

Driving Cleaner Performance



Westport Fuel Systems

Disclaimer and Forward-Looking Statements

This presentation contains forward-looking statements, including statements regarding, the timing and completion of the joint venture with Volvo, future revenue expectations, timing and production of LPG products with OEM customers, future demand for LPG, future growth in markets, future of our development programs (including those relating to HPDI and Hydrogen), the demand for our products, the future success of our business and technology strategies, the future role of HPDI in internal combustion engines, 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.

Speaking Today...



David M. Johnson
Chief Executive Officer



Bill Larkin
Chief Financial Officer

Steady Second Quarter

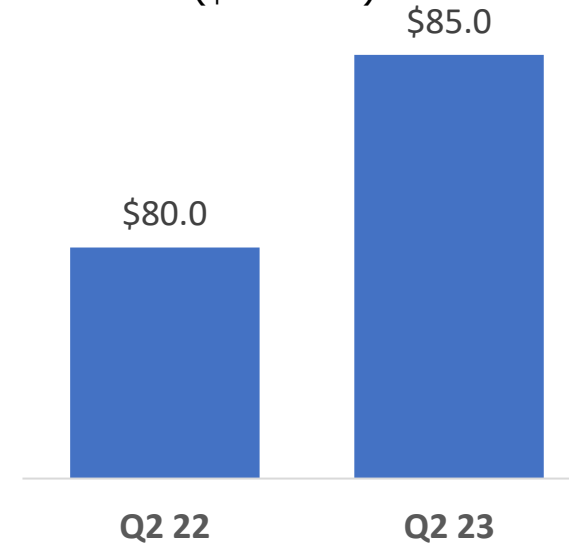
Highlights:

- Record revenue of \$85 million, up 6% over Q2 2022 driven by Delayed OEM, electronics products, fuel storage, and IAM, partially offsetting lower sales volumes in India, hydrogen components and HPDI
- Demonstrated improvement in gross margin, increasing \$3.9 million to \$14.4 million, or 16.9% of revenue for the quarter
- Q2 2023 Adjusted EBITDA a loss of \$4.0 million
- Released 2022 ESG Report outlining accomplishments within our core ESG-based areas of focus including carbon footprint, operational health and safety, diversity, equity and inclusion, responsible sourcing, human rights, and ESG governance
- Completed a 10:1 common share consolidation

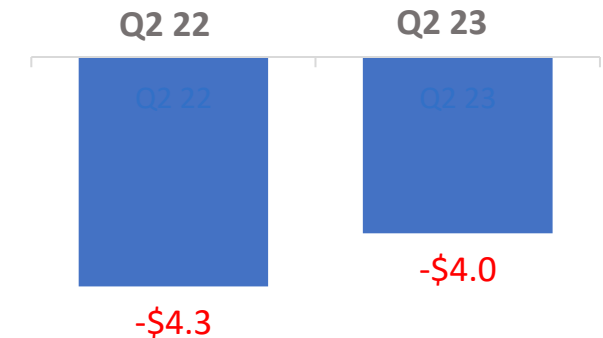
Developments Since Quarter-End:

- Signed non-binding letter of intent with Volvo to establish a joint venture to accelerate the commercialization and global adoption of Westport's HPDI™ fuel system technology for long-haul and off-road applications
- Expanded previously awarded Euro 7 program to develop and supply LPG fuel systems for several vehicle applications for a global OEM

Revenue (\$ millions)



Adjusted EBITDA^[1] (\$ millions)



¹ Adjusted earnings before interest, taxes and depreciation is a non-GAAP measure. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES in Westport's Management Discussion and Analysis for the reconciliation.

LPG supply agreements with leading global OEM to begin generating revenue in late 2023

EURO 6

- Production expected to begin in Q4 2023
- Forecasted to generate **€38 million in revenue over two years**

Expanded EURO 7 scope

- Production expected to begin in 2025
- Forecasted to generate ~**€215 million revenue**

Demand and usage of clean, low-cost LPG is expected to persist for decades, globally

Capturing LPG Fuel System Market Share

Pricing advantage drives continued demand

Westport and Volvo share a vision of creating sustainable transport solutions

Signed a non-binding letter of intent to form a joint venture to accelerate commercialization of Westport's HPDI fuel system technology and reduce CO₂ emissions from long-haul and off-road applications

