

GREENPOWER MOTOR COMPANY INC.
CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended March 31, 2019, March 31, 2018 and March 31, 2017
(Expressed in US dollars)

GREENPOWER MOTOR COMPANY INC.
Consolidated Financial Statements
(Expressed in US Dollars)

March 31, 2019, 2018, and 2017

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Independent Auditor's Report

To the Shareholders of GreenPower Motor Company Inc.

Opinion

We have audited the consolidated financial statements of GreenPower Motor Company Inc. ("the Company"), which comprise the consolidated statements of financial position as at March 31, 2019 and March 31, 2018 and the consolidated statements of operations and comprehensive loss, changes in equity (deficit) and cash flows for the years ended March 31, 2019, 2018 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2019 and March 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years ended March 31, 2019, 2018 and 2017 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Diana Huang.

"Crowe MacKay LLP"

**Chartered Professional Accountants
Vancouver, Canada
July 29, 2019**

GREENPOWER MOTOR COMPANY INC.
Consolidated Statements of Financial Position
As at March 31, 2019 and 2018

(Expressed in US Dollars)

	March 31, 2019	March 31, 2018
Assets		
Current		
Cash and restricted cash (Note 3)	\$ 198,920	\$ 1,007,329
Accounts receivable	1,394,689	246,679
GST receivable	99,176	15,224
Current portion of finance lease receivable (Note 4)	21,101	-
Inventory (Note 5)	5,157,918	3,246,088
Prepays & deposits	59,503	68,462
	6,931,307	4,583,782
Non-current		
Promissory note receivable (Note 6)	593,547	578,143
Finance lease receivable (Note 4)	303,802	-
Right of use assets (Note 7)	699,574	-
Property and equipment (Note 8)	1,692,127	2,328,540
Non current portion of prepaids & deposits	46,692	-
Deferred financing fees (Note 12)	1,643,249	-
Other assets	1	1
	\$ 11,910,299	\$ 7,490,466
Liabilities		
Current liabilities		
Line of credit (Note 9)	\$ 4,419,907	\$ -
Accounts payable & accrued liabilities (Note 18)	731,223	451,893
Note payable (Notes 13 and 18)	268,946	-
Deposits from customers	234,177	582,197
Deferred revenue (Note 15)	589,727	-
Current portion of warranty liability (Note 21)	84,707	-
Current portion of promissory note payable (Note 14)	56,895	55,774
Current portion of lease liabilities (Note 7)	194,829	-
Current portion of convertible debentures (Notes 13 and 18)	-	557,493
Current portion of loans payable to related parties (Note 18)	506,072	756,241
	7,086,483	2,403,598
Non-current		
Loans payable to related parties (Note 18)	992,835	-
Convertible debentures (Notes 13 and 18)	2,737,054	2,334,923
Lease liabilities (Note 7)	523,459	-
Warranty liability (Note 21)	251,864	123,065
Promissory note payable (Note 14)	404,240	461,135
	11,995,935	5,322,721
Equity (Deficit)		
Share capital (Note 10)	12,984,796	12,686,476
Equity portion of convertible debentures (Note 13)	383,094	393,850
Reserves	5,342,510	3,233,235
Accumulated other comprehensive loss	(89,368)	(65,677)
Accumulated deficit	(18,706,668)	(14,080,139)
	(85,636)	2,167,745
	\$ 11,910,299	\$ 7,490,466

Nature and Continuation of Operations - Note 1

Events After the Reporting Period - Note 23

Approved on behalf of the Board on July 29, 2019

"Fraser Atkinson"
 Director

"Mark Achtemichuk"
 Director

(The accompanying notes are an integral part of these consolidated financial statements)

GREENPOWER MOTOR COMPANY INC.

Consolidated Statements of Operations and Comprehensive Loss For the Years Ended March 31, 2019, 2018, and 2017

(Expressed in US Dollars)

	March 31, 2019	March 31, 2018	March 31, 2017
Revenue	\$ 6,082,561	\$ 3,516,156	\$ -
Cost of Sales	4,224,419	2,267,765	-
Gross Profit	1,858,142	1,248,391	-
Expenses			
Administrative fees (Note 18)	2,144,423	1,231,041	598,850
Depreciation (Notes 7 and 8)	516,208	525,228	177,498
Foreign exchange loss (gain)	(52,445)	(18,396)	6,550
Interest and accretion (Notes 7, 9, 13 and 14)	1,400,923	563,411	95,629
Office	157,128	95,204	67,112
Product development costs	437,208	251,826	312,278
Professional fees (Note 18)	324,577	170,153	176,563
Rent and maintenance	84,696	90,643	64,400
Sales and marketing (Note 18)	417,111	404,610	234,395
Share-based payments (Notes 11 and 18)	332,741	744,801	391,769
Transportation costs (Note 18)	263,164	229,637	257,352
Travel, accommodation, meals and entertainment (Note 18)	298,328	315,556	430,821
	6,324,062	4,603,714	2,813,217
Loss from operations for the year	(4,465,920)	(3,355,323)	(2,813,217)
Other Item			
Write down of assets	(78,231)	(28,817)	-
Loss before income tax	(4,544,151)	(3,384,140)	(2,813,217)
Income tax recovery	-	610,000	-
Loss for the year	(4,544,151)	(2,774,140)	(2,813,217)
Other comprehensive income/(loss)			
Cumulative translation reserve	(23,691)	21,314	4,788
Total comprehensive loss for the year	\$ (4,567,842)	\$ (2,752,826)	\$ (2,808,429)
Loss per common share, basic and diluted	\$ (0.05)	\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding, basic and diluted	93,496,658	92,262,206	87,107,051

(The accompanying notes are an integral part of these consolidated financial statements)

GREENPOWER MOTOR COMPANY INC.

Consolidated Statements of Changes in Equity (Deficit)

For the Years ended March 31, 2019, 2018 and 2017

(Expressed in US Dollars)

	Share Capital		Equity portion of convertible debentures	Reserves	Accumulated other comprehensive gain (loss)	Accumulated Deficit	Total
	Number of Common shares	Amount					
Balance, March 31, 2016	83,676,324	\$ 9,164,266	\$ 69,552	\$ 1,399,905	\$ (91,779)	\$ (8,492,782)	\$ 2,049,162
Shares issued for cash at CDN \$0.30 per common share	1,000,000	232,440	-	-	-	-	232,440
Shares issued for cash at CDN \$0.75 per share unit	684,541	391,557	-	-	-	-	391,557
Share issuance costs	-	(32,422)	-	-	-	-	(32,422)
Fair value of broker options exercised	284,520	79,951	-	(24,857)	-	-	55,094
Fair value of stock options exercised	1,338,750	423,659	-	(174,777)	-	-	248,882
Fair value of warrants exercised	4,408,318	1,870,708	-	(233,537)	-	-	1,637,171
Shares issued for conversion of debentures	50,000	13,860	(1,857)	-	-	-	12,003
Share-based payments	-	-	-	391,769	-	-	391,769
Cumulative translation reserve	-	-	-	-	4,788	-	4,788
Net loss for year	-	-	-	-	-	(2,813,217)	(2,813,217)
Balance, March 31, 2017	91,442,453	12,144,019	67,695	1,358,503	(86,991)	(11,305,999)	2,177,227
Fair value of the equity portion of the convertible debentures	-	-	454,231	-	-	-	454,231
Fair value assigned to the warrants on issuance of convertible debentures	-	-	-	1,863,238	-	-	1,863,238
Tax impact of equity instruments issued with convertible debentures	-	-	(121,000)	(489,000)	-	-	(610,000)
Transaction costs assigned to the warrants on the issuance of Convertible Debentures	-	-	-	(41,639)	-	-	(41,639)
Fair value of stock options exercised	1,495,000	499,136	-	(202,668)	-	-	296,468
Shares issued for conversion of debentures	250,000	43,321	(7,076)	-	-	-	36,245
Share-based payments	-	-	-	744,801	-	-	744,801
Cumulative translation reserve	-	-	-	-	21,314	-	21,314
Net loss for the year	-	-	-	-	-	(2,774,140)	(2,774,140)
Balance, March 31, 2018	93,187,453	12,686,476	393,850	3,233,235	(65,677)	(14,080,139)	2,167,745
Impact of adopting IFRS 15 on April 1, 2018 (Note 2(q))	-	-	-	-	-	(82,378)	(82,378)
Fair value of stock options exercised	670,000	220,502	-	(92,848)	-	-	127,654
Shares issued for conversion of debentures	350,000	77,818	(10,756)	-	-	-	67,062
Share-based payments	-	-	-	332,741	-	-	332,741
Fair value of loan guarantee warrants	-	-	-	1,869,382	-	-	1,869,382
Cumulative translation reserve	-	-	-	-	(23,691)	-	(23,691)
Net loss for the year	-	-	-	-	-	(4,544,151)	(4,544,151)
Balance, March 31, 2019	94,207,453	\$ 12,984,796	\$ 383,094	\$ 5,342,510	\$ (89,368)	\$ (18,706,668)	\$ (85,636)

