

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 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.

Speaking Today...



David M. Johnson
Chief Executive Officer



Bill Larkin
Chief Financial Officer

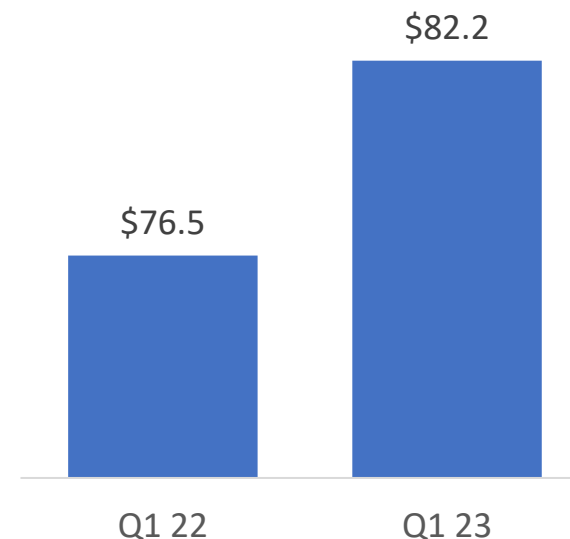
Delivered Strong First Quarter

- Q1 2023 revenues of \$82.2 million, up 7% over Q1 2022 driven by delayed OEM, fuel storage, hydrogen and electronics products, increased sales volumes of IAM and a positive HPDI price adjustment, partially offsetting lower HPDI volume
- Q1 2023 Adjusted EBITDA a loss of \$4.5 million
- Announced expanded global manufacturing footprint in China supporting ongoing and future growth in hydrogen
- Announced third major OEM collaborator to evaluate H₂ HPDI fuel system to date

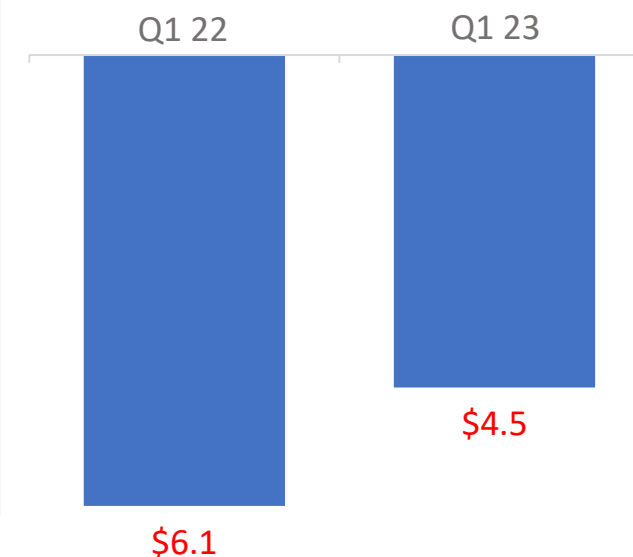
Developments since quarter end

- Two papers highlighting the industry leading performance of H₂ HPDI on two different OEM engine platforms were presented in Vienna
- Showcased our LNG and H₂ HPDI fuel systems for internal combustion engines for heavy-duty applications with two fully functioning heavy-duty demonstration vehicles at the ACT Expo in California
- Entered into an agreement with Cartesian to terminate the initial investment agreement and release of security interest in the Company's HPDI 2.0 fuel system intellectual property

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.

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 deliveries begin in Q4 2023, forecasted to generate revenue of €38 million over 2 years
- Euro 7 deliveries in 2025, forecasted to generate annual revenue of €40 million through 2035 and beyond



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

ACT Expo Overview



Demonstrations on two OEM engine platforms show H₂ HPDI's industry leading performance and efficiency

“Application of Westport’s H₂ HPDI Fuel System to a Demonstration Truck” – Westport Fuel Systems, Scania, 2023 ^[1]

- 51.5% Brake Thermal Efficiency achieved exceeding the latest next generation diesel engines
- 97% reduction in tailpipe CO₂ emissions

