Driving Cleaner Performance

Westport™ Fuel Systems

NASDAQ: WPRT, TSX: WPRT

Corporate Presentation

July 19, 2023

NASDAQ: WPRT, TSX: WPRT

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 June 1, 2023

- Recent Key Financial Metrics:
  - 1Q23 Revenues of $82.2 MM (vs. $76.5 MM in 1Q22)
  - 1Q23 Adjusted EBITDA of -$4.5 MM (vs. -$6.5 MM in 1Q22)

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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

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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

2023 Priorities

1 **Improve OEM margins** with High Pressure Direct Injection ("HPDI") being a primary focus

- ✓ Positive Q1 HPDI price adjustment accounting for inflation

2 **Elevate performance and efficiency** of our core business units

- ✓ Announced expanded global hydrogen component manufacturing capabilities in China
- ✓ LPG OEM program on track to generate revenue beginning in Q4 2023

3 **Add new HPDI and hydrogen ("H_2") HPDI** development and testing programs

- ✓ Announced third major OEM partner evaluating H_2 HPDI

4 **Efficiently manage** working capital

- ✓ Terminated Cartesian investment agreement

YTD 2023 Highlights

1. Announced the signing of a non-binding LOI to establish a JV with Volvo, accelerating the adoption of HPDI and reducing CO_2 emissions
2. Announced third major OEM collaborator to evaluate our H_2 HPDI fuel system
3. Announced expanded global manufacturing footprint in China to support the ongoing and future growth of hydrogen
4. Presented two papers highlighting our industry leading hydrogen HPDI technology at the Vienna Motor Symposium
5. Showcased our LNG and H_2 HPDI fuel systems for internal combustion engines for heavy-duty vehicles at the ACT Expo in California
6. Agreed with Cartesian to terminate existing debt agreement, which released the security on our HPDI 2.0 intellectual property

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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 CO_2 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 H_2-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

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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 H_2 stations and growing
- Europe: 3,972 CNG, 633 LNG, 47,788 LPG stations, 254 H_2 stations and growing
- India: 10,000 CNG stations by 2030, 1,178 LPG stations
- US: 1,680 CNG, 144 LNG stations, 107 H_2 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