GREENPOWER MOTOR COMPANY INC.
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2019, 2018 and 2017
(Expressed in US Dollars)

	March 31, 2019	March 31, 2018	March 31, 2017
Cash flows from (used in) operating activities			
Loss for the year	\$ (4,544,151)	\$ (2,774,140)	\$ (2,813,217)
Items not affecting cash			
Depreciation	516,208	525,228	177,498
Share-based payments	332,741	744,801	391,769
Accretion and accrued interest	469,725	270,256	44,766
Amortization of deferred financing fees	247,975	-	-
Write down of assets	78,231	28,817	-
Foreign exchange loss (gain)	(52,445)	(18,396)	6,550
Income tax recovery	-	(610,000)	-
Cash flow used in operating activities before changes in non-cash items	(2,951,716)	(1,833,434)	(2,192,634)
Changes in non-cash items:			
Accounts receivable	(1,230,388)	(246,679)	-
GST receivable	(83,952)	5,266	(5,319)
Inventory	(1,982,729)	(2,236,935)	(998,706)
Prepays & deposits	(37,733)	11,015	(55,302)
Promissory note receivable	(15,404)	(572,876)	-
Finance lease receivable	(324,903)	-	-
Financing fees incurred	(21,842)	-	-
Deposits from customers	(348,020)	358,020	-
Accounts payable & accrued liabilities	279,330	505,238	92,014
Deferred revenue	589,727	-	-
Warranty liability	213,506	123,065	-
	(5,914,124)	(3,887,320)	(3,159,947)
Cash flows from (used in) investing activities			
Security deposits for right of use assets	(20,000)	-	-
Government grant proceeds	319,635	-	-
Purchase of property and equipment	(120,050)	(365,664)	(86,216)
	179,585	(365,664)	(86,216)
Cash flows from (used in) financing activities			
Repayment of loans payable to related parties	(222,334)	(38,084)	(253,028)
Loans from related parties	1,000,427	538,215	-
Proceeds from line of credit	4,419,907	-	-
Principal payments on promissory note	(55,774)	(54,629)	(22,462)
Principal payments on lease liabilities	(49,038)	-	-
Proceeds from private placements	-	-	623,997
Share issuance costs	-	-	(32,422)
Proceeds from issuance of convertible debentures	-	4,522,292	-
Repayment of convertible debentures, net of conversion and note payable	(259,754)	-	-
Convertible debenture costs	-	(99,014)	-
Proceeds from exercise of stock options	127,654	296,468	248,882
Proceeds from exercise of broker options	-	-	55,094
Proceeds from exercise of warrants	-	-	1,637,171
	4,961,088	5,165,248	2,257,232
Foreign exchange on cash	(34,958)	38,070	(683)
Net (decrease) increase in cash	(808,409)	950,334	(989,614)
Cash, beginning of year	1,007,329	56,995	1,046,609
Net cash, end of year	\$ 198,920	\$ 1,007,329	\$ 56,995

Supplemental Cash Flow Disclosure Note 22.

(The accompanying notes are an integral part of these consolidated financial statements)

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2019, 2018 and 2017
(Expressed in US Dollars)

1. Nature and Continuance of Operations

GreenPower Motor Company Inc. (“GreenPower” or the “Company”) was incorporated in the Province of British Columbia on September 18, 2007. The Company is in the business of manufacturing and distributing all-electric transit, school and charter buses.

The primary office is located at Suite 240-209 Carrall St., Vancouver, Canada.

The consolidated financial statements were authorized by the Board of Directors on July 29, 2019.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company’s continuing operations are dependent upon its ability to raise capital and generate cash flows. At March 31, 2019, the Company had working capital deficit of \$155,176 and an accumulated deficit of \$18,706,668. These consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The continuation of the Company as a going concern is dependent on future cash flows from operations including the successful sale and manufacture of electric buses to achieve a profitable level of operations and obtaining necessary financing to fund ongoing operations. To this end, the Company has now delivered and received payment for all-electric buses to customers, has a backlog of orders for delivery, and has a \$5 million line of credit to meet funding requirements. In addition, subsequent to the year-end, the Company completed a brokered private placement of units for gross proceeds of approximately \$5.35 million CAD or \$4.0 million USD (Note 23). The Company’s ability to achieve its business objectives is subject to material uncertainty which may cast significant doubt upon the Company’s ability to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of presentation

Statement of Compliance with IFRS

These annual consolidated financial statements for the years ended March 31, 2019, March 31, 2018, and March 31, 2017 were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These consolidated financial statements are presented on a historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”) or as fair value through other comprehensive income (“FVOCI”), in U.S. dollars. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2019, 2018 and 2017
(Expressed in US Dollars)

2. Significant Accounting Policies (continued)

(b) Basis of consolidation

These consolidated financial statements include the accounts of the Company and all of its wholly-owned subsidiaries:

Name of Subsidiary	Country of Incorporation	Ownership 31-Mar-19	Ownership 31-Mar-18	Principal Activity
GP GreenPower Industries Inc.	Canada	100%	100%	Holding Company
GreenPower Motor Company, Inc.	United States	100%	100%	Electric bus manufacturing and distribution
0939181 BC Ltd.	Canada	100%	100%	Electric bus manufacturing and distribution
San Joaquin Equipment Valley Leasing, Inc. (formerly Utah Manganese, Inc.)	United States	100%	100%	Vehicle Leasing
0999314 BC Ltd.	Canada	100%	100%	Inactive

All intercompany balances, transactions, revenues and expenses are eliminated upon consolidation. Certain information and note disclosures which are considered material to the understanding of the Company's consolidated financial statements are provided below.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

(c) Financial instruments

Measurement

All of the Company's financial instruments, initially recognized at fair value, are subsequently measured at amortized cost using the effective interest rate method. Transaction costs are included in the initial fair value measurement of the financial instruments.

Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

For financial assets that are measured at amortized cost, the Company will, at a minimum, recognize 12 month expected losses in profit or loss, calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Lifetime expected losses will be recognized on assets for which there is a significant increase in credit risk after initial recognition.

Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The adoption of the expected credit loss impairment model did not have a significant impact on the Company's financial statements.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2019, 2018 and 2017
(Expressed in US Dollars)

2. Significant Accounting Policies (continued)

(c) Financial instruments (continued)

Classification

IFRS 9 requires a company to classify its financial instruments based on the way they are measured, into one of three categories: Amortized Cost, FVTPL, and FVOCI. In determining the appropriate category for financial assets, a company must consider whether it intends to hold the financial assets and collect the contractual cash flows or to collect the cash flows and sell financial assets (the “business model test”) and whether the contractual cash flows of an asset are solely payments of principal and interest (the “SPPI test”).

i. Amortized Cost

All of the Company’s financial instruments, initially recognized at fair value, are subsequently measured at amortized cost using the effective interest rate method. Transaction costs are included in the initial fair value measurement of the financial instruments, and the Company incorporates the expected credit loss in financial assets on a forward-looking basis. The Company will, at a minimum, recognize 12 month expected losses in profit or loss, and if a significant increase in credit risk occurs after initial recognition, lifetime expected losses will be recognized.

The Company has issued convertible debentures that can be converted into shares of the Company at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value. The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition. Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. When the conversion option is exercised, the consideration received is recorded as share capital and the equity component of the compound financial instrument is transferred to share capital.

When the Company extinguishes convertible debentures before maturity through early redemption or repurchase where the conversion option is unchanged, the Company allocates the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of settlement. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with the method used in the original allocation to the separate components of the proceeds received by the entity when the convertible instrument was issued. The amount of gain or loss relating to the early redemption or repurchase of the liability component is recognized in profit or loss. The amount of consideration relating to the equity component is recognized in equity.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2019, 2018 and 2017
(Expressed in US Dollars)

2. Significant Accounting Policies (continued)

(c) Financial instruments (continued)

ii. FVTPL

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the Consolidated Statements of Operations. The Company did not have any liabilities classified as FVTPL as at March 31, 2019, March 31, 2018, and March 31, 2017.

Derivative financial assets and liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized in profit and loss. Derivative financial assets and liabilities include warrants purchased or issued by the Company denominated in a currency other than the Company's functional currency. As at March 31, 2019, March 31, 2018 and March 31, 2017, the Company did not have any derivative financial assets or liabilities.

iii. FVOCI

Certain debt instrument assets must be classified as FVOCI unless the option to FVTPL is taken and the FVOCI classification is an election for equity assets. The Company did not have any debt or equity assets classified as FVOCI as at March 31, 2019, March 31, 2018, and March 31, 2017.

For debt instruments measured at FVOCI, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses are recognized directly in profit or loss. The difference between cumulative fair value gains or losses and the cumulative amounts recognized in profit or loss is recognized in OCI until derecognition, when the amounts in OCI are reclassified to profit or loss. For equity instruments designated as FVOCI only dividend income is recognized in profit or loss with all other gains and losses recognized in OCI and there is no reclassification on derecognition.

(d) Cash and cash equivalents

Cash and cash equivalents usually consist of highly liquid investments which are readily convertible into cash with maturity of three months or less and are subject to an insignificant risk of change in value. As at March 31, 2019, and March 31, 2018 the Company had no cash equivalents.

(e) Revenue recognition

The Company recognizes revenue from contracts with customers when a customer obtains control of the goods or services, and the Company satisfies its performance obligation to customers in exchange for consideration the Company expects to receive, net of discounts and taxes. Revenue is allocated to each performance obligation.

Most of the Company's contracts have a single performance obligation as the promise to transfer the individual goods. Revenues from the sale of products are recognized when the goods are shipped or accepted by the customer, depending on the delivery conditions, and title and risk have passed to the customer. Revenues from services such as supporting and training relating to the sale of products are recognized as the services are performed. The Company also has not historically, but may in the future, earn product repair and maintenance revenues, which may relate to warranty contracts, which would be recognized over the periods and according to the terms of the warranty or other contract.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2019, 2018 and 2017
(Expressed in US Dollars)

2. Significant Accounting Policies (continued)

(e) Revenue recognition (continued)

The Company enters into a few transactions that represent multiple-element arrangements, which may include any combination of products, support and training services, and extended warranty. The allocation of consideration to the multiple-element is dependent on the explicit stand-alone selling price stipulated in the contract term.

The Company would recognize an asset for the incremental costs of obtaining a contract with a customer if it expects the costs to be recoverable and has determined that such costs meet the requirements to be capitalized. Capitalized contract acquisition costs are amortized consistent with the pattern of transfer to the customer for the goods and services to which the asset relates. The Company does not capitalize incremental costs of obtaining contracts if the amortization period is one year or less.

(f) Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the Consolidated Statements of Operations for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the Consolidated Statements of Operations.

(g) Foreign currency translation

The consolidated entities and their respective functional currencies are as follows:

<u>Entity</u>	<u>Functional Currency</u>
GreenPower Motor Company Inc. (parent)	Canadian Dollar
GP GreenPower Industries Inc.	Canadian Dollar
GreenPower Motor Company, Inc.	U.S. Dollar
0939181 BC Ltd.	Canadian Dollar
San Joaquin Valley Equipment Leasing, Inc. (formerly Utah Manganese, Inc.)	U.S. Dollar
0999314 B.C. Ltd.	Canadian Dollar

San Joaquin Valley Equipment Leasing, Inc. changed its functional currency from the Canadian dollar to the US dollar during the year ended March 31, 2019. The change in functional currency of this entity did not have a material impact on the financial results of the Company for the year ended March 31, 2019.

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2. Significant Accounting Policies (continued)

(g) Foreign currency translation (continued)

Translation to functional currency

Foreign currency transactions are translated into U.S. dollars using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at FVTPL. Gains and losses arising from foreign exchange are included in the Consolidated Statements of Operations.

Translation to presentation currency

The results and financial position of those entities with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the Statements of Financial Position;
- income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognized in accumulated other comprehensive income/loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising on translation of foreign operations are recognized in accumulated other comprehensive income / loss. On disposal of a foreign operation (that is, a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified from accumulated other comprehensive income/loss to net income/loss for the period.

(h) Inventory

Inventory is recorded at the lower of cost and net realizable value with cost determined on a specific item basis. The Company's inventory consists of electric buses in process, production supplies, and finished goods. In determining net realizable value for new buses, the Company primarily considers the age of the vehicles along with the timing of annual and model changeovers. For used buses, the Company considers recent market data and trends such as loss histories along with the current age of the inventory.

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2. Significant Accounting Policies (continued)

(i) Property, plant, and equipment

Property, plant and equipment (“PPE”) are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the following rates/estimated lives and methods:

Leasehold improvements	Over term of lease, straight line method
Computers	3 years, straight line method
EV equipment	3 years, straight line method
Furniture	7 years, straight line method
Automobile	10 years, straight line method
Leased asset	12 years, straight line method
Diesel and Electric buses	12 years, straight line method

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the Consolidated Statements of Operations. Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE is accounted for separately, including major inspection and overhaul expenditures are capitalized.

(j) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

(k) Share capital

Common shares are classified as equity. Finders fees and other related share issue costs, such as legal, regulatory, and printing, on the issue of the Company’s shares are charged directly to share capital, net of any tax effects. During the years ended March 31, 2019 and March 31, 2018 the Company recorded \$nil in share issuance costs on its Consolidated Statements of Changes in Equity in regards to the issuance of shares (Note 10).

(l) Income taxes

Income tax expense comprises current and deferred tax. Current and deferred tax are recognized in net income/loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current period and any adjustment to income taxes payable in respect to previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year end date.