- Westport contributes HPDI assets and activities
- Volvo to acquire 45% interest in the JV for \$28 million plus earn outs of up to an additional \$45 million
- Launch expected 1H24



Westport and Volvo Join Forces on HPDI as Multiple Solutions Required for Energy Transition in Long-Haul, Heavy-Duty and Off-Road Applications

H₂ HPDI internal combustion engines will support the energy transition well into the future because HPDI has:

Highest power density
and efficiency

Near-zero CO₂
emissions

Lower TCO and cost-
effective CO₂ reductions

Most robust system
for using H₂ in an
internal combustion
engine for heavy-duty
and off-road
applications

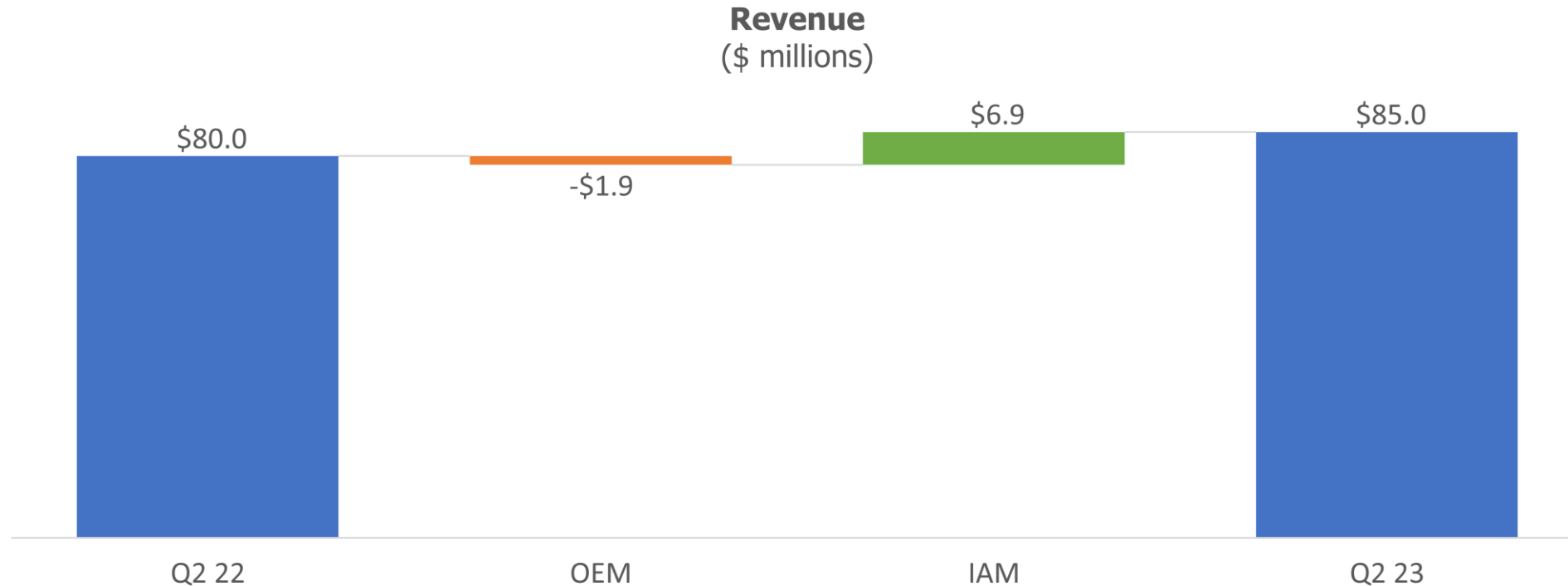
Growing interest
from OEMs, with
multiple H₂ HPDI
development projects
underway

