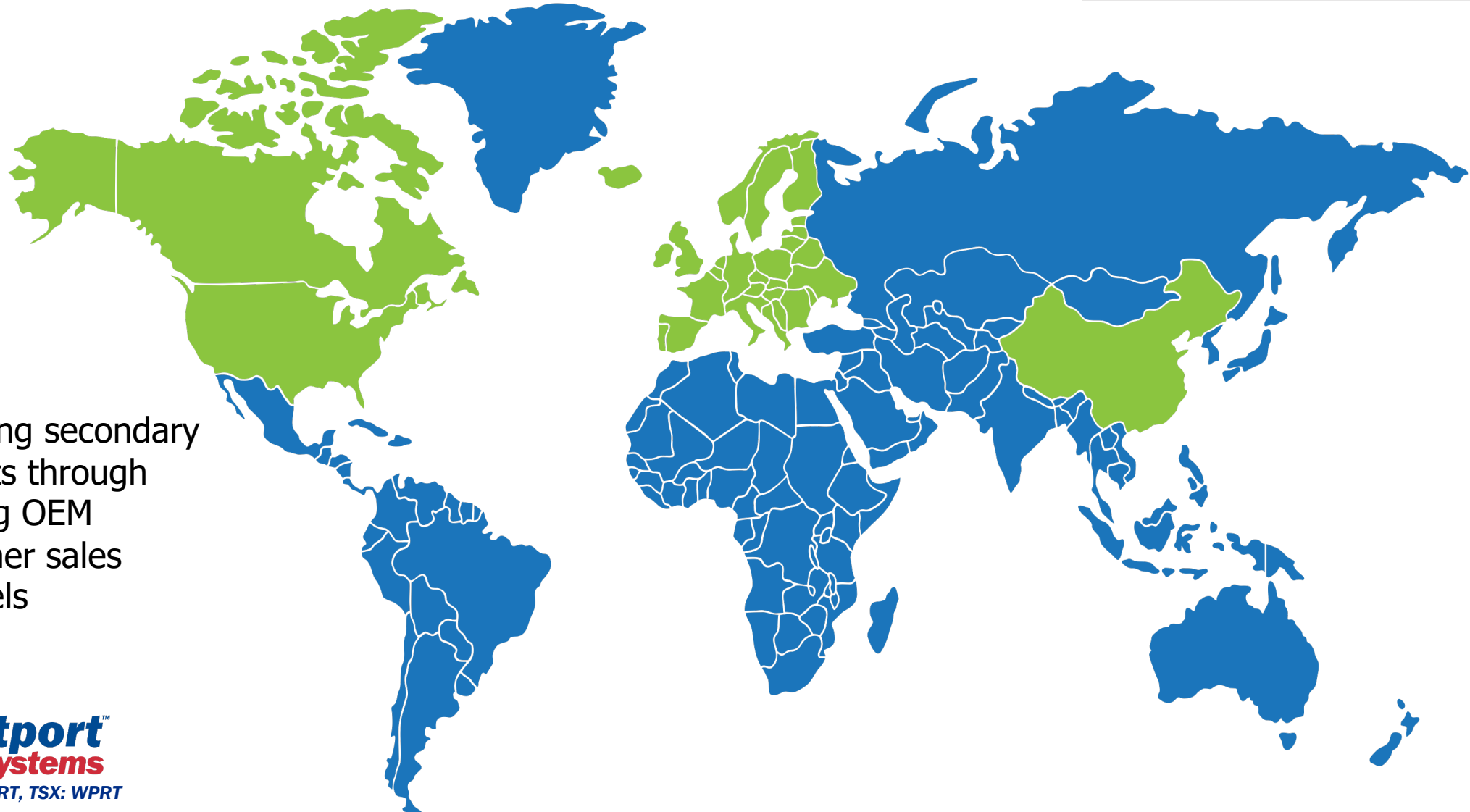


Market Opportunities

Key discussions ongoing with OEMs in all key global markets

Major global OEM
engagements underway
evaluating H₂ HPDI

Reaching secondary
markets through
existing OEM
customer sales
channels



Shared vision of creating sustainable transport solutions

Westport and Volvo sign letter of intent to form joint venture (JV) to accelerate commercialization of Westport's HPDI fuel system technology and reduce CO₂ emissions from long-haul and off-road applications

