

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...



Dan Sceli
Chief Executive Officer



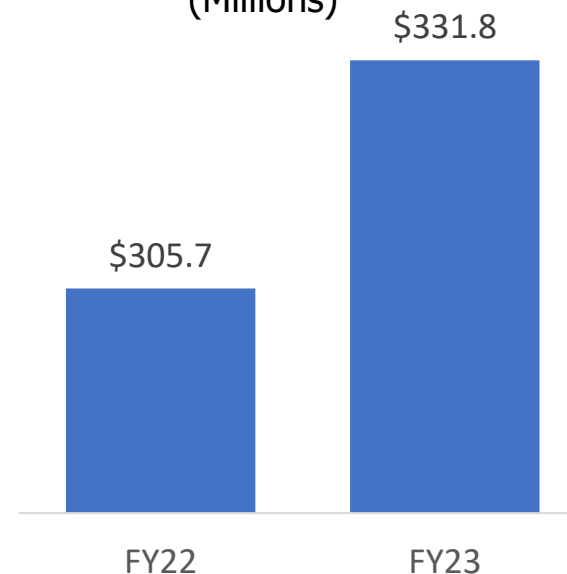
Bill Larkin
Chief Financial Officer

A Transformative Year

Highlights:

- Record 2023 revenue of \$332 million, up 9% over 2022.
- Gross margin of \$48.9 million (15% of revenue), compared to \$36.2 million in the prior year (12% of revenue).
- Improved Adj. EBITDA by \$6.3 million to a loss of \$21.5 million.
- Signed agreement to form a joint venture with Volvo Group to accelerate the commercialization and global adoption of Westport's HPDI™ fuel system technology for long-haul and off-road applications.
- Expanded the previously awarded Euro 6 and Euro 7 program to develop and supply LPG fuel systems for a global OEM. Complete program forecasted to generate ~€255 million in total revenue through 2028, initial deliveries began in Q1 2024.
- In January 2024, appointed Dan Sceli as Westport's new CEO and member of the Board of Directors.

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.

Enhancing our Value

Near-, medium- and long-term priorities:

- 1 Driving Success via our HPDI Joint Venture**
- 2 Improving Operational Excellence and Reducing Costs**
- 3 Reimagining a Hydrogen-Powered Future**

Compelling Macro Environment

The alternative fuel industry is becoming more dynamic, with increased investments and support indicated for the future.

What is next for hydrogen fuel?

Cost of producing hydrogen expected to drop to \$2.5 - \$4.0 per kg by 2030

1,400 hydrogen pipeline projects announced

US\$570 billion in global investment pipeline

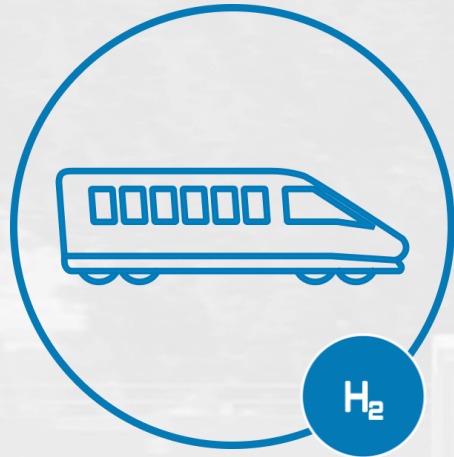
EU is leading the hydrogen fuel train through policy

US government announced US\$7 billion for clean hydrogen hubs



HPDI Systems Giving New Life to the Internal Combustion Engine

Recently announced HPDI applications and/or demonstrations:



**Hydrogen HPDI Project with
a Leading Global Locomotive
Original Equipment
Manufacturer**



**Methanol HPDI Project with a
Leading Global Supplier of
Power Solutions for Marine
Applications**



**\$33 Million Development Program
with a Global Heavy Truck
Manufacturer to Adapt and
Commercialize Next Gen LNG
HPDI Fuel System for the Euro 7
Vehicle Platform**