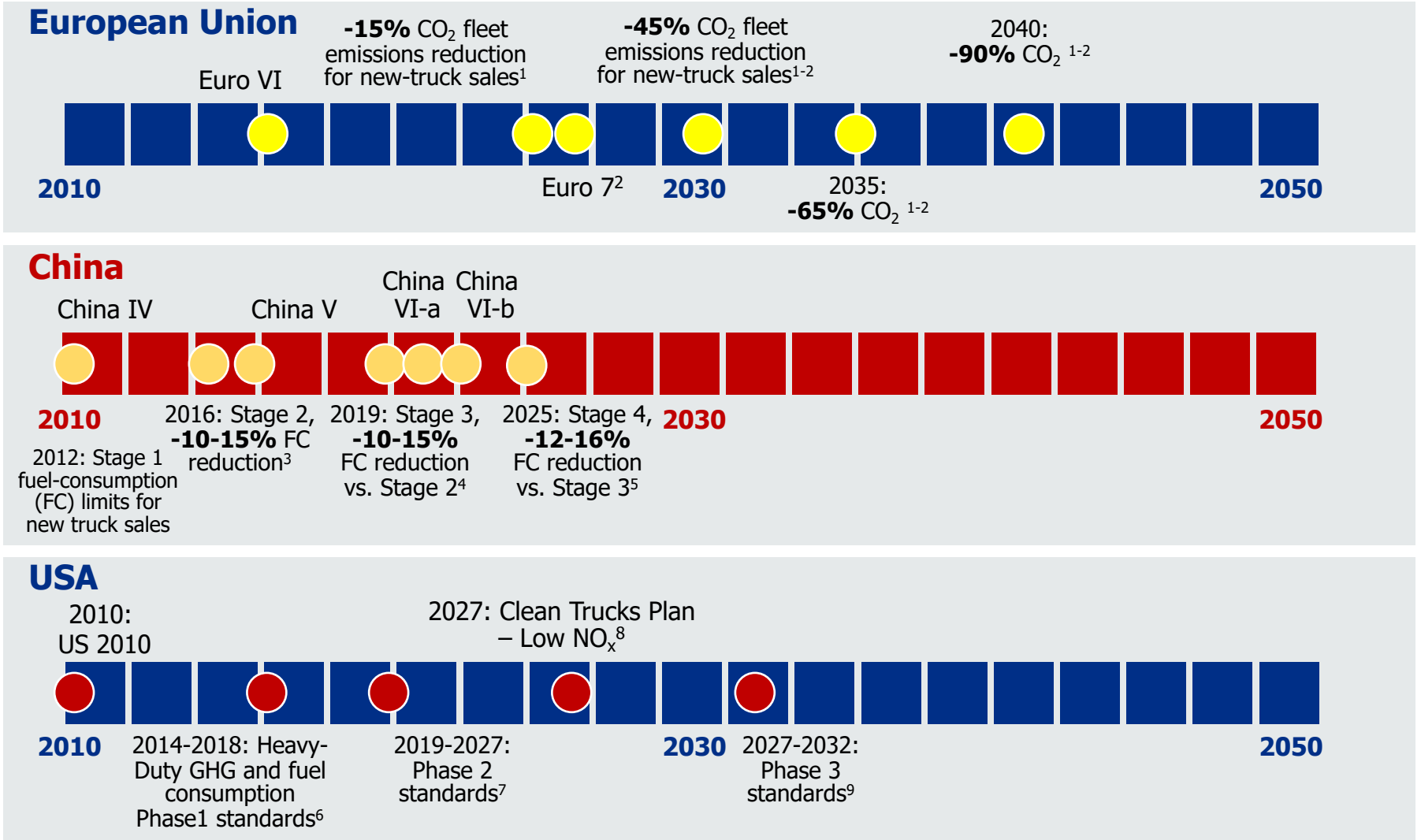
Product Availability

Westport solutions are being deployed today

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

Regulatory Momentum in Our Core Regions

Substituting Fossil Fuels and Accelerating a Clean Energy Transition



Source: Westport, RBC

[1]Base year 2019. [2]Proposed. [3]Base year 2012; average reduction target over all weight classes. 48 L/100km for GCW>49T tractor-trailers. [4]40,5 L/100km for GCW>49T tractor-trailers. [5]Proposal published in June 2022. [6]2017: CO_2 460 g/bhp.hr - Fuel 4.52 gal/100 bhp.hr for heavy-heavy-duty (HHD) engines in tractors. [7]2021: Further 2-3% CO2 reduction per year. 2027: CO_2 432 g/bhp.hr - Fuel 4.2436 gal/100 bhp.hr for HHD tractors. [8]NOx 35 mg/bhp.hr, new HC, PM, CO limits and extended life periods. [9]Proposal 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 H_2 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 <u>today</u>.

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

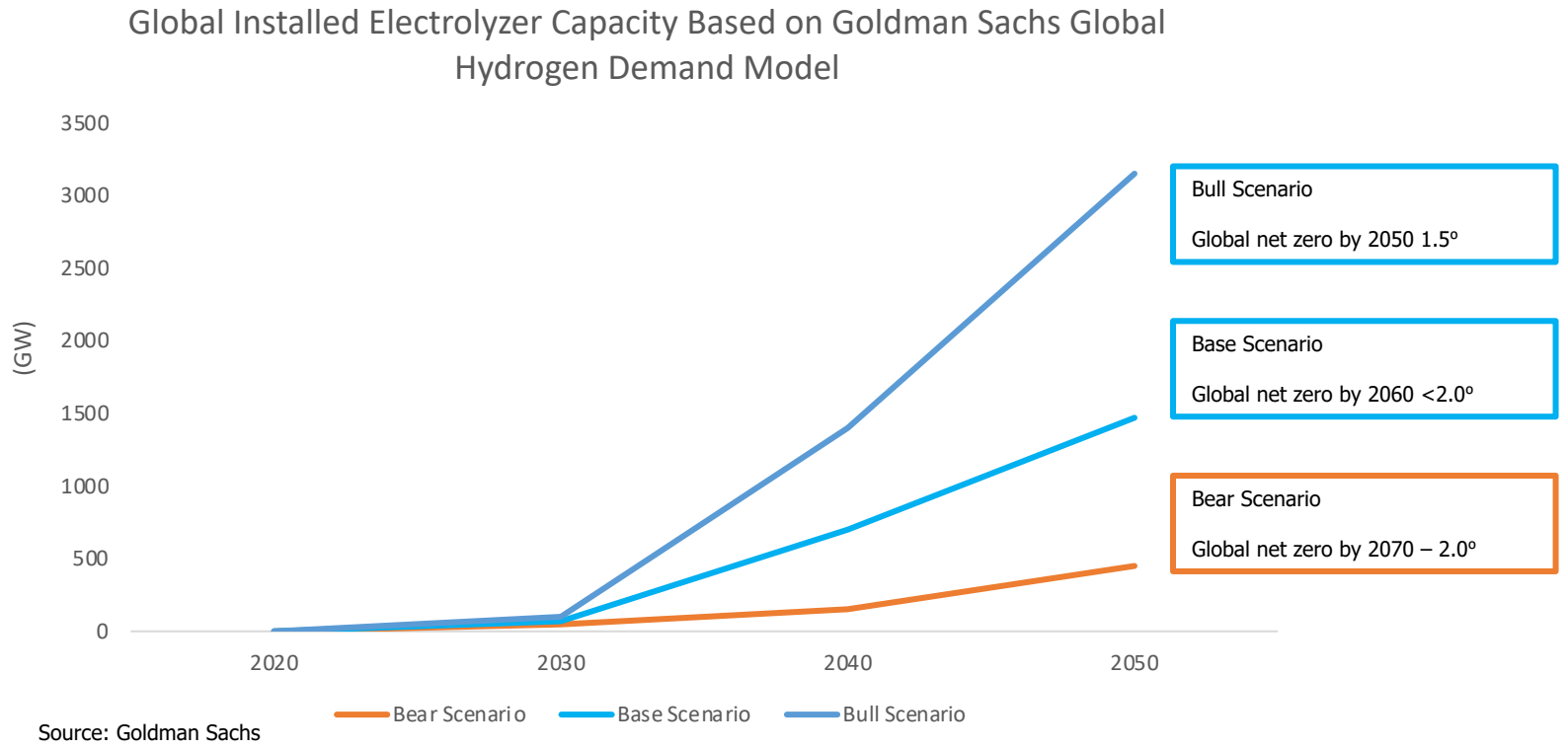
Global H_2 Demand is Increasing and Driving up Investment