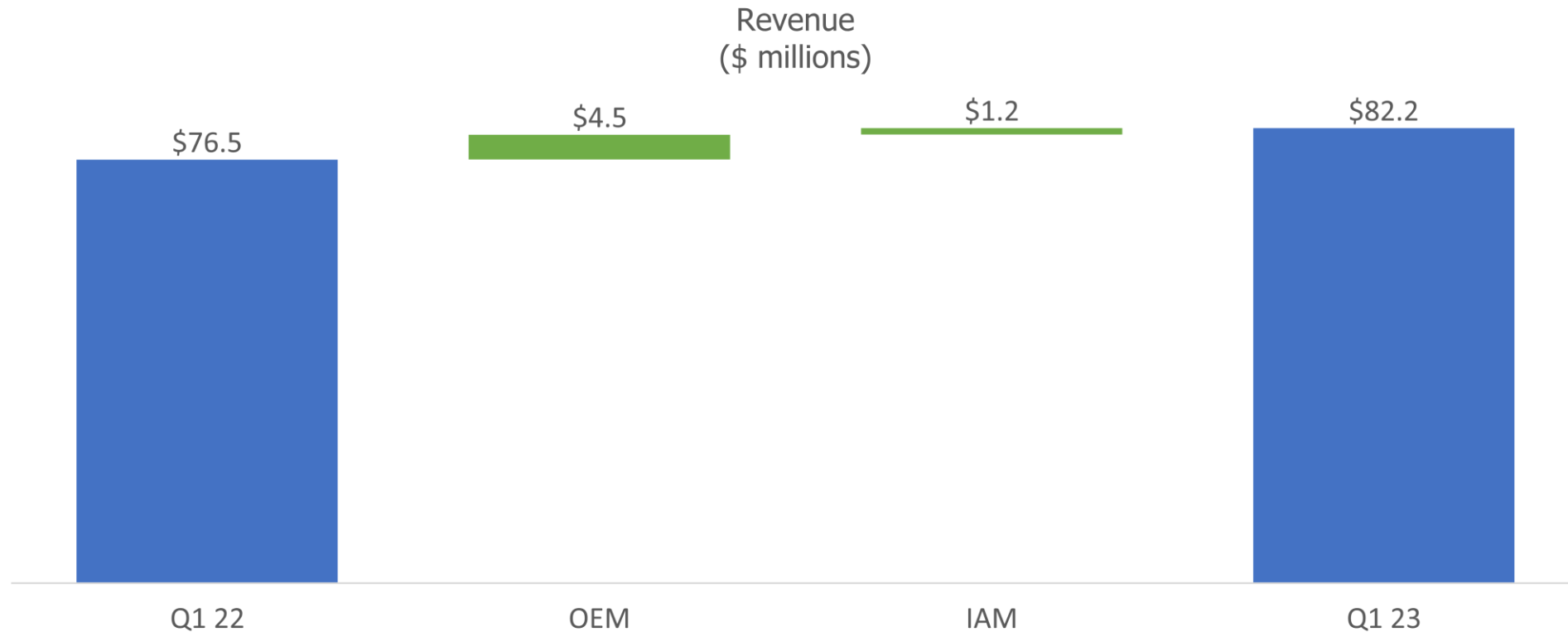
“Hydrogen Combustion Concepts: Comparison of Port Fuel Injection with Spark Ignition and High-Pressure Direct Injection (HPDI) – Power Density, Efficiency, and Emissions” – TNO, 2023 ^[1]

- 11% thermal efficiency advantage over spark ignition. Higher combustion thermal efficiency will translate into a significant vehicle fuel economy advantage on the road
- Power density advantage over spark ignited

Vienna
Motor
Symposium
2023

H₂ HPDI offers lower CO₂ abatement cost supported by high performance that meets the needs of OEMs