Minimal changes to
the base engine
architecture = shorter
time to market



**HPDI is a market leader in
fuel efficiency,
performance and CO₂
reduction**

Record Quarterly Revenue Reported



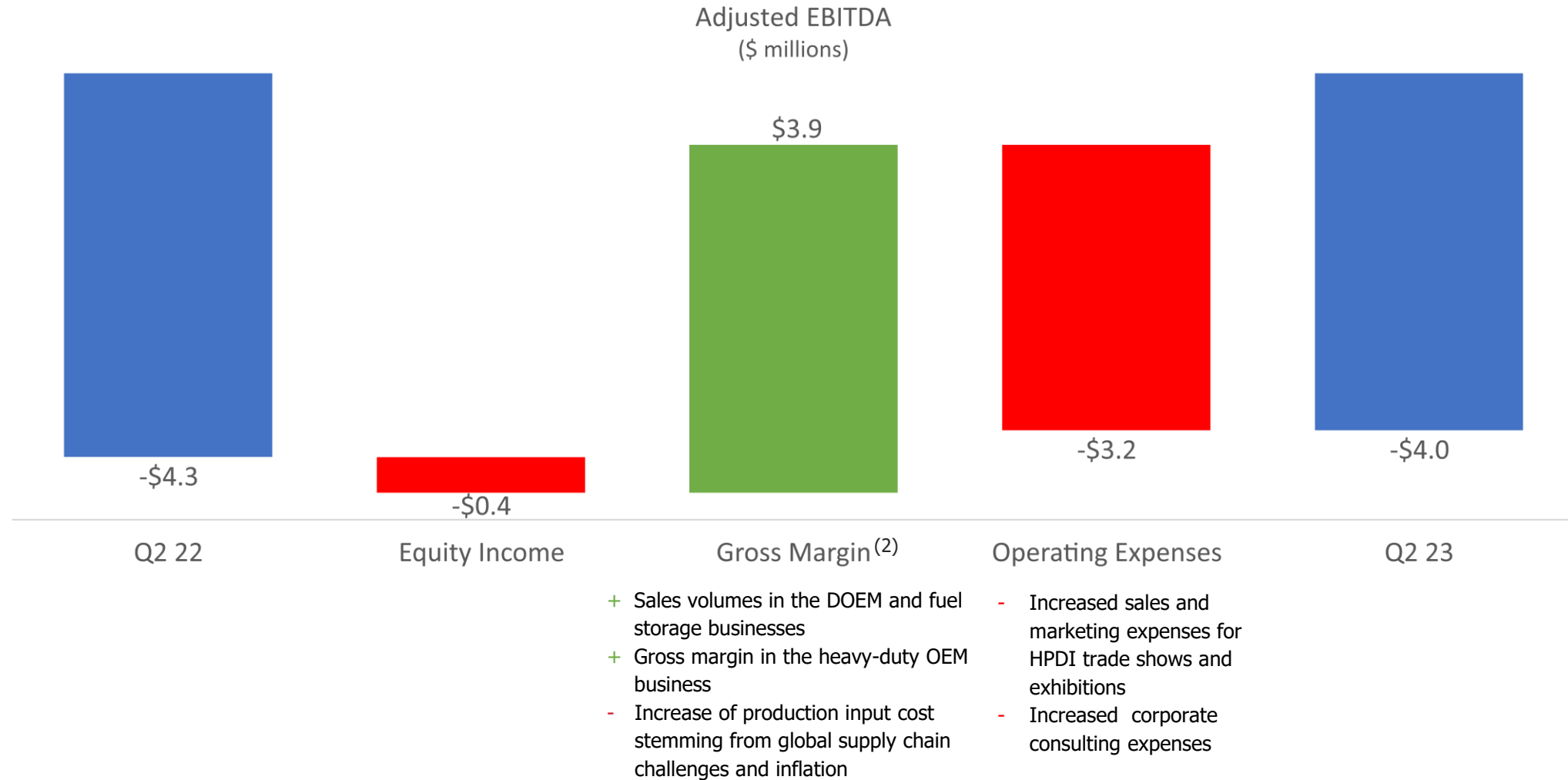
OEM

- + Increased sales volumes in OEM, electronics, fuel storage businesses
- Lower sales to customers in India in the light-duty OEM business
- Lower sales volumes to hydrogen customers