$320b

Announced global hydrogen investment through 2030

60%

Production cost reduction projected for renewable hydrogen by 2030 vs. 2020 World H_2 council baseline



Source: Goldman Sachs

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Source: Hydrogen Council

Why H_2 HPDI: The Value Proposition

Lowest cost to develop → Lowest cost to industrialize → Low cost to operate

20% more power than a diesel engine

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

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

15% more torque than a diesel engine

Minimal changes to engine architecture

Near zero CO_2 emissions; lower cost CO_2 abatement than fuel cell

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Significant Test Results With Scania

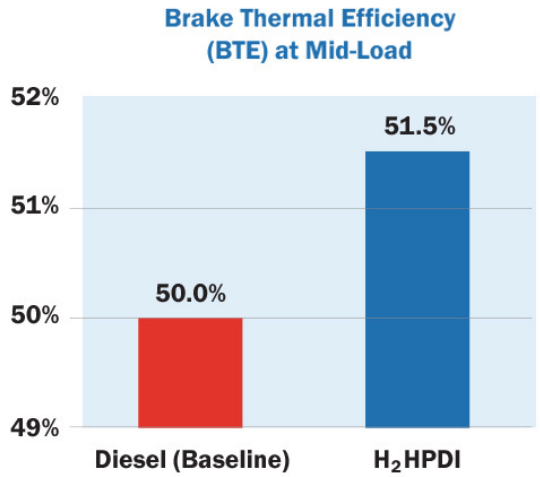
Real-world demonstration of the tremendous value and best-in-class performance that HPDI offers

- Significant brake thermal efficiency improvement, when H_2 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