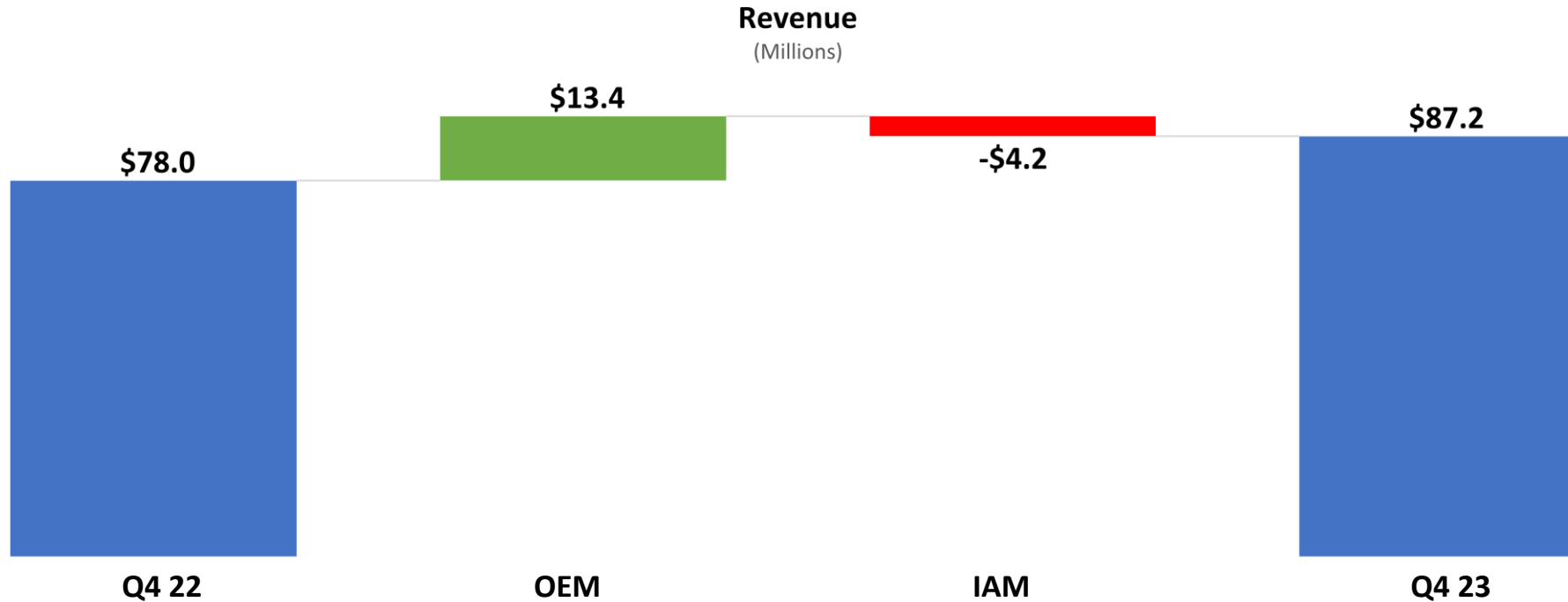
HPDI JV Update

Accelerating the commercialization of Westport's HPDI fuel system technology; reducing CO₂ emissions from long-haul and off-road applications

- Investment agreements signed in Q1 2024
- Westport contributes HPDI assets and activities
- Volvo Group to acquire 45% interest in the JV for \$28 million plus earn outs of up to an additional \$45 million
- JV is subject to certain closing conditions, including regulatory and government approvals and is expected to be operational in the second quarter of 2024