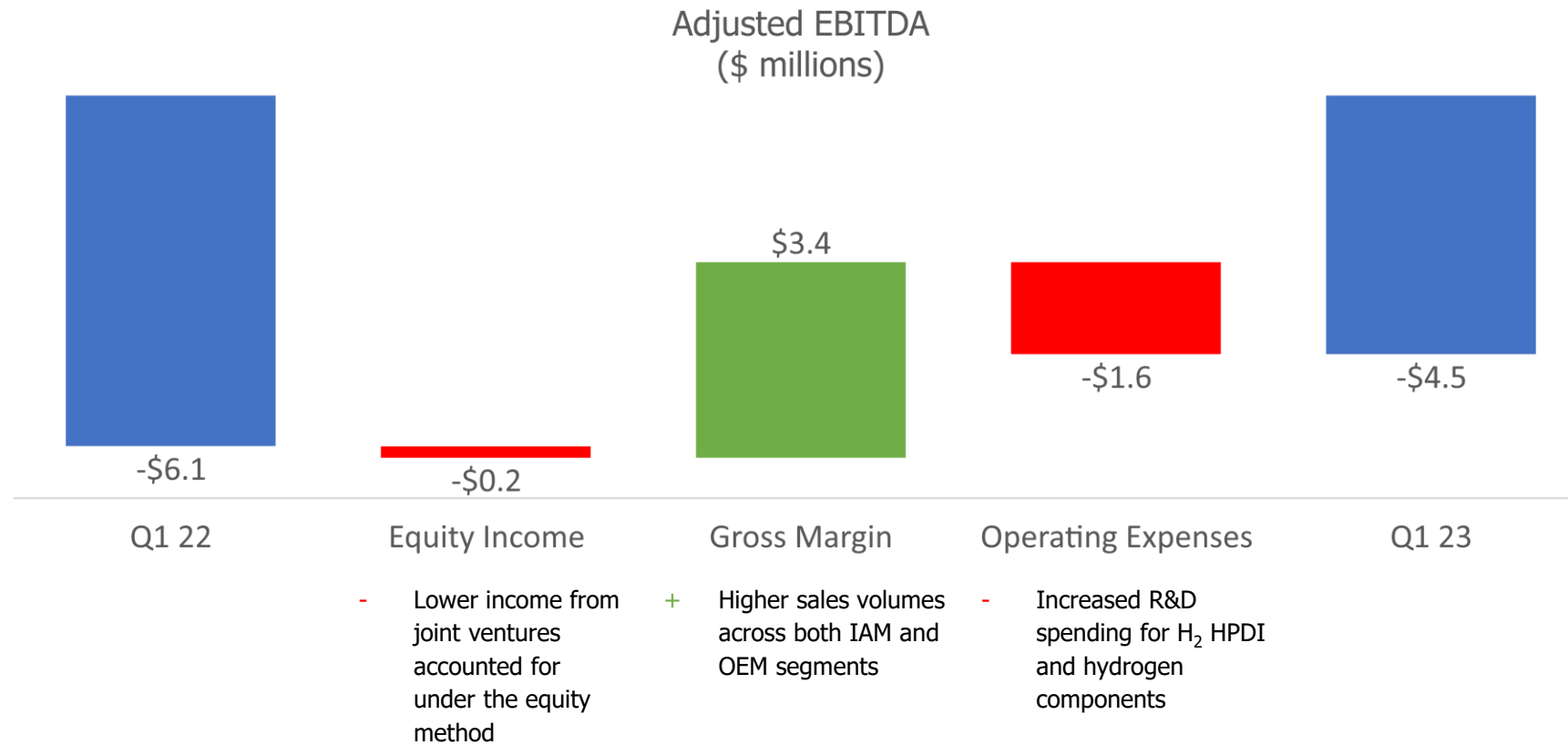
Fundamentals persist despite macro headwinds



- + Increased delayed-OEM sales volumes with a key customer
- + Sales in our fuel storage, hydrogen, and electronics businesses
- + HPDI system price increase and higher engineering services
- LNG price differential to diesel drives heavy-duty OEM sales volumes down 13%

- + Sales volumes to North America, Eastern Europe, South America
- Sales volumes to Middle East, Africa