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2. Significant Accounting Policies (continued)

(l) Income taxes (continued)

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits, and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(m) Critical accounting estimates and judgments

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to critical accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the inputs used in the Black-Scholes option pricing model to measure stock-based compensation and warrants, determination of the useful life of equipment, net realizable value of inventory, provision for warranty expense, and the \$nil provision for income taxes.

Effective January 1, 2019, management changed its estimated useful life for diesel and electric buses (including some categorized under Leased Assets in note 8) from 7 years to 12 years. For the year ended March 31, 2019 this change reduced the Company's depreciation expense by \$19,537. The carrying value of diesel and electric buses was \$622,833 as at March 31, 2019 using an estimated useful life of 12 years, and the carrying value of diesel and electric buses would have been \$603,296 with an estimated life of 7 years.

Critical accounting judgments

- i. the determination of the discount rate to use to discount the promissory note receivable, finance lease receivable and lease liabilities;
- ii. the determination of the functional currency of each entity within the consolidated Company;
- iii. the Company's ability to continue as a going concern.
- iv. The classification of leases as either financial leases or operating leases; and
- v. The identification of performance obligations in revenue contracts and the determination of when they are satisfied.

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2. Significant Accounting Policies (continued)

(n) Share-based payment transactions

The Company grants share-based awards to certain officers, employees, directors and other eligible persons. The fair value of the equity-settled awards is determined at the date of the grant. In calculating fair value, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value is determined by using the Black-Scholes option pricing model. At each financial reporting date, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the Consolidated Statements of Operations with a corresponding entry against the related equity settled share-based payments reserve account over the vesting period. No expense is recognized for awards that do not ultimately vest. If the awards expire unexercised, the related amount remains in share-option reserve.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the Consolidated Statements of Operations, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to operations upon re-measurement.

(o) Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

(p) Government grants

The Company receives grants from government agencies related to sales and leases of its electric buses. The accounting for these grants depends on whether the carrying amount of the vehicle remains with the Company, which is the case for operating leases where the Company is the lessor. For government grants associated with leased vehicles under operating leases, the grant reduces the value of the asset.

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2. Significant Accounting Policies (continued)

(q) Adoption of accounting standards

The following new or amended standards were adopted during the year ended March 31, 2019:

IFRS 15

IFRS 15 Revenue from Contracts with Customers provides a single principle-based framework to be applied to all contracts with customers. IFRS 15 replaces the previous revenue standard IAS 18, Revenue, and the related Interpretations on revenue recognition. The standard scopes out contracts that are considered to be lease contracts, insurance contracts and financial instruments. The new standard is a control-based model as compared to the existing revenue standard which is primarily focused on risks and rewards. Under the new standard, revenue is recognized when a customer obtains control of a good or service. Transfer of control occurs when the customer has the ability to direct the use of and obtain the benefits of the good or service. This standard is effective for reporting periods beginning on or after January 1, 2018.

The company chose to adopt IFRS 15 beginning in the financial year ended March 31, 2019 using the modified retrospective approach. Under this approach the Company, did not restate comparative historical periods, but rather recognized a cumulative adjustment to accumulated deficit of \$82,378, which represents the cumulative change to equity that would have resulted if the Company had adopted IFRS 15 in prior periods and re-stated its consolidated financial statements. The adoption of IFRS 15 resulted in reduction to Revenue of \$247,133 for the year ended March 31, 2019.

IFRS 9

IFRS 9 Financial Instruments replaces the current standard IAS 39 Financial Instruments: Recognition and Measurement, replacing the current classification and measurement criteria for financial assets and liabilities with only three classification categories: amortized cost, fair value to profit and loss, and fair value to other comprehensive income. This standard has an effective date of January 1, 2018.

The Company completed a detailed assessment of its financial assets and liabilities as at April 1, 2018 and concluded that there is no change to the original measurement categories under IAS 39 compared to the new measurement categories under IFRS 9.

Financial Instrument	Previous Classification (Measurement)	New Classification and Measurement	Impact
Cash and restricted cash	Loans and Receivables (Amortized cost)	Amortized cost	Nil
Accounts receivable	Loans and Receivables (Amortized cost)	Amortized cost	Nil
Promissory note receivable	Held to maturity investment (Amortized cost)	Amortized cost	Nil
Accounts payable and accrued liabilities	Other financial liabilities (Amortized cost)	Amortized cost	Nil
Promissory note payable	Other financial liabilities (Amortized cost)	Amortized cost	Nil
Liability component of convertible debentures	Other financial liabilities (Amortized cost)	Amortized cost	Nil
Loans payable to related parties	Other financial liabilities (Amortized cost)	Amortized cost	Nil

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2. Significant Accounting Policies (continued)

(q) Adoption of accounting standards (continued)

IFRS 16

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for the year ended March 31, 2018 has not been restated. The cumulative effect of the initial application, if any, is recognized in deficit at January 1, 2019. Comparative amounts up to December 31, 2018 remain as previously reported under IAS 17 and related interpretations.

Definition of a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application and leases of low value assets as short-term leases. The lease payments associated with these leases are recognized as expenses on a straight-line basis over the lease term.

The Company has also elected to apply the practical expedient for excluding the initial direct costs for the measurement of right of use assets at the date of initial application, as well as for using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

As a lessee

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, based on the initial amount of the lease liability. The assets are depreciated to the earlier of the end of the useful life of the right of use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Company's incremental borrowing rate.

The ongoing lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is premeasured in this way a corresponding adjustment is made to the carrying amount of the right of use asset or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

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2. Significant Accounting Policies (continued)

(q) Adoption of accounting standards (continued)

IFRS 16 (continued)

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies IFRS 15 to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term, included in Revenue in the consolidated statements of operations.

Impact on adoption

On initial application, the Company has elected to record right of use assets based on the corresponding lease liabilities, as described more fully in Note 7. Lease liabilities have been measured by discounting future lease payments at the incremental borrowing rate of 8% per annum, and represents the Company's best estimate of the rate of interest that it would expect to pay to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in the current economic environment. As of March 31, 2019, the remaining non-cancelable period of one of the two leases is 29 months, and the other is 42 months.

The application of IFRS 16 to leases previously classified as operating leases under IAS 17, resulted in the recognition of right of use assets and lease liabilities as at January 1, 2019. The following table summarizes the Right of Use Assets of the Company for the year ended March 31, 2019:

Right of Use Assets, March 31, 2018	\$	-
Additions to Right of Use Assets during the year		787,326
Depreciation during the year		(87,752)
Right of Use Assets, March 31, 2019	\$	699,574

During the year ended March 31, 2019, the Company entered into two transactions as lessor, one which was accounted for as an operating lease, and the other as a finance lease (Note 4). The adoption of IFRS 16 did not have a material impact on the financial results for the year ended March 31, 2019 for either of these transactions.

The adoption of the above accounting policies impacted the consolidated financial statements for the year ended March 31, 2019 as described in the respective notes.

GREENPOWER MOTOR COMPANY INC.
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2. Significant Accounting Policies (continued)

(r) Future accounting pronouncements

Certain new accounting standards and interpretations have been published by the IASB or the IFRS Interpretations Committee that are not mandatory for the March 31, 2019 reporting period.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

3. Restricted Cash

The Company has a restricted cash balance of \$151,886 on deposit at a major financial institution in the United States. The funds relate to a contract for the sale of vehicles and will be returned to the Company within 30 days of acceptance of the vehicles by the customer.