Growing Revenues & Improvements In-Progress



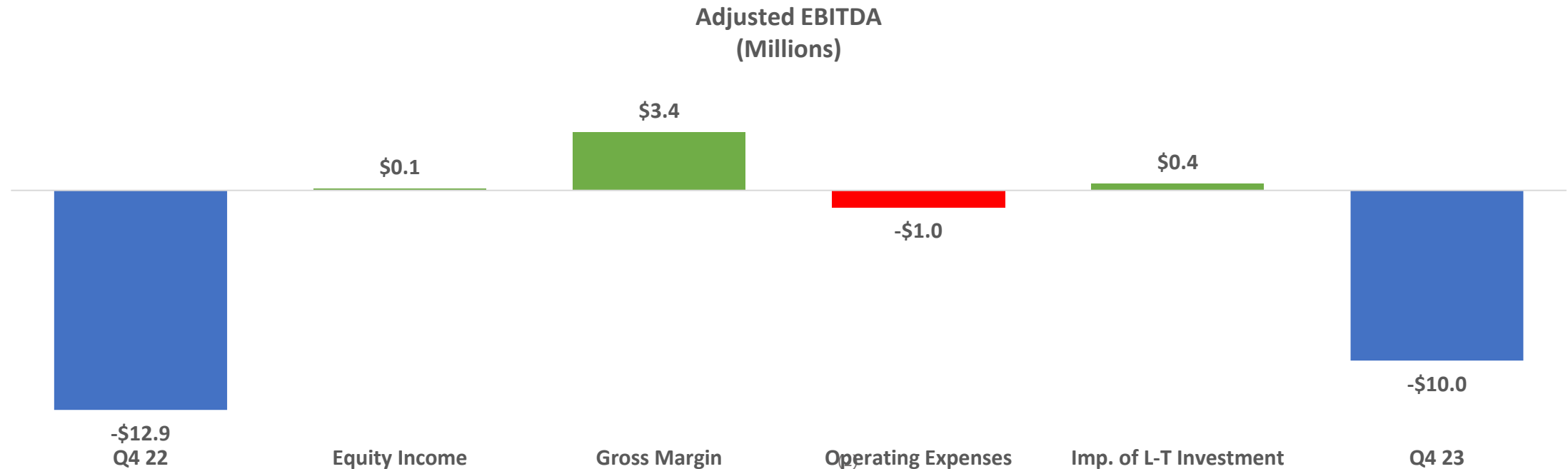
OEM

- + Higher sales volumes in light duty OEM and electronics businesses
- + Higher engineering service revenue from the heavy-duty OEM business
- Lower sales volumes in the heavy-duty OEM, delayed OEM and fuel storage businesses

IAM

- + Increased sales volumes to Europe
- Lower sales volumes to Africa and South America

Adjusted EBITDA⁽¹⁾ Year Over Year



Gross Margin

- + Higher volumes in the light duty OEM and electronics businesses
- + Increased gross margins in heavy-duty OEM from engineering services revenue
- + Positive sales mix in IAM, lower electronic component costs and increased volumes sales in Europe
- Negative sales mix in the hydrogen business
- Heavy-duty OEM, light-duty OEM and IAM businesses negatively impacted by a \$7.1 million inventory write-down
- Lower sales volumes in the fuel storage business

