



# Annual General and Special Meeting

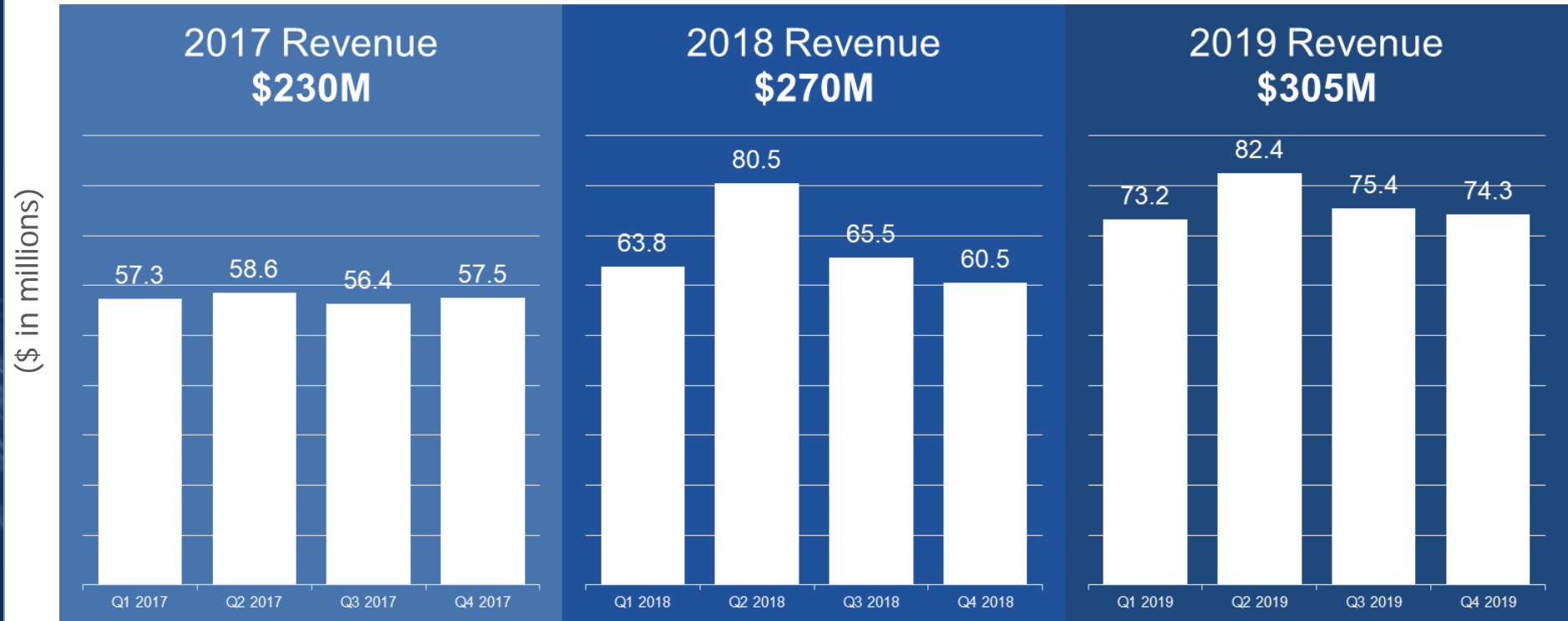
**David M. Johnson**

April 29, 2020



# 2019 Corporate Highlights: Revenue

- Transportation revenue grew to \$305M
- Up 13% over 2018
- Up 33% over 2017
- Revenue growth mainly due to HPDI volume ramp in Europe