4. Finance Lease Receivable

On December 14, 2018 the Company sold an EV250 that was previously held in inventory and, through its wholly owned subsidiary San Joaquin Valley Equipment Leasing Inc., provided the customer with 7-year lease financing to finance a portion of the purchase price of the vehicle. The present value of future lease payments discounted at a market rate of interest was used to determine revenue at lease inception and the net investment in the finance lease. For the year ended March 31, 2019 selling profit on the lease was \$102,155 (2018 – nil, 2017 – nil). For the year ended March 31, 2019 the opening balance of the lease was nil, net investment in the lease recognized was \$329,090, lease payments received were \$4,274, interest income recognized was \$87, and the closing balance was \$324,903.

Payments to be received on Finance Lease Receivable (undiscounted):

Year 1	\$	51,281
Year 2		51,281
Year 3		51,281
Year 4		51,281
Year 5		51,281
Remainder, including unguaranteed residual		227,277
less: amount representing interest income		(158,781)
Finance Lease Receivable	\$	324,903
Current Portion of Finance Lease Receivable	\$	21,101
Long Term Portion of Finance Lease Receivable	\$	303,802

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5. Inventory

The following is a listing of inventory as at March 31, 2019 and 2018:

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Work in Process	\$ 5,107,918	\$ 2,711,947
Production Supplies	-	70,900
Finished Goods	<u>50,000</u>	<u>463,241</u>
Total	<u>\$ 5,157,918</u>	<u>\$ 3,246,088</u>

6. Promissory Note Receivable

On January 23, 2018, the Company entered into multiple lease agreements (the "Agreements") with a third party (the "Customer") for the purpose of leasing EV 550's for a period of five years. On January 30, 2018, these lease payments, except for the final payment to be made by the Customer of CDN\$1,000,000 to the Company, were purchased by and transferred to an independent third party (the "Purchaser") in exchange for a lump sum payment of CDN\$1,492,611 to the Company. The Purchaser was granted a first priority security interest in the EV550's. Both the lump sum and the discounted final payment were included in Revenue in the Consolidated Statements of Operations.

The CDN\$1,000,000 due at the end of the lease term is classified as a Promissory Note Receivable on the Consolidated Statements of Financial Position. The Promissory Note Receivable has been discounted over the five-year lease term at a rate of 6.4%.

7. Right of Use Assets and Lease Liabilities

The Company has recorded Right of Use assets and Lease Liabilities in its statement of financial position related to two properties in California for which the Company has entered into lease agreements that both expire in more than one year. These two leases are therefore in a single class of Right of Use Assets, whose carrying value at March 31, 2019 is \$699,574. Rental payments on the Right of Use Assets are discounted using an 8% rate of interest and capitalized on the Consolidated Statement of Financial Position as Lease Liabilities. The value of the Right of Use Assets is determined at lease inception and include the capitalized lease liabilities, incorporate upfront costs incurred and incentives received, and the value is depreciated over the term of the lease. For the year ended March 31, 2019 the Company incurred interest expense of \$25,199 on the Lease Liabilities, recognized depreciation expense of \$87,752 on the Right of Use Assets and made total rental payments of \$74,237. Additions to Right of Use Assets during the year was \$787,326, of which \$20,000 is security deposits.

For one of the leases there is an option to extend the lease for a further 36 months. As at March 31, 2019, GreenPower has not committed to additional leases that begin after the year-end.

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7. Right of Use Assets and Lease Liabilities (continued)

The following table summarizes payments on GreenPower's Lease Liabilities (undiscounted):

Year 1	\$	242,183
Year 2		248,342
Year 3		221,005
Year 4		101,620
less: amount representing interest expense		(94,862)
Lease liabilities	\$	718,288
Current Portion of Lease Liabilities	\$	194,829
Long Term Portion of Lease Liabilities	\$	523,459

Payments on two leases that are classified as short term leases totaled \$83,962 for the year, and were recognized in rent and maintenance expense. These leases will terminate during the year ended March 31, 2020, and the remaining minimum lease payments for the next fiscal year is \$42,356.

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8. Property and Equipment

The following is a summary of activities for the years ended March 31, 2019 and March 31, 2018:

Cost	Computers	Furniture	Automobiles	Diesel Bus	Demonstration Buses		Leased Asset	EV Equipment	Land	Leasehold Improvements	Total
					Electric Buses	WIP					
Balance, March 31, 2017	\$ 7,428	\$ 22,914	\$ 25,283	\$ 43,965	\$ 1,180,821	\$ 217,325	\$ 669,373	\$ 616,491	\$ 679,254	\$ -	\$ 3,462,854
Additions	-	-	26,000	-	213,213	-	10,034	12,140	61,191	-	322,578
Transfers from/(to) inventory	-	-	-	-	217,325	(217,325)	(679,407)	-	-	-	(679,407)
Foreign exchange translation	(707)	904	-	2,017	-	-	-	-	-	-	2,214
Balance, March 31, 2018	6,721	23,818	51,283	45,982	1,611,359	-	-	628,631	740,445	-	3,108,239
Additions	6,701	12,643	-	-	-	-	-	13,032	53,986	33,688	120,050
Transfers from/(to) inventory	-	-	-	70,899	(1,290,636)	-	1,290,636	-	-	-	70,899
Government grant reduction	-	-	-	-	-	-	(319,635)	-	-	-	(319,635)
Write off of asset	-	-	-	(115,243)	-	-	-	-	-	-	(115,243)
Foreign exchange translation	694	(947)	-	(1,638)	-	-	-	-	-	-	(1,891)
Balance, March 31, 2019	\$ 14,116	\$ 35,514	\$ 51,283	\$ -	\$ 320,723	\$ -	\$ 971,001	\$ 641,663	\$ 794,431	\$ 33,688	\$ 2,862,419
Depreciation and impairment losses											
Balance, March 31, 2017	\$ 4,006	\$ 3,274	\$ 3,875	\$ 24,283	\$ 252,012	\$ -	\$ -	\$ 51,373	\$ -	\$ -	\$ 338,823
Depreciation	1,967	3,403	4,478	6,569	217,087	-	84,926	206,798	-	-	525,228
Transfers to inventory	-	-	-	-	-	-	(84,926)	-	-	-	(84,926)
Foreign exchange translation	(513)	129	-	958	-	-	-	-	-	-	574
Balance, March 31, 2018	5,460	6,806	8,353	31,810	469,099	-	-	258,171	-	-	779,699
Transfers to inventory	-	-	-	-	(571,235)	-	571,235	-	-	-	-
Depreciation	2,052	4,884	5,128	6,335	172,439	-	27,353	207,232	-	3,033	428,456
Write off of asset	-	-	-	(37,012)	-	-	-	-	-	-	(37,012)
Foreign exchange translation	569	(287)	-	(1,133)	-	-	-	-	-	-	(851)
Balance, March 31, 2019	\$ 8,081	\$ 11,403	\$ 13,481	\$ -	\$ 70,303	\$ -	\$ 598,588	\$ 465,403	\$ -	\$ 3,033	\$ 1,170,292
Carrying amounts											
As at March 31, 2018	\$ 1,261	\$ 17,012	\$ 42,930	\$ 14,172	\$ 1,142,260	\$ -	\$ -	\$ 370,460	\$ 740,445	\$ -	\$ 2,328,540
As at March 31, 2019	\$ 6,035	\$ 24,111	\$ 37,802	\$ -	\$ 250,420	\$ -	\$ 372,413	\$ 176,260	\$ 794,431	\$ 30,655	\$ 1,692,127

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8. Property and Equipment (continued)

During the year ended March 31, 2019, the Company wrote down the value of two diesel buses from \$78,231 to \$nil, leased one EV 350 to a customer for a period of 3 years which was determined to be an operating lease and leased one EV 250 to a customer for a period of 7 years which was determined to be a finance lease (Note 4). The EV 250 was previously held in inventory. The carrying value of electric buses was reduced by \$319,635 to reflect the Company's receipt of government grants for two leased EV 350s. During the year ended March 31, 2018, the Company sold its leased asset to a third party. The proceeds from the disposals have been included in Revenue and the net realizable value of the asset is included in Cost of Sales on the Consolidated Statements of Operations.