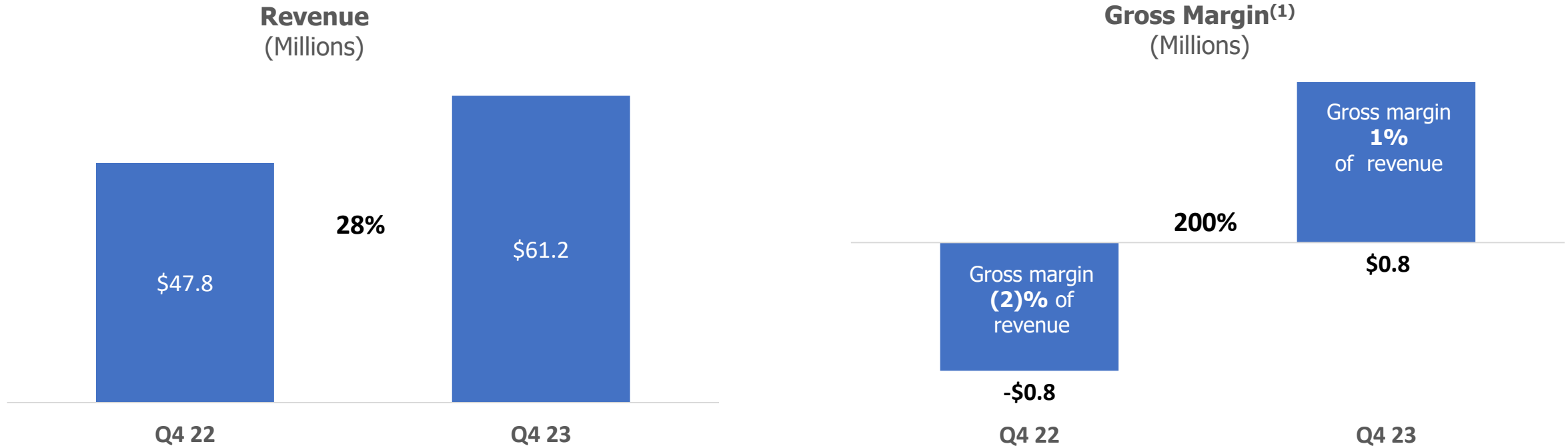
Operating Expenses

- Higher SG&A expenses in IAM
- Higher R&D expenses due to increased testing and engineering resources for the hydrogen business

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



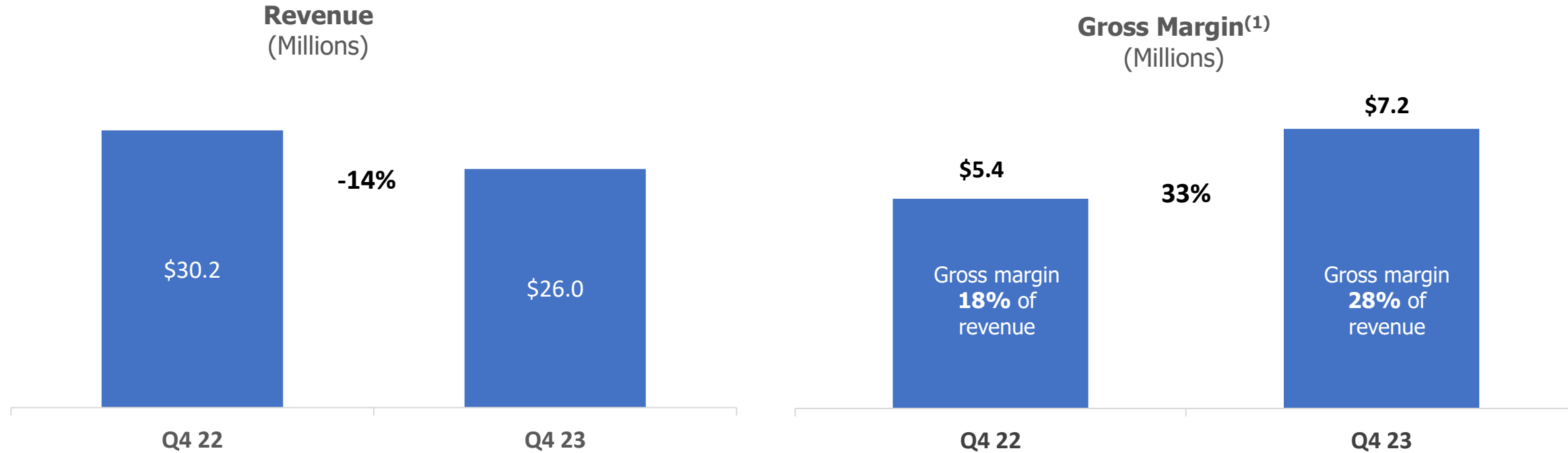
Revenue

- Increased sales volumes in the light-duty OEM and electronics businesses
- Higher engineering services revenue in our heavy-duty OEM business
- Lower sales volumes in our heavy-duty OEM, delayed OEM and fuel storage businesses