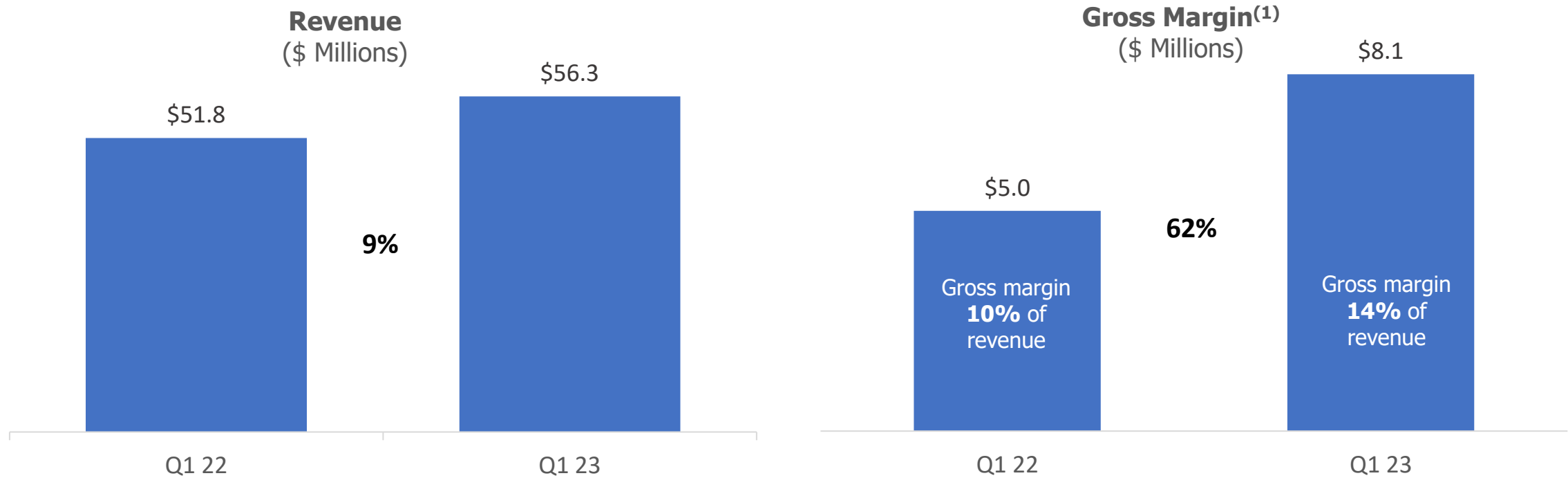
Adjusted EBITDA⁽¹⁾ Year Over Year



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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



