

Consolidated Results														
(\$ in millions, except per share amounts)	4Q22				Over / (Under) %		FY22				FY21		Over / (Under) %	
	\$			\$		%	\$			\$			%	
Revenues	\$	78.0		\$	82.7	(6)	%	\$	305.7		\$	312.4	(2)	%
Gross Margin (2)		4.6			9.3	(50)	%		36.2			48.2	(25)	%
Gross Margin % (2)		6	%		11	%	-		12	%		15	%	-
Income from investments accounted for by the equity method (1)		-			15.0	(100)	%		0.9			33.7	(97)	%
Net Income (Loss) from Continuing Operations		(16.9)			5.4	(411)	%		(32.7)			13.7	(339)	%
Net Income (Loss) per Share from Continuing Operations		(0.10)			0.04	(350)	%		(0.19)			0.09	(311)	%
EBITDA (2)		(13.5)			8.4	(261)	%		(17.5)			23.0	(176)	%
Adjusted EBITDA (2)		(12.9)			10.0	(229)	%		(27.8)			17.5	(259)	%

(1) This includes income primarily from our Minda Westport and Westport Weichai Inc. joint ventures.

(2) These financial measures and ratios are non-GAAP measures. Please refer to GAAP and NON-GAAP FINANCIAL MEASURES for the reconciliation.

SEGMENT RESULTS	4Q22							
	Revenue		Operating income (loss)		Depreciation & amortization		Equity income	
OEM	\$	47.8	\$	(12.8)	\$	1.8	\$	—
IAM		30.2		0.6		0.8		—
Corporate		—		(5.0)		0.1		—
Total consolidated	\$	78.0	\$	(17.2)	\$	2.7	\$	—

NON-GAAP FINANCIAL MEASURES RECONCILIATION

Gross Margin				
Years ended December 31,				
	2022		2021	
(expressed in millions of U.S. dollars)				
Revenue	\$	305.7	\$	312.4
Less: Cost of revenue	\$	269.5	\$	264.2
Gross Margin	\$	36.2	\$	48.2

Gross Margin as a percentage of Revenue					
Years ended December 31,					
	2022		2021		
(expressed in millions of U.S. dollars)					
Revenue	\$	305.7	\$	312.4	
Gross Margin	\$	36.2	\$	48.2	
Gross Margin as a percentage of Revenue		12	%	15	%

EBITDA and Adjusted EBITDA

Three months ended	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22
Income (loss) before income taxes	\$ (2.8)	\$ 9.1	\$ (5.4)	\$ 4.6	\$ 7.6	\$ (11.5)	\$ (11.0)	\$ (16.4)
Interest expense, net	1.2	1.1	0.9	0.3	1.0	0.7	0.2	0.1
Depreciation and amortization	3.5	3.7	3.3	3.5	3.1	3.1	2.8	2.8
EBITDA	\$ 1.9	\$ 13.9	\$ (1.2)	\$ 8.4	\$ 11.7	\$ (7.7)	\$ (8.0)	\$ (13.5)
Stock based compensation	\$ 0.1	\$ 0.5	\$ 0.7	\$ 0.6	\$ 0.5	\$ 0.9	\$ 0.8	\$ 0.2
Unrealized foreign exchange (gain) loss	\$ 0.7	\$ (2.3)	\$ (0.9)	\$ 0.5	\$ 0.8	\$ 2.5	\$ 2.7	\$ 0.4
Asset impairment	\$ -	\$ -	\$ -	\$ 0.5	\$ -	\$ -	\$ -	\$ -
Bargain purchase gain	\$ -	\$ (5.9)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Gain) loss on sale of investments	\$ -	\$ -	\$ -	\$ -	\$ (19.1)	\$ -	\$ -	\$ -
--Adjusted EBITDA	\$ 2.7	\$ 6.2	\$ (1.4)	\$ 10.0	\$ (6.1)	\$ (4.3)	\$ (4.5)	\$ (12.9)

WESTPORT FUEL SYSTEMS INC.

Consolidated Balance Sheets
(Expressed in thousands of United States dollars, except share amounts)
December 31, 2022 and 2021

Assets			
Current assets:			
Cash and cash equivalents (including restricted cash)	\$	86,184	\$ 124,892
Accounts receivable		101,640	101,508
Inventories		81,635	83,128
Prepaid expenses		7,760	6,997
Current assets held for sale		—	22,039
Total current assets		277,219	338,564
Long-term investments		4,629	3,824
Property, plant and equipment		62,641	64,420
Operating lease right-of-use assets		23,727	28,830
Intangible assets		7,817	9,286
Deferred income tax assets		10,430	11,653
Goodwill		2,958	3,121
Other long-term assets		18,030	11,615
Total assets	\$	407,451	\$ 471,313
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	\$	98,863	\$ 99,238
Current portion of operating lease liabilities		3,379	4,190
Short-term debt		9,102	13,652
Current portion of long-term debt		11,698	10,590
Current portion of long-term royalty payable		1,162	5,200
Current portion of warranty liability		11,315	13,577
Total current liabilities		135,519	146,447