IAM

- + Increased sales volumes to Africa, Eastern Europe and South America

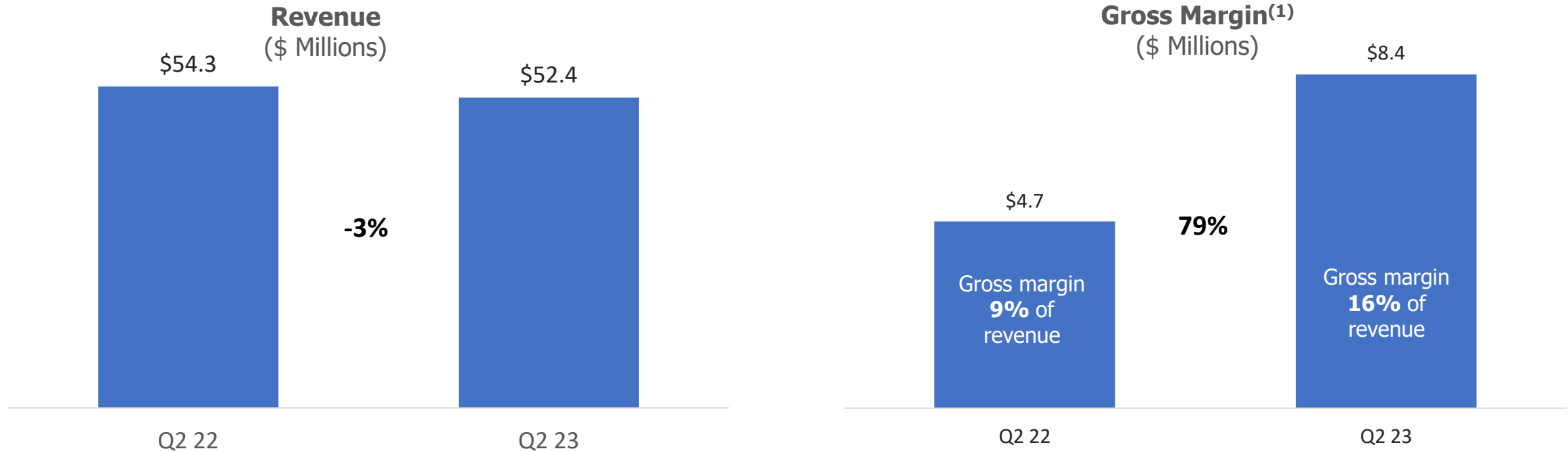
Adjusted EBITDA⁽¹⁾ Year Over Year



¹ Adjusted earnings before interest, taxes and depreciation is a non-GAAP measure. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES in Westport's Management Discussion and Analysis for the reconciliation.

² Gross margin is a non-GAAP measure. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES in Westport's Management Discussion and Analysis for the reconciliation

Financial Performance – OEM



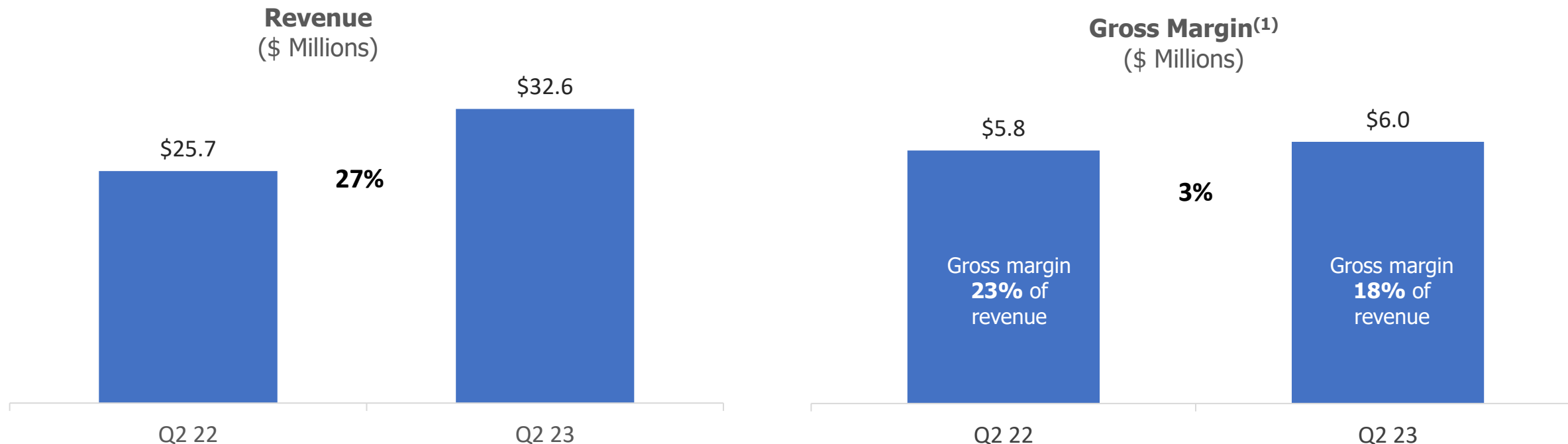
Revenue

- Increase in sales volumes from DOEM, fuel storage and electronic businesses
- Lower sales volumes and sales mix for the heavy-duty OEM business
- Lower sales to customers in India in the light-duty OEM business
- Lower sales volumes to hydrogen customers