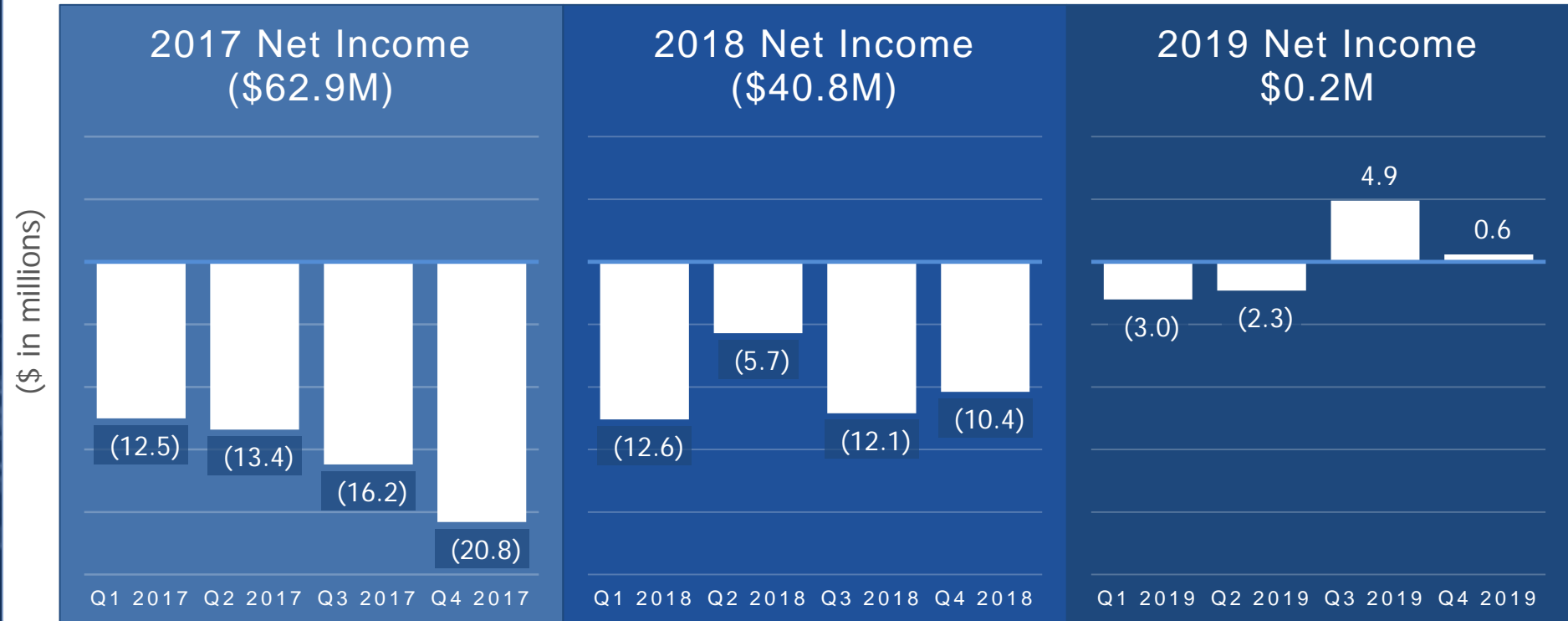


Balanced business with market-ready solutions and customers in 70 countries

# 2019 Corporate Highlights:

## Net Income From Continuing Operations

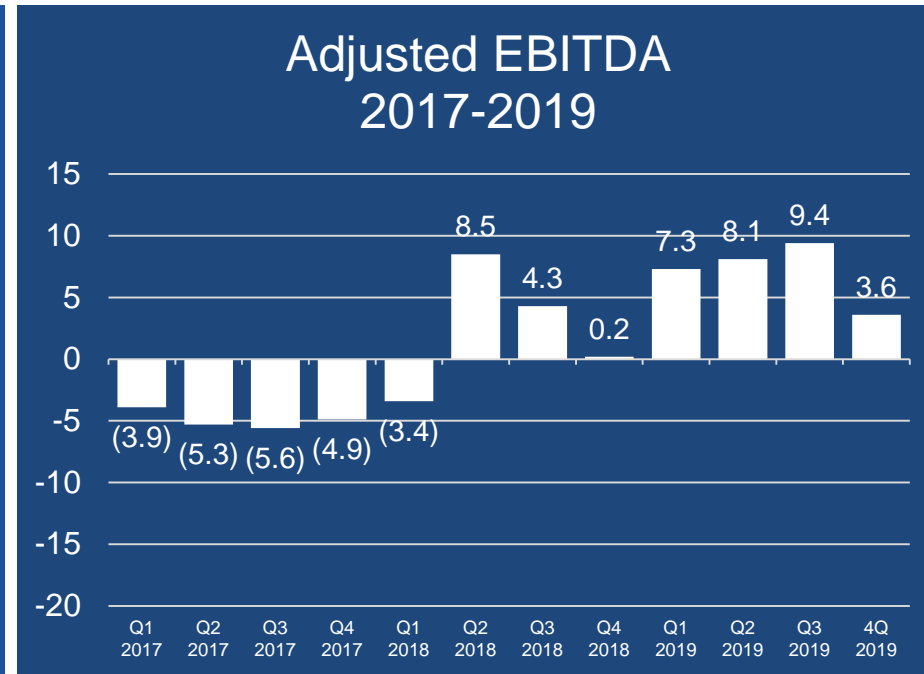
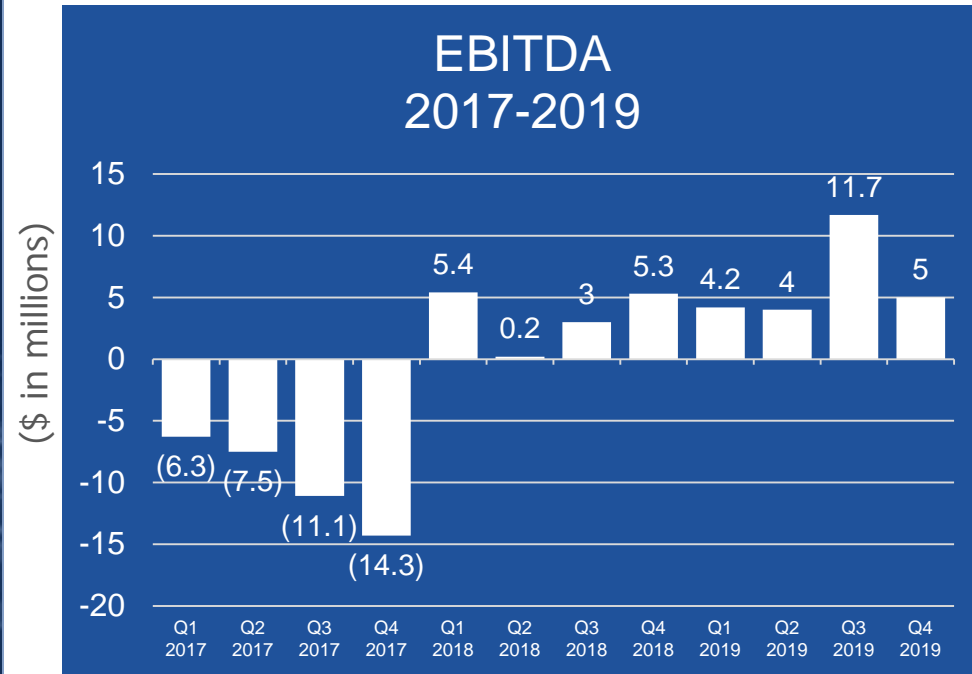
- \$41M improvement from 2018
- \$62M improvement from 2017
- Two quarters of positive net income from continuing operations



Full year of positive net income from continuing operations in 2019

# 2019 Corporate Highlights: EBITDA and Adjusted EBITDA

- First full year of positive EBITDA
- Seventh consecutive quarter of positive adjusted EBITDA
- Positive EBITDA of \$24.9m, up \$38.4m YoY and adjusted EBITDA of \$28.4m, up \$18.8m



Continued ramp in HPDI and fiscal discipline to improve financial performance

# Navigating COVID-19 - Financial Commentary

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**We are taking measures to gather and protect liquidity to weather the storm and ensure we have sufficient working capital to fund operations, service our debts, and emerge strongly after the crisis.**

## Gathering and Protecting Liquidity

- Secured agreement from EDC to defer 2020 payments and extended loan maturity
- Seeking government funding in all locations for wage-subsidy programs
- Defined and executed temporary salary reductions and operating plans for all sites
- Deferred annual bonus payments at Corporate
- Leadership voluntary compensation deferrals – 100% deferral by CEO, CFO and Board