Long-term operating lease liabilities		20,080		24,362
Long-term debt		32,164		45,125
Long-term royalty payable		4,376		4,747
Warranty liability		2,984		5,214
Deferred income tax liabilities		3,282		3,392
Other long-term liabilities		5,080		5,607
Total liabilities		203,485		234,894
Shareholders' equity:				
Share capital:				
Unlimited common and preferred shares, no par value				
171,303,165 (2021 - 170,799,325) common shares issued and outstanding		1,243,272		1,242,006
Other equity instruments		9,212		8,412
Additional paid-in-capital		11,516		11,516
Accumulated deficit		(1,024,716)		(992,021)
Accumulated other comprehensive loss		(35,318)		(33,494)
Total shareholders' equity		203,966		236,419
Total liabilities and shareholders' equity	\$	407,451	\$	471,313

WESTPORT FUEL SYSTEMS INC.
Consolidated Statements of Operations and Comprehensive Income (Loss)
(Expressed in thousands of United States dollars, except share and per share amounts)
Years ended December 31, 2022 and 2021

	Years ended December 31,			
	2022		2021	
Revenue	\$	305,698	\$	312,412
Cost of revenue and expenses:				
Cost of revenue		269,496		264,260
Research and development		23,497		25,194
General and administrative		37,042		36,290
Sales and marketing		15,073		13,495
Foreign exchange loss (gain)		6,378		(1,984)
Depreciation and amortization		4,416		5,390
Loss (gain) on sale of assets		62		(146)
Impairment on long lived assets, net		—		459
		355,964		342,958
Loss from operations		(50,266)		(30,546)
Income from investments accounted for by the equity method		930		33,741
Bargain purchase gain from acquisition		—		5,856
Gain on sale of investment		19,119		—
Interest on long-term debt and amortization of discount		(3,351)		(4,937)
Other income (loss), net		879		1,053

Interest income, net of bank charges		1,406		360
Income (loss) before income taxes		(31,283)		5,527
Income tax expense (recovery):				
Current		1,852		2,172
Deferred		(440)		(10,303)
		1,412		(8,131)
Net income (loss) for the year		(32,695)		13,658
Other comprehensive loss:				
Cumulative translation adjustment		(1,824)		(8,953)
Comprehensive loss	\$	(34,519)	\$	4,705
Income (loss) per share:				
Net income (loss) per share - basic	\$	(0.19)	\$	0.09
Net income (loss) per share - diluted	\$	(0.19)	\$	0.08
Weighted average common shares outstanding:				
Basic		171,225,305		160,232,742
Diluted		171,225,305		162,099,175

WESTPORT FUEL SYSTEMS INC.

Consolidated Statements of Cash Flows

(Expressed in thousands of United States dollars)

Years ended December 31, 2022 and 2021

Operating activities:				
Net income (loss) for the year	\$	(32,695)	\$	13,658
Adjustments to reconcile net income (loss) to net cash used in operating activities:				
Depreciation and amortization		11,800		14,035
Stock-based compensation expense		2,066		1,911
Unrealized foreign exchange loss (gain)		6,378		(1,984)
Deferred income tax		(440)		(10,303)
Income from investments accounted for by the equity method		(930)		(33,741)
Interest on long-term debt and accretion of royalty payable		3,351		4,937
Impairment on long lived assets, net		—		459
Change in inventory write-downs to net realizable value		722		914
Net gain on sale of investments		(19,119)		—
Net (gain) loss on sale of assets		62		(146)
Other (income) loss, net		(879)		—

Bargain purchase gain from acquisition		—	(5,856)
Change in bad debt expense		810	(326)
Changes in operating assets and liabilities:			
Accounts receivable		(1,528)	(11,117)
Inventories		(3,505)	(31,744)
Prepaid expenses		(134)	3,964
Accounts payable and accrued liabilities		122	11,313
Warranty liability		2,341	233
Net cash used in operating activities		(31,578)	(43,793)
Investing activities:			
Purchase of property, plant and equipment		(14,242)	(14,158)
Purchase of intangible assets		(287)	—
Acquisitions, net of acquired cash		—	(5,948)
Proceeds on sale of investments		31,445	—
Proceeds on sale of assets		731	600
Dividends received from joint ventures		—	21,796
Net cash provided by investing activities		17,647	2,290
Financing activities:			
Drawings on operating lines of credit and long-term facilities		41,218	74,408
Repayment of operating lines of credit and long-term facilities		(58,478)	(82,958)
Proceeds from share issuance, net		—	120,727
Repayment of royalty payable		(5,200)	(7,451)
Net cash (used in) provided by financing activities		(22,460)	104,726
Effect of foreign exchange on cash and cash equivalents		(2,317)	(2,593)
Net (decrease) increase in cash and cash equivalents		(38,708)	60,630
Cash and cash equivalents, beginning of year (including restricted cash)		124,892	64,262
Cash and cash equivalents, end of year (including restricted cash)		86,184	124,892