9. Line of Credit

As at March 31, 2019 the Company's Line of Credit had a maximum limit of \$5,000,000 (2018 – nil). The line of Credit had a limit of \$2,000,000 at September 30, 2018, which was increased to a limit of US \$5,000,000 during the quarter ended December 31, 2018. The Line of Credit bears interest at the bank's US Base Rate (March 31, 2019 – 6.0%) plus 1.5%.

The Line of Credit is secured by a general floating charge on the Corporation's assets and the assets of one of its subsidiaries. The Line of Credit is also guaranteed by two of the directors of the Company, and in consideration for these guarantees, when the Line of Credit had a maximum limit of \$2,000,000 the Company agreed to issue 4,400,000 non-transferrable common share purchase warrants exercisable at an exercise price of CDN \$0.65 per share expiring on June 29, 2021. In consideration for guarantees offered by the two Directors when the Line of Credit limit was increased to \$5,000,000, the Company agreed to issue an additional 4,800,000 non-transferrable common share purchase warrants exercisable at an exercise price of CDN \$0.60 per share expiring three years after the issue date.

The Line of Credit contains customary business covenants such as maintenance of security, maintenance of corporate existence, and other covenants typical for a corporate operating line of credit. In addition, the Line of Credit has one financial covenant, to maintain a current ratio greater than 1.2:1, which will be tested quarterly starting on June 30, 2019.

10. Share Capital

Authorized

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

Issued

During the year ended March 31, 2019, the Company issued a total of 1,020,000 shares pursuant to the exercise of 670,000 stock options and 350,000 converted debentures. During the year ended March 31, 2018, the Company issued a total of 1,745,000 shares pursuant to the exercise of 1,495,000 stock options and 250,000 converted debentures. During the year ended March 31, 2017, the Company issued a total of 6,081,588 shares pursuant to the exercise of 284,520 broker options, 1,338,750 stock options, 4,408,318 warrants and 50,000 converted debentures. Further:

On May 25, 2016, the Company completed a non-brokered private placement of 1,000,000 common shares at a subscription price of CDN\$0.30 per share for gross proceeds of CDN\$300,000 (USD\$232,440) and incurred \$22,004 in share issuance costs including \$11,613 in finder's fees.

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10. Share Capital (continued)

On October 17, 2016, the Company completed a non-brokered private placement for a total of 684,541 units at a price of CDN\$0.75 per unit for gross proceeds of CDN\$513,406 (USD\$391,557). Each unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each warrant entitles the holder to purchase one common share with an exercise price of CDN\$1.10 per share until and on October 16, 2017 and CDN\$1.50 per share until and on October 16, 2018. The Company issued 342,270 common share purchase warrants (Note 12) and incurred \$10,418 in share issuance costs including \$5,412 in finder's fees.

As at March 31, 2019 and March 31, 2018, the Company had no shares held in escrow (March 31, 2017 – 15,154,197).

11. Stock Options

The Company has an incentive stock option plan whereby it grants options to directors, officers, employees, and consultants of the Company. On March 9, 2016, the shareholders approved the current plan which allows for the issuance of up to 10,440,790 shares (the "2016 Plan"). The exercise price of options granted under the 2016 Plan may not be less than the minimum prevailing price permitted by the TSXV policies with a maximum term of 10 years. Prior to the adoption of the 2016 Plan, the Company had adopted an incentive stock option plan (the "Plan"), whereby it could grant options to directors, officers, employees, and consultants of the Company.

On March 30, 2017, the shareholders approved an increase in the number of common shares available for issuance under the 2016 Plan from 10,440,790 to 13,656,367. On May 4, 2018, the number available for issuance was further increased to 14,909,992.

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11. Stock Options (continued)

The Company had the following incentive stock options granted under its Plan and 2016 Plan that are issued and outstanding at March 31, 2019:

Expiry Date	Exercise Price (CDN\$)	Balance			Balance					
		March 31, 2018	Granted	Exercised	Forfeited	March 31, 2019				
July 3, 2018	\$ 0.40	50,000	-	-	(50,000)	-				
July 3, 2018	\$ 0.25	750,000	-	(50,000)	(700,000)	-				
September 1, 2018	\$ 0.25	20,000	-	(20,000)	-	-				
December 23, 2019	\$ 0.25	275,000	-	-	-	275,000				
December 23, 2019	\$ 0.25	2,984,717	-	(600,000)	-	2,384,717				
December 23, 2019	\$ 0.25	300,000	-	-	(25,000)	275,000				
July 10, 2020	\$ 0.55	50,000	-	-	-	50,000				
March 25, 2020	\$ 0.25	200,000	-	-	-	200,000				
May 26, 2020	\$ 0.60	150,000	-	-	-	150,000				
February 4, 2021	\$ 0.35	500,000	-	-	-	500,000				
May 6, 2021	\$ 0.35	530,000	-	-	-	530,000				
October 27, 2021	\$ 0.62	500,000	-	-	-	500,000				
February 2, 2022	\$ 0.75	715,000	-	-	(50,000)	665,000				
May 26, 2022	\$ 0.60	200,000	-	-	-	200,000				
May 26, 2022	\$ 0.75	1,037,500	-	-	-	1,037,500				
December 18, 2022	\$ 0.45	235,000	-	-	-	235,000				
May 4, 2023	\$ 0.50	-	630,000	-	-	630,000				
November 20, 2023	\$ 0.43	-	350,000	-	-	350,000				
February 12, 2024	\$ 0.50	-	650,000	-	-	650,000				
Total outstanding		8,497,217	1,630,000	(670,000)	(825,000)	8,632,217				
Total exercisable		7,003,717				6,883,717				
Weighted Average Exercise Price (CDN\$)	\$	0.41	\$	0.48	\$	0.25	\$	0.29	\$	0.45
Weighted Average Remaining Life										2.3 years

As at March 31, 2019, there were 2,624,025 options available for issuance under the 2016 Plan.

During the twelve-month period ended March 31, 2019, the Company incurred share-based compensation expense with a measured fair value of \$332,741. The fair value of the options granted and vested were recorded as share-based payments on the Consolidated Statements of Operations.

On May 4, 2018, the Company granted:

- 500,000 options to directors with an exercise price of CDN\$0.50 per share which vest 25% after 4 months and then 25% after 6 months, 9 months, and 12 months and with a term of five years.
- 130,000 options to employees with an exercise price of CDN\$0.50 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.

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11. Stock Options (continued)

On November 30, 2018 the Company granted 350,000 options to the Chief Financial Officer with an exercise price of CDN\$0.43 per share which vest 25% after 4 months, 25% after year 1 and 50% after year 2, and with a term of 5 years.

On February 12, 2019 the Company granted:

- 600,000 options to directors and an officer of the Company with an exercise price of CDN\$0.50 per share which vest 25% after 4 months and then 25% after 6 months, 9 months, and 12 months and with a term of five years.
- 50,000 options to employees with an exercise price of CDN\$0.50 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.

