

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, future demand for LPG, timing, production and financial impact of the sale of LPG products to OEM customers, future growth in markets, future of our development programs (including those relating to High Pressure Direct Injection ("HPDI") and Hydrogen), fuel pricing advantages, expectations regarding sales growth, the demand for our products, the future success of our business and technology strategies, the future role of HPDI and hydrogen 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.

Corporate Profile

- Based in Vancouver, British Columbia, Canada, Westport is a leading supplier of advanced fuel systems and components 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 August 8, 2023
- Recent Key Financial Metrics:
 - 2Q23 Revenues of \$85 million (vs. \$80.0 million in 2Q22)
 - 2Q23 Adjusted EBITDA of -\$4.0 million (vs. -\$4.3 million in 2Q22)



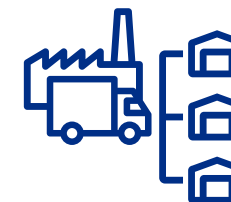


Changing the Way the World Moves



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

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 H1 2023 HPDI price adjustment

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

- ✓ Doubled OEM business in H1 2023
- ✓ LPG OEM program growing and on track to generate revenue beginning in Q4 2023

3 **Add new HPDI and hydrogen ("H₂") HPDI** development and testing programs

- ✓ Announced third major OEM partner evaluating H₂ HPDI
- ✓ Signed non-binding LOI to establish a JV with Volvo, accelerating the adoption of HPDI and reducing CO₂ emissions

4 **Efficiently manage** working capital

- ✓ Settlement of Cartesian investment agreement



Macro Enablers Driving Growth

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 H₂ stations and growing
- Europe: 3,972 CNG, 633 LNG, 47,788 LPG stations, 254 H₂ stations and growing
- India: 10,000 CNG stations by 2030, 1,178 LPG stations
- US: 1,680 CNG, 144 LNG stations, 107 H₂ 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

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

Steady Second Quarter

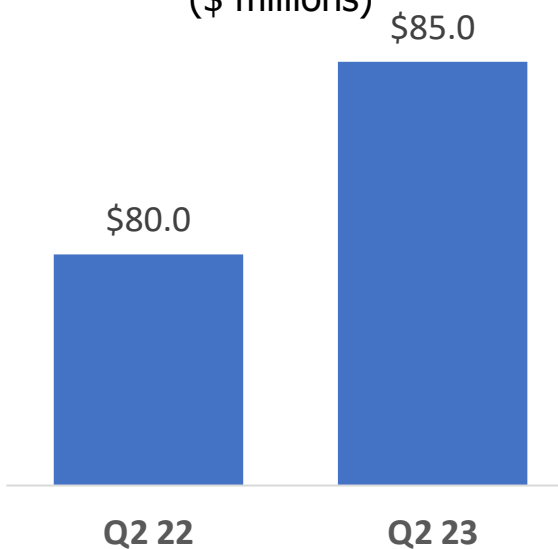
Highlights:

- 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

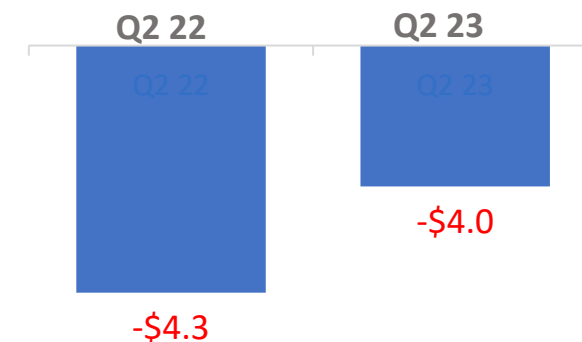
Developments Since Quarter-End:

- 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.

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

Shared vision of creating sustainable transport solutions

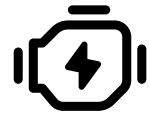
Westport and Volvo sign non-binding letter of intent to form joint venture (JV) to accelerate commercialization of Westport's HPDI fuel system technology and reduce CO₂ emissions from long-haul and off-road applications

- 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
- JV is expected to launch in 1H24



Why H₂ HPDI: The Value Proposition

Lowest cost to
develop



20% more power
than a diesel engine

Lowest cost to
industrialize



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

Low cost to
operate



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



15% more torque
than a diesel engine



Minimal changes to
engine architecture



**Near zero CO₂
emissions;** lower cost
CO₂ abatement than fuel
cell



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

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**



Diversified, Global Market Demand in Independent Aftermarket



Prins

ZAVOLI



OMVL

STAKO))

Significant market share in key markets:

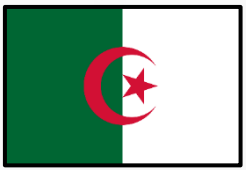
- Europe, Middle East, South America, Asia Pacific, and Africa

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



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



Questions?