- Westport to contribute current HPDI assets and activities including related fixed assets, intellectual property, and business into the JV
- Volvo to acquire a 45% interest in the JV for the sum of ~US\$28 million plus up to an additional US\$45 million depending on the performance of the JV
- Completion of the JV is conditional on the successful negotiations and execution of a definitive investment agreement, JV agreement, supply agreement and development agreement; the JV is expected to launch in 1H24



Capturing LPG Fuel System Market Share

Pricing advantage drives continued demand

~35% **~40%**

Current IAM LPG
market share

Current OEM LPG
market share

New OEM supply agreement drives our
LPG market share to over 50%

€550+

Average annual customer savings
using LPG in Italy in 2022

LPG supply agreement with leading European OEM begins generating revenue Q1 2024

- Euro 6 emissions standard compliant deliveries begin in Q4 2024, forecasted to generate revenue of €38 million over 2 years
- Euro 7 emissions standard compliant deliveries in 2025, forecasted to generate annual revenue of €40 million through 2035 and beyond

Diversified, Global Market Demand in Independent Aftermarket



Prins

ZAVOLI



OMVL

STAKO))

Significant market share in key markets:

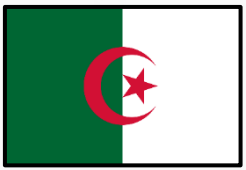
- Europe, Middle East, South America, Asia Pacific, and Africa

Trends:

- Key growth due to high fuel prices, government incentives, and infrastructure improvements
- Historical markets continue to grow

Growth driven by:

- Price advantages of clean gaseous fuels
- Government incentives
- Infrastructure development



Delayed OEM Segment Continues to be a Profit Driver

- Best-in-class bi-fuel systems
- Lower investment for the development and production of alternative fuel vehicles
- Shorter time to market
- Higher flexibility in following market demand
- Extension of the model range to smaller local volumes not justifying typical OEM investments
- Strong relationships with key Delayed-OEM customers: Hyundai and Kia

**Converted ~40,000 vehicles in 2022,
significant growth experienced in 2023**



Clearly Defined Priorities

Improving financial and operational strength

1

Enhance financial performance

- Revisit all contracts to secure price increases given inflationary conditions
- Increase HPDI sales volumes, driving economic of scale and advance commercialization of H₂ HPDI
- Drive profitable growth in new and existing markets
- Aggressively work to enhance margins

2

Drive working capital efficiencies

- Lower inventory levels; improve turnover rates
- Prudent management of accounts receivable

Key initiatives underway to grow profitability, enhance our efficiency

Strategically Significant Q3 2023 Results

Q3 23 Revenue

Millions (\$USD)

\$77.0



**9% YoY
Improvement**

- Record revenue driven by delayed OEM, electronics, fuel storage, heavy-duty OEM and higher IAM sales volumes to South America, offset by lower customer sales in LDOEM and lower IAM sales volumes to Africa and Europe

Q3 23 Gross Margin

17%



**17% YoY
Improvement**

- Increases in delayed OEM and fuel storage, and higher margins on engineering service revenue, offset by a gross margin decrease in LDOEM

Q3 23 Adj. EBITDA^[1]

Millions (\$USD)

\$(3.0)



**33% YoY
Improvement**

- Higher revenues and improvement in our gross margin, with lower R&D expenditures, offset by severance costs in North America and Europe and additional corporate consulting expenses

¹ Adjusted earnings before interest, taxes and depreciation is a non-GAAP measure

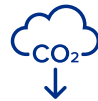
Sustainability is a Core Principle

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 greenhouse gas emissions and aligns our climate-related disclosures with recommendations from the Task Force on Climate-Related Financial Disclosures

Executive Leadership Team



Dan Sceli

Chief Executive Officer & Board Director



Bill Larkin

Chief Financial Officer



Lance Follett

Chief Legal Officer & Executive Vice President



Fabian Redon

Chief Technology Officer



Bart van Aerle

EVP, IAM and LD OEM

Directors



**Daniel M.
Hancock**
Chair



**Michele J.
Buchignani**



**Brenda J.
Eprile**



**Rita
Forst**



**Anthony
('Tony')
Guglielmin**



**Philip
Hodge**



**Dan
Sceli**



**Prof. Dr. Karl Viktor
Schaller**



**Eileen
Wheatman**





Summary

- **Leader in transportation fuel systems for clean, low carbon fuels**
- **Enable 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?