The Company had the following incentive stock options granted under its Plan and 2016 Plan that were issued and outstanding at March 31, 2018:

<i>Incentive Stock Options</i>										
Expiry Date	Exercise Price (CDN\$)	Balance			Balance					
		March 31, 2017	Granted	Exercised	Forfeited	March 31, 2018				
April 25, 2017	\$ 0.82	25,000	-	-	(25,000)	-				
July 3, 2017	\$ 0.25	45,000	-	(45,000)	-	-				
February 22, 2018	\$ 0.25	250,000	-	(250,000)	-	-				
July 3, 2018	\$ 0.40	150,000	-	(100,000)	-	50,000				
July 3, 2018	\$ 0.25	750,000	-	-	-	750,000				
September 1, 2018	\$ 0.25	20,000	-	-	-	20,000				
December 23, 2019	\$ 0.25	375,000	-	(100,000)	-	275,000				
December 23, 2019	\$ 0.25	3,884,717	-	(900,000)	-	2,984,717				
December 23, 2019	\$ 0.25	300,000	-	-	-	300,000				
July 10, 2020	\$ 0.55	-	50,000	-	-	50,000				
March 25, 2020	\$ 0.25	200,000	-	-	-	200,000				
May 26, 2020	\$ 0.60	-	150,000	-	-	150,000				
September 1, 2020	\$ 0.25	100,000	-	(100,000)	-	-				
February 4, 2021	\$ 0.35	500,000	-	-	-	500,000				
May 6, 2021	\$ 0.35	530,000	-	-	-	530,000				
October 27, 2021	\$ 0.62	500,000	-	-	-	500,000				
February 2, 2022	\$ 0.75	715,000	-	-	-	715,000				
May 26, 2022	\$ 0.60	-	200,000	-	-	200,000				
May 26, 2022	\$ 0.75	-	1,037,500	-	-	1,037,500				
December 18, 2022	\$ 0.45	-	260,000	-	(25,000)	235,000				
Total outstanding		8,344,717	1,697,500	(1,495,000)	(50,000)	8,497,217				
Total exercisable		6,272,217				7,003,717				
Weighted Average										
Exercise Price (CDN\$)	\$	0.33	\$	0.67	\$	0.26	\$	0.65	\$	0.41
Weighted Average Remaining Life										2.5 years

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11. Stock Options (continued)

During the year ended March 31, 2018, the Company incurred share-based compensation expense to employees, advisors, and directors with a measured fair value of \$744,801 (March 31, 2017 - \$391,769). The fair value of the options granted and vested were recorded as share-based payments on the Consolidated Statements of Operations.

On May 26, 2017, the Company granted:

- 1,037,500 options to Directors with an exercise price of CDN\$0.75 per share with a term of 5 years. The options fully vest on the grant date.
- 100,000 options to an advisor with an exercise price of CDN\$0.60 per share with a term of 3 years. The options fully vest on the grant date.
- 200,000 options to an employee with an exercise price of CDN\$0.60 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.
- 50,000 options to a consultant (IR provider) with an exercise price of CDN\$0.60 per share which vest 25% at the end of every 3 months for a period of twelve months and with a term of 3 years.

On July 10, 2017, the Company granted 50,000 stock options to a consultant (IR provider). The options have an exercise price of CDN\$0.55 per share which vest 25% at the end of every 3 months for a period of twelve months and with a term of 3 years.

On December 18, 2017, the Company granted 260,000 stock options to employees and a consultant. The options have an exercise price of CDN\$0.45 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.

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11. Stock Options (continued)

The Company had the following incentive stock options granted under its Plan and 2016 Plan that are issued and outstanding at March 31, 2017:

Expiry Date	Exercise Price (CDN\$)	<i>Incentive Stock Options</i>				Balance March 31, 2017
		Balance March 31, 2016	Granted	Exercised	Forfeited	
December 23, 2016	\$ 0.25	215,000	-	(215,000)	-	-
February 22, 2017	\$ 0.25	45,000	-	(45,000)	-	-
April 25, 2017	\$ 0.82	-	100,000	-	(75,000)	25,000
July 3, 2017	\$ 0.25	45,000	-	-	-	45,000
February 22, 2018	\$ 0.25	250,000	-	-	-	250,000
July 3, 2018	\$ 0.40	200,000	-	-	(50,000)	150,000
July 3, 2018	\$ 0.25	750,000	-	-	-	750,000
September 1, 2018	\$ 0.25	20,000	-	-	-	20,000
October 20, 2018	\$ 0.25	90,000	-	(67,500)	(22,500)	-
January 20, 2019	\$ 0.25	85,000	-	(42,500)	(42,500)	-
April 20, 2019	\$ 0.19	-	175,000	(43,750)	(131,250)	-
December 23, 2019	\$ 0.25	450,000	-	(25,000)	(50,000)	375,000
December 23, 2019	\$ 0.25	4,684,717	-	(800,000)	-	3,884,717
December 23, 2019	\$ 0.25	500,000	-	(100,000)	(100,000)	300,000
March 25, 2020	\$ 0.25	200,000	-	-	-	200,000
September 1, 2020	\$ 0.25	100,000	-	-	-	100,000
January 8, 2021	\$ 0.30	50,000	-	-	(50,000)	-
February 4, 2021	\$ 0.35	500,000	-	-	-	500,000
May 6, 2021	\$ 0.35	-	530,000	-	-	530,000
October 27, 2021	\$ 0.62	-	500,000	-	-	500,000
February 2, 2022	\$ 0.75	-	715,000	-	-	715,000
Total outstanding		8,184,717	2,020,000	(1,338,750)	(521,250)	8,344,717
Total exercisable		6,507,217				6,272,217
Weighted Average Exercise Price (CDN\$)		\$ 0.26	\$ 0.57	\$ 0.25	\$ 0.33	\$ 0.33
Weighted Average Remaining Life						2.95 years

On April 20, 2016, the Company granted 175,000 options to a consultant (IR provider) with an exercise price of CDN\$0.19 per share which vest 25% at the end of every 3 months for a period of twelve months and with a term of 3 years.

On May 6, 2016, the Company granted 530,000 options to Directors and an employee with an exercise price of CDN\$0.35 per share with a term of 5 years. The options vest 25% at the end of 4 months, 6 months, 9 months and 1 year.

On August 22, 2016, the Company granted 100,000 options to an employee with an exercise price of CDN\$0.82 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.

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11. Stock Options (continued)

On October 27, 2016, the Company granted 500,000 options to an employee with an exercise price of CDN\$0.62 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.

On February 2, 2017, the Company granted an aggregate of 715,000 incentive stock options to certain directors, officers, employees and consultants of the Company. The stock options are exercisable for a period of five years at a price of CDN \$0.75 per share. The 548,000 stock options granted to the directors and officers vest as to 25% four months after the grant date, 25% six months after the grant date, 25% nine months after the grant date and 25% one year after the grant date and the 167,000 stock options granted to employees and consultants vest as to 25% four months after the grant date, 25% one year after the grant date, 25% two years after the grant date and 25% three years after the grant date.

The weighted average share price on the exercise dates was CDN \$0.49, (2018-CDN \$0.50, 2017 – CDN \$0.70).

The following weighted-average assumptions were used for the Black-Scholes valuation of stock option grants:

For the year ended	March 31, 2019	March 31, 2018	March 31, 2017
Share price on grant date	CDN\$0.47	CDN\$0.56	CDN\$0.57
Exercise price	CDN\$0.48	CDN\$0.67	CDN\$0.57
Risk-free interest rate	1.31%	1.07%	1.02%
Expected life of options	5 years	5 years	5 years
Annualized volatility ⁽¹⁾	100%	100%	100%
Dividend rate	n/a	n/a	n/a

(1) Expected volatility was determined by reference to historical volatility of similar entities following a comparable period of lives.