In addition to the revenue impacts gross margin was impacted by:

- Heavy-duty OEM business negatively impacted by a \$4.5 million inventory write-down
- Negative sales mix in the hydrogen business
- Higher production input costs stemming from global supply chain challenges and inflation in logistics, utilities, labor and other costs, which we have only partially been able to pass on to our OEM customers

Financial Performance – IAM



Revenue

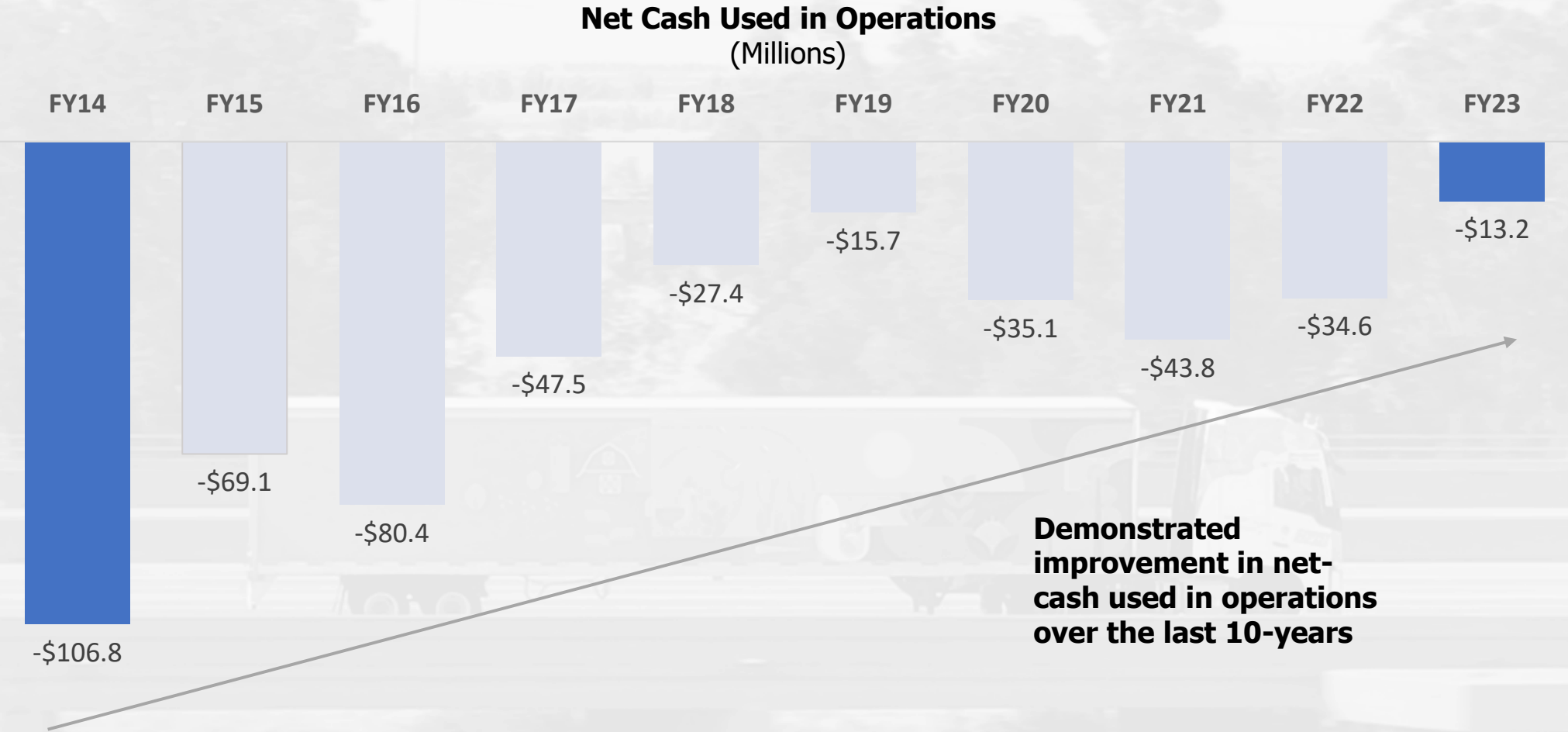
- Higher sales volumes to Europe
- Lower sales to Africa and South America