SCANIA

Producing performance and emissions results exceeding the diesel parent engine

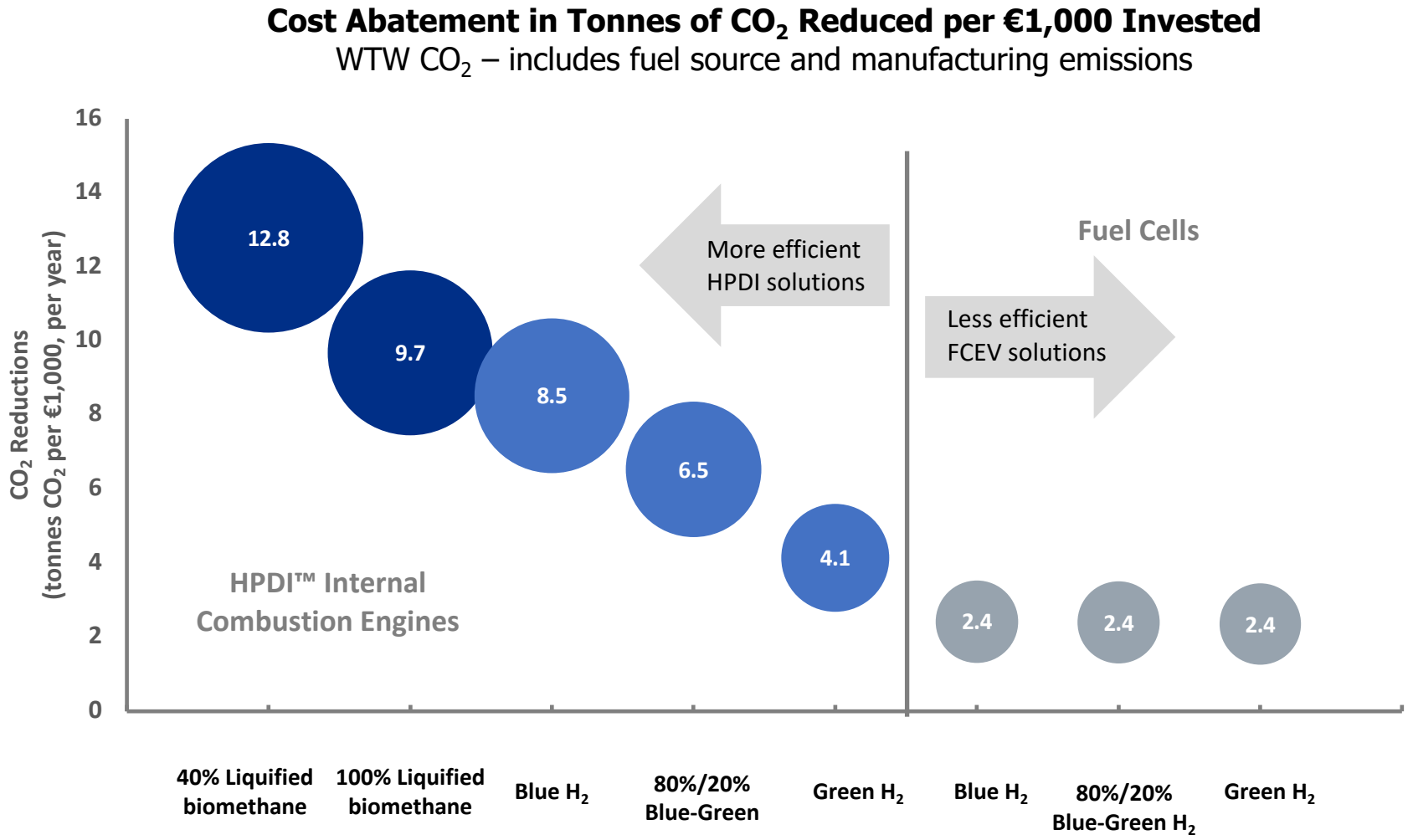
Westport Fuel Systems | HPDi



The engine test results from the Scania 13-Litre CBE1 platform running with Westport's H_2 HPDI fuel system demonstrates even higher efficiency than the already super-efficient diesel engine.