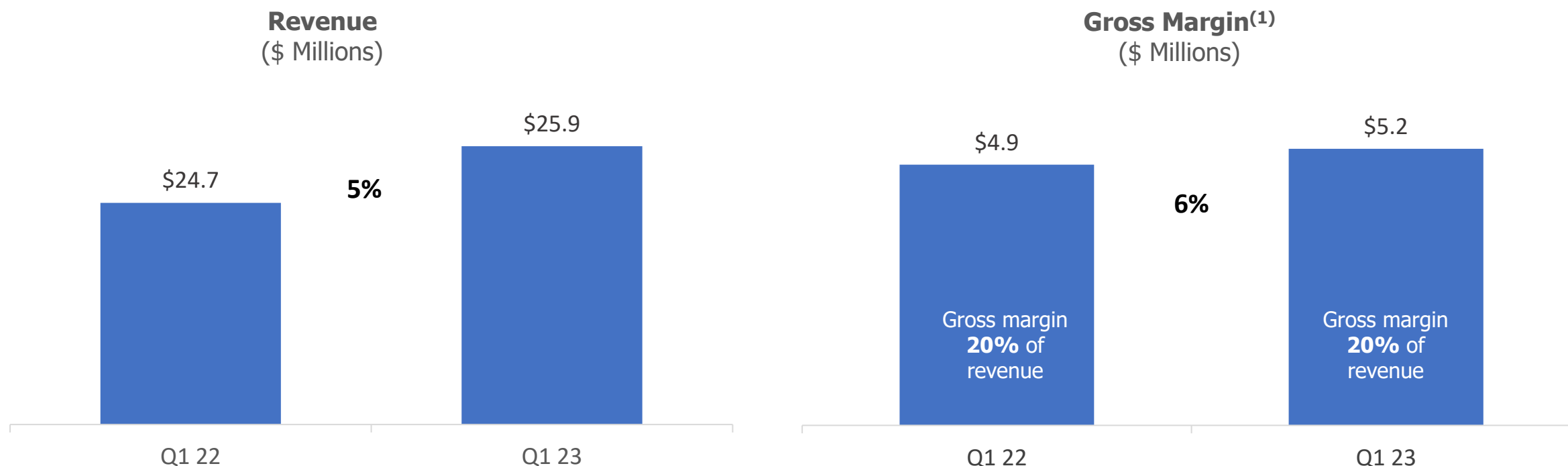
Revenue

- Higher delayed-OEM sales volumes
- Growth in electronics, hydrogen components, and fuel storage business
- Higher HPDI system pricing and higher engineering services
- Heavy-duty OEM sales volume decreased by 13% compared to Q1 22 due to fuel price volatility

Gross Margin

- Higher sales volumes in multiple OEM businesses
- Higher unit pricing achieved on HPDI system sales and increased engineering services revenue

Financial Performance – Independent Aftermarket



Revenue

- Increased sales into North America
- Increased sales into Eastern Europe and South America
- Decreased sales in the Middle East and Africa

Gross margin

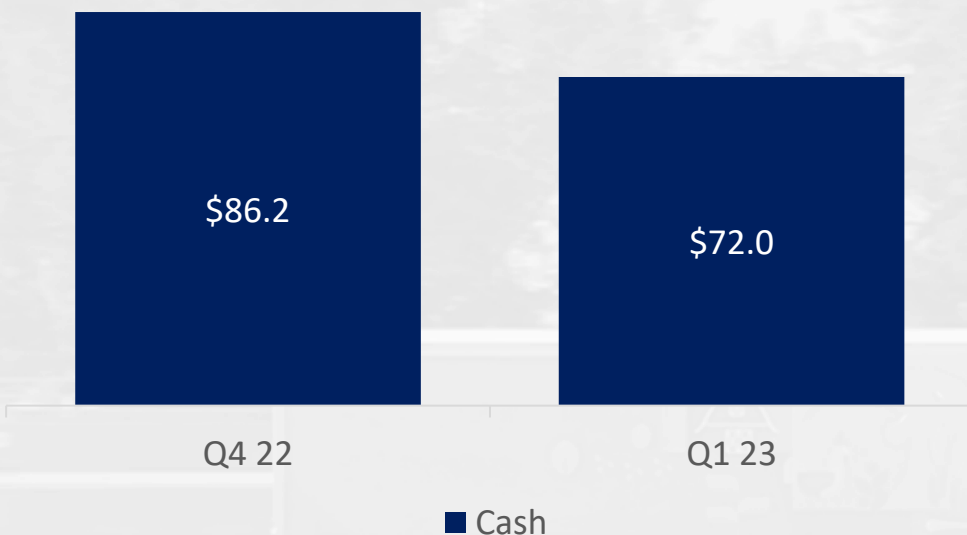
- Higher sales volumes in Eastern Europe and South America
- Lower sales volumes to the Middle East and Africa
- Higher production input costs incurred in materials, transportation, and energy costs due to ongoing inflation

^[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.