Gross Margin

- Increase in sales volumes in the DOEM and fuel storage businesses
- Increased gross margin in the heavy-duty OEM business due to higher spare parts sales, higher unit pricing on HPDI systems and higher engineering services revenue
- Offset by an increase of production input cost stemming from global supply chain challenges and inflation

Financial Performance – IAM



Revenue

- Increased sales volumes to Africa, Eastern Europe and South America

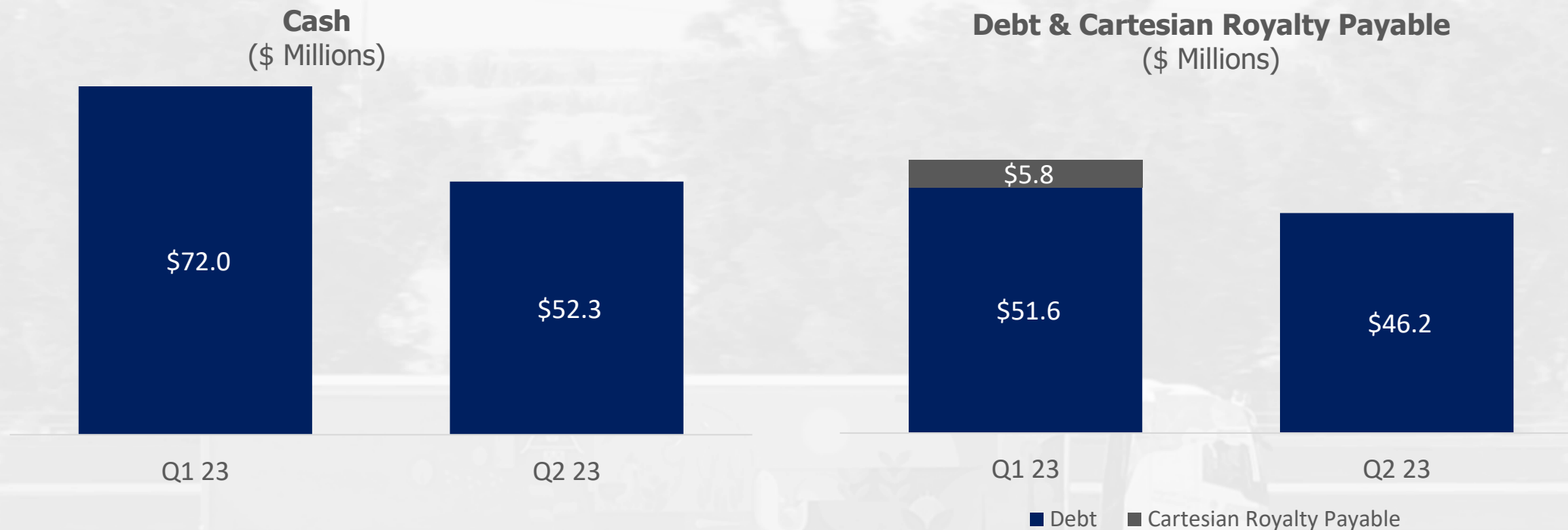
Gross margin

- Decrease in gross margin percentage due to lower margin sales mix and inflation in South America

^[1]Gross margin is a non-GAAP measure. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES in Westport's Management Discussion and Analysis for the reconciliation.

Liquidity

Addressing margin improvements and cash conservation



- Capex of \$4.5 million in Q2 2023
- Net debt repayments of \$15.0 million in Q2 2023 including:
 - \$5.8 million used in financing activities for settlement of the royalty obligation with Cartesian
 - \$3.7 million paydown on revolving facilities
 - \$5.5 million in principal payments on other long-term debt

In Closing...

- Expect to formalize the JV with Volvo in 1H24 to reduce CO2 emissions by utilizing HPDI technology
- Light-duty LPG business, both IAM and OEM, are profit drivers, with growth on the horizon
- HPDI is on the road and a solution today, saving customers money and helping fleets hit carbon targets
- H₂ HPDI is the future of the internal combustion engine for long-haul trucking
- Making the necessary financial optimizations now to enable growth and improve profitability

Westport Fuel Systems is in a prime position to grow by leading the energy transition that is already underway today