- Cutting and deferring discretionary expenditures and keeping a close eye on our cash conversion cycle to manage our working capital
- Working with our existing and new lenders to seek government-backed financing in Canada and Italy to support short term liquidity and longer term operational and investment plans

# Macro Trends Driving Rapid Change



## Stringent Regulatory Frameworks

- EU HD CO<sub>2</sub> Regulations
- China VI and Bharat Standard VI
- Increased anti-diesel sentiment



## Cost Competitive and Market-Ready

- Lower total cost of ownership
- Short payback on incremental purchase price
- Compelling fuel price differential, taxation, road tolls



## Refuelling Infrastructure Build-Out

- Europe
- China
- India



## Renewable Gas for Transport at Scale

- The “ready now” alternative fuel
- Shell building 50 carbon neutral LNG stations in Germany
- UPS purchases 170 million DGE of RNG



## Sustainability Leadership and Differentiation

- Production solutions, not demonstrations
- Fleet demand for lower-carbon fuels



# 2020 Strategic Objectives

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1. The successful commercial launch of Westport HPDI 2.0™ in China.
2. Material and structural cost reductions to improve margins and cash flow.
3. New light-duty and heavy-duty OEMs in key market geographies.
4. Profitable growth of our light-duty product sales through aftermarket and OEM channels.



**Thank You...**