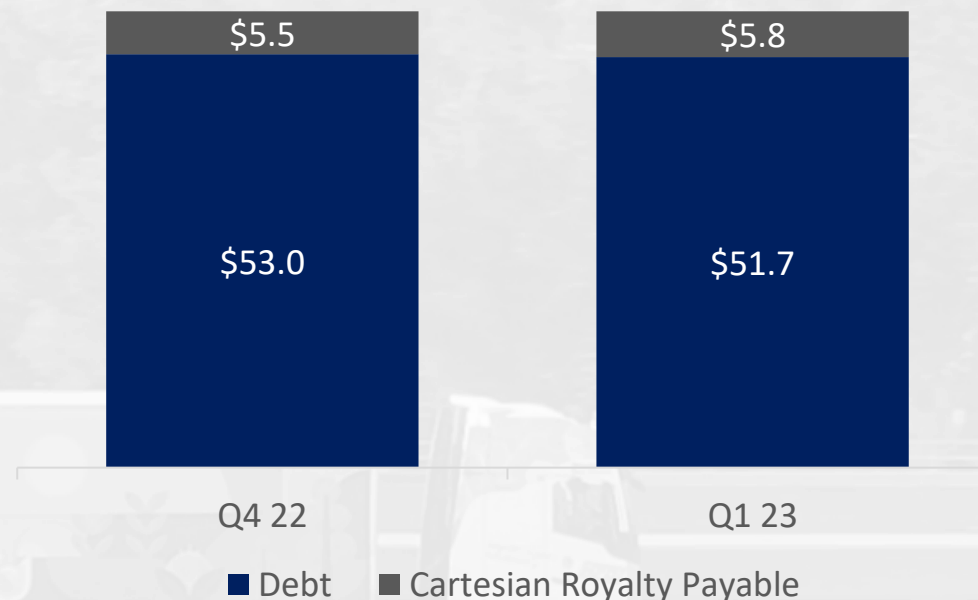
Liquidity

Addressing margin improvements and cash conservation

Cash and Liquidity
(\$ Millions)



Debt & Cartesian Royalty Payable
(\$ Millions)



- \$8.6 million used in operations in Q1 2023
- Capex of \$3.0 million in Q1 2023
- Debt repayments of \$3.5 million in Q1 2023

- Entered into a settlement agreement with Cartesian, paying \$8.7 million on April 3 to terminate the existing debt agreement
- Released the security interest in the Company's HPDI fuel system intellectual property



In Closing...

- LPG and Light-Duty businesses 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 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

Appendix



Selected Quarterly Data

	Three months ended				FY	Three months ended				FY	Three months ended				FY	
	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23
Revenue	\$67.2	\$36.0	\$65.4	\$83.9	\$252.5	\$76.4	\$79.0	\$74.3	\$82.7	\$312.4	\$76.5	\$80.0	\$71.2	\$78.0	\$305.7	\$82.2
OEM	34.2	19.1	37.4	58.8	149.5	42.7	47.4	48	57.4	195.5	51.8	54.3	44.1	\$47.8	198	56.3
IAM	33.0	16.9	28	25.1	103	33.7	31.6	26.3	25.3	116.9	24.7	25.7	27.1	\$30.2	107.7	25.9
Gross Margin	\$4.3	\$12.2	\$10.0	\$13.0	\$39.5	\$13.0	\$15.7	\$10.1	\$9.3	\$48.1	\$9.9	\$10.5	\$11.3	\$4.6	\$36.2	\$13.3
OEM	(6.1)	9.2	2.6	6.6	12.3	4.9	7.2	3.4	5.1	20.3	5	4.7	4.7	(0.8)	13.7	8.1
IAM	10.4	3	7.4	6.4	27.2	8.1	8.5	7	4.2	27.85	4.9	5.8	6.6	5.4	22.5	5.2
Gross Margin %	6%	34%	15%	15%	16%	17%	20%	14%	11%	15%	13%	13%	16%	6%	12%	16%
OEM	(18%)	48%	7%	11%	8%	11%	15%	6%	9%	10%	10%	9%	11%	(-2%)	7%	14%
IAM	32%	18%	26%	25%	26%	24%	27%	27%	17%	24%	20%	23%	24%	18%	21%	20%
EBITDA	\$(11.1)	\$9.2	\$4.9	\$13.1	\$16.1	\$1.9	\$13.9	\$(1.2)	\$8.4	\$23.0	\$11.7	\$(7.7)	\$(8.0)	\$(13.5)	\$(17.5)	\$(6.3)
Adjusted EBITDA	\$(3.6)	\$6.2	\$4.0	\$8.1	\$14.7	\$2.7	\$6.2	\$(1.4)	\$10.0	\$17.5	\$(6.1)	\$(4.3)	\$(4.5)	\$(12.9)	\$(27.8)	\$(4.5)

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