HPDI Offers Greater CO_2 Reductions per Euro Invested

HPDI presents superior effectiveness for CO_2 abatement



Source: Westport Fuel Systems, AVL TCO Study

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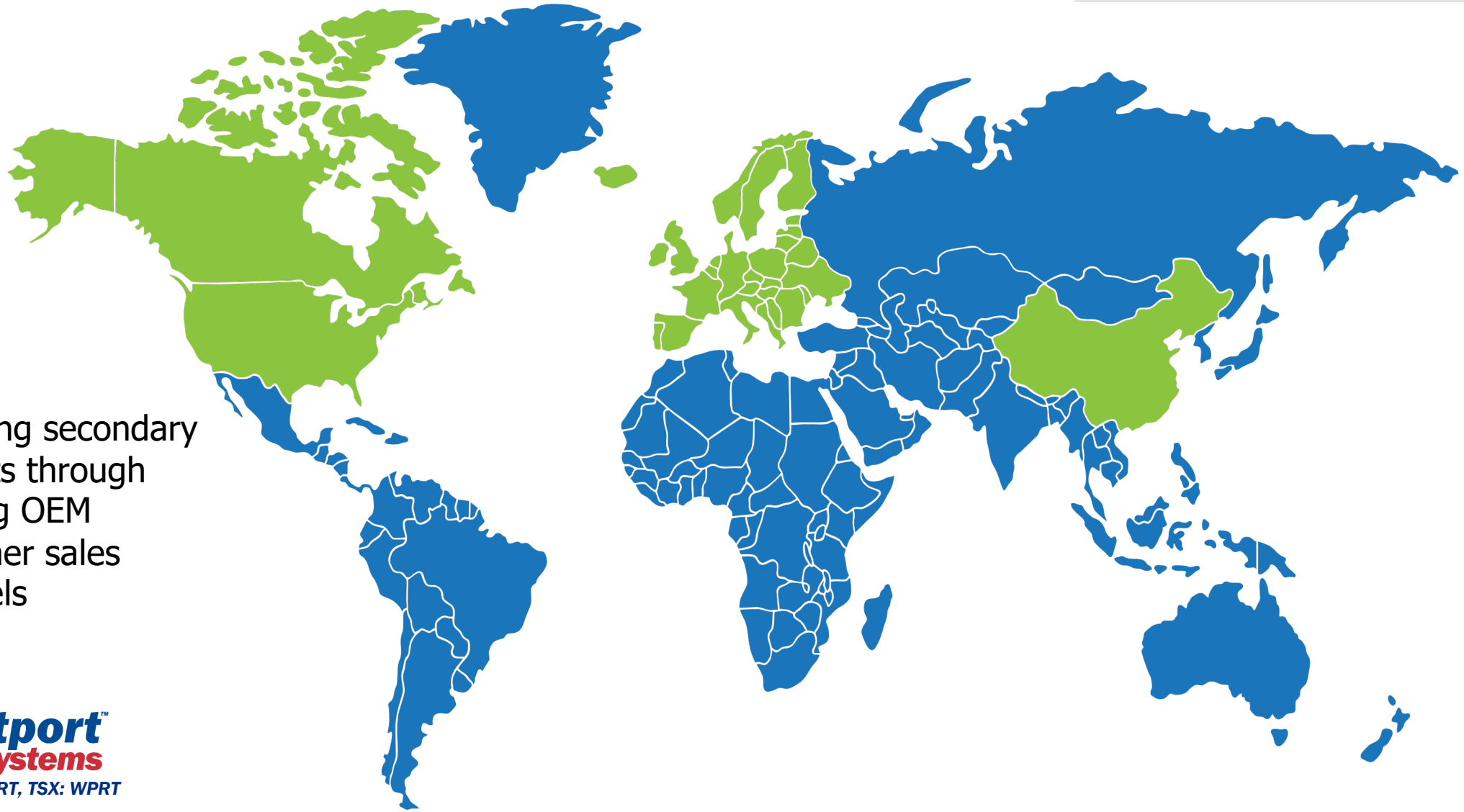
Market Opportunities

Key discussions ongoing with OEMs in all key global markets

Three major global OEM engagements underway evaluating H_2 HPDI



Reaching secondary markets through existing OEM customer sales channels

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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 CO_2 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

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Capturing LPG Fuel System Market Share

Pricing advantage drives continued demand

~35%

Current IAM LPG market share

~40%

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 late 2023

- Euro 6 emissions standard compliant deliveries begin in Q4 2023, 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

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 expected 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 H_2 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

Allocating Capital Efficiently

Supporting organic growth

Right-sized capital program
($12-$15 million)

Repayment of debt

$20 million of debt to be repaid in 2023

Accretive growth

M&A targets that consolidate market share and advance growth

Delivered a Strong First Quarter of 2023

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Q1 23 Revenue

Millions ($USD)

$82.2

7% YoY

- Higher sales volumes in our delayed OEM, fuel storage, hydrogen components and electronics products

Q1 23 Gross Margin

16%

34% YoY

- Higher sales volumes across multiple businesses drove gross margin improvement

Q1 23 Adj. EBITDA[1]

Millions ($USD)

$(4.5)

26% YoY

- Higher revenues and improved margin

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

Sustainability is a Core Principle

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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

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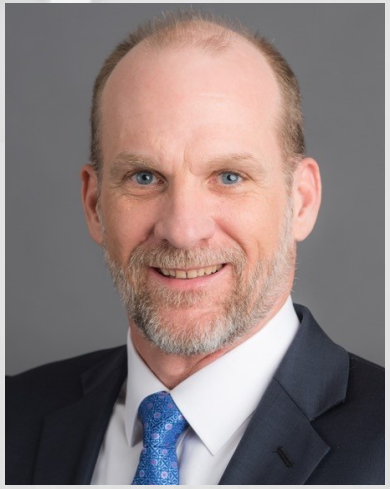
David M. Johnson
Chief Executive Officer
& Board Director



Bill Larkin
Chief Financial Officer

Lance Follett
Chief Legal Officer & Executive
Vice President

Fabian Redon
Chief Technology Officer

Nicola Cosciani
EVP, Global Operations

Tim Smith
EVP & Chief of Staff

Bart van Aerle
EVP, IAM and LD OEM

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

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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**

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Questions?