In addition to the revenue impacts gross margin was impacted by:

- Positive sales mix, lower electronic component costs

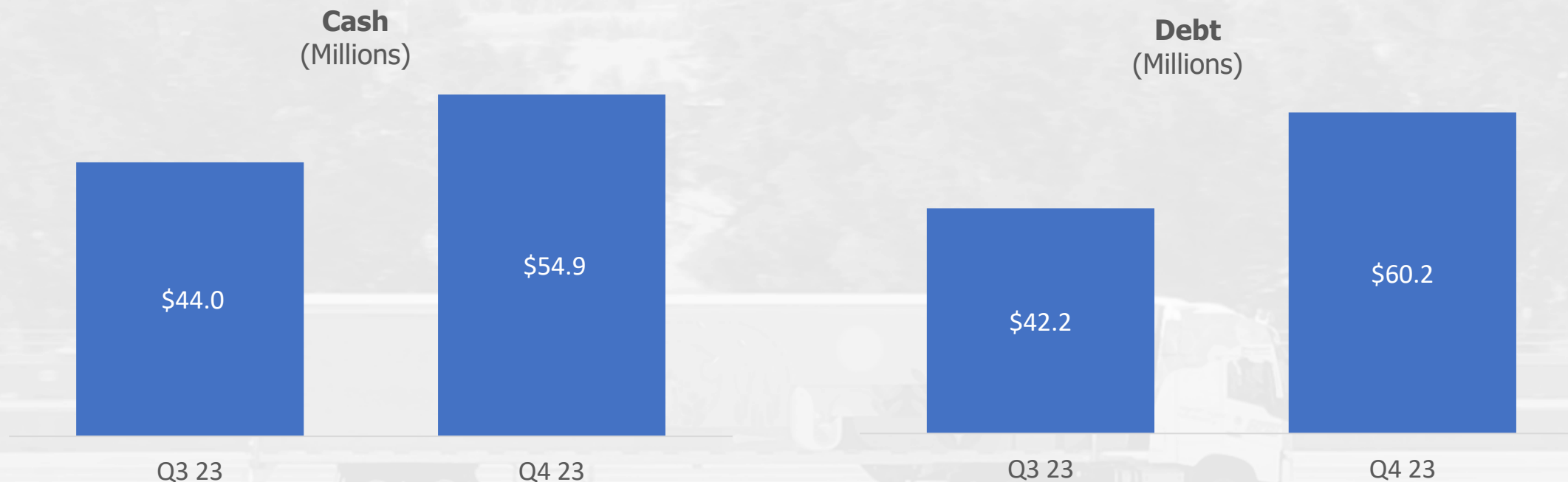
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Significant Improvement in Net Cash Used in Operations



Liquidity

Benefiting from gross margin improvements while prioritizing cash conservation



- Net cash used in operations of \$13.2 million in 2023
- Improvements in working capital of \$9.4 million in 2023
- Purchase of fixed assets of \$15.6 million in 2023

- Added \$11.5 million of new term loans in 2023
- Added \$3.9 million of new term loans subsequent to the end of 2023

In Closing...

- Applying operational discipline and financial optimizations now to achieve sustainable growth and improved profitability
- Well-positioned within a bullish macro environment; the alternative fuels industry is becoming more dynamic with higher levels of investment, increased industrial applications and new policy support
- Three key pillars for 2024 and beyond:
 1. Driving success via our HPDI joint venture
 2. Improving operational excellence
 3. Reimagining a hydrogen-powered future

Westport is delivering practical applications today; helping to lead the energy transition in transport that is currently underway