During the years ended March 31, 2019 and March 31, 2018 there were no issuances of Broker Agent Stock Options. The following table summarizes the Company's broker agent stock options for the year ended March 31, 2017:

<i>Broker Agent Stock Options</i>						
Expiry Date	Exercise Price (CDN\$)	Balance			Balance	
		March 31, 2016	Granted	Exercised	Forfeited	March 31, 2017
December 23, 2016	\$ 0.25	279,620	-	(279,620)	-	-
January 7, 2017	\$ 0.25	4,900	-	(4,900)	-	-
Total outstanding		284,520	-	(284,520)	-	-
Total exercisable		284,520				-
Weighted Average						
Exercise Price (CDN\$)		\$ 0.25	\$ -	\$ 0.25	\$ -	\$ -
Weighted Average Remaining Life						-

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12. Warrants

As at March 31, 2019, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry Date	Exercise Price (\$CDN)	Balance March 31, 2018	Issued	Exercised	Expired	Balance March 31, 2019
October 1, 2018	\$ 0.25	400,000	-	-	(400,000)	-
October 17, 2020*	\$ 1.10	342,270	-	-	(30,773)	311,497
December 10, 2018	\$ 1.00	250	-	-	(250)	-
December 16, 2018	\$ 1.00	153,928	-	-	(153,928)	-
May 17, 2020	\$ 0.75	2,922,200	-	-	-	2,922,200
May 31, 2020	\$ 0.75	384,500	-	-	-	384,500
June 29, 2021	\$ 0.65	-	4,400,000	-	-	4,400,000
September 25, 2021	\$ 0.50	3,690,000	-	-	-	3,690,000
October 13, 2021	\$ 0.50	5,550,000	-	-	-	5,550,000
March 14, 2022	\$ 0.60	-	4,800,000	-	-	4,800,000
Total outstanding		13,443,148	9,200,000	-	(584,951)	22,058,197
Weighted Average						
Exercise Price (\$CDN)		\$ 0.60	\$ 0.62	\$ -	\$ 0.70	\$ 0.60
Weighted Average Life						2.3 years

*The TSX Venture exchange consented to an amendment of the October 16, 2016 warrant issuance. The expiry date was extended to October 17, 2020 and exercise price was reduced to \$1.10 per share.

In November 2018, 4,400,000 warrants were issued to two directors of the Company in consideration for guarantees offered by each of the two directors providing guarantees in support of the Company's Line of Credit (Note 9). The warrants are exercisable into one common share of the Company at a price of \$0.65 per share and expire on June 29, 2021 and had a calculated fair value of \$948,640 (CAD \$1,232,016). In March 2019 the Company agreed to issue 4,800,000 warrants to two Directors of the Company in consideration for additional guarantees offered by the two directors in support of an increase in the Company's Line of Credit (Note 9). The warrants are exercisable at an exercise price of CDN \$0.60 per share and expire on March 14, 2022 and had a calculated fair value of \$920,742 (CAD \$1,229,378). The fair value of the warrants issued to the two directors is recognized under deferred financing fees in the Company's Statement of Financial Position and will be recognized in earnings over the 3-year term of the warrants, to approximate the estimated life of the benefits from the financing fees.

The following table summarizes deferred financing fees for the year ended March 31, 2019:

Deferred Financing Fees, March 31, 2018	\$	-
plus: Fair Value of Warrants		1,869,382
plus: Other Financing Fees Incurred During the Year		21,842
less: Amortization of Deferred Financing Fees		(247,975)
Deferred Financing Fees, March 31, 2019	\$	1,643,249

During the year ended March 31, 2019, 584,951 warrants expired unexercised or were otherwise forfeited.

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12. Warrants (continued)

As at March 31, 2018, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry Date	Exercise Price (CDN\$)	Balance		Granted	Exercised	Expired	Balance	
		March 31, 2017					March 31, 2018	
October 1, 2018	\$ 0.25	400,000		-	-	-		400,000
October 17, 2018	\$1.10 - \$1.50	342,270		-	-	-		342,270
December 10, 2018	\$0.75 - \$1.00	250		-	-	-		250
December 16, 2018	\$0.75 - \$1.00	153,928		-	-	-		153,928
May 17, 2020	\$ 0.75	-	2,922,200	-	-	-		2,922,200
May 31, 2020	\$ 0.75	-	384,500	-	-	-		384,500
September 25, 2021	\$ 0.50	-	3,690,000	-	-	-		3,690,000
October 12, 2021	\$ 0.50	-	5,550,000	-	-	-		5,550,000
Total outstanding		896,448	12,546,700	-	-	-		13,443,148
Weighted Average								
Exercise Price (CDN\$)		\$ 0.66	\$ 0.57	\$ -	\$ -	\$ -		\$ 0.60
Weighted Average Life								3.0 years

In May 2017, there were 3,306,700 warrants issued with a fair value of \$516,046 as a result of the issuance of Convertible Debentures (Note 13). The transaction costs assigned to the issuance of the warrants with regards to the Convertible Debentures was \$7,390.

In September 2017, 3,690,000 warrants were issued with a fair value of \$538,002 as a result of the issuance of Convertible Debentures (Note 13). The transaction costs assigned to the issuance of the warrants with regards to the Convertible Debentures was \$4,153.

In October 2017, 5,550,000 warrants were issued with a fair value of \$809,190 as a result of the issuance of Convertible Debentures (Note 13). The transaction costs assigned to the issuance of the warrants with regards to the Convertible Debentures was \$30,096.

The following weighted-average assumptions were used for the Black-Scholes valuation of warrants granted in the years ended March 31, 2019 and March 31, 2018:

	March 31, 2019	March 31, 2018
Exercise price	CDN \$0.624	CDN \$0.57
Share price on grant date	CDN \$0.47	CDN \$0.43
Risk-free interest rate	2.85%	1.46%
Expected life of warrants	3.0 years	1.87 years
Annualized volatility ⁽¹⁾	100%	100%
Dividend rate	n/a	n/a

(1) Expected volatility was determined by reference to historical volatility of similar entities following a comparable period of lives.

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12. Warrants (continued)

As at March 31, 2017, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry Date	Exercise Price (CDN\$)	Balance				Balance March 31, 2017
		March 31, 2016	Issued	Exercised	Expired	
July 3, 2016	\$0.40	525,000	-	(335,000)	(190,000)	-
October 1, 2018	\$0.25	400,000	-	-	-	400,000
October 17, 2018	\$1.10 - \$1.50	-	342,270	-	-	342,270
December 10, 2018	\$0.75 - \$1.00	1,126,650	-	(1,126,400)	-	250
December 16, 2018	\$0.75 - \$1.00	3,100,846	-	(2,946,918)	-	153,928
Total		5,152,496	342,270	(4,408,318)	(190,000)	896,448
Weighted Average						
Exercise Price (CDN\$)		\$ 0.47	\$ 1.10	\$ 0.49	\$ 0.40	\$ 0.66
Weighted Average Remaining Life						1.56 years

On October 17, 2016, there were 342,270 warrants issued as a result of a private placement. During the year ended March 31, 2017, 4,408,318 warrants were exercised at a weighted average price of CDN\$0.49 per share for proceeds of CDN\$2,170,659 (USD\$1,637,171) and 190,000 warrants expired unexercised.

13. Convertible Debentures

As at March 31, 2019, the Company had issued the following outstanding convertible debentures all with an 8% interest rate and a term of four years. The Convertible Debentures have effective rates ranging from 28.3% - 38.5%.

Issue Date	Amount (\$CDN)	Converted Amount (\$CDN)	Matured Amount (\$CDN)	Outstanding Amount (\$CDN)	Conversion Price (\$CDN)	Shares on Conversion
Dec 11, 2015	777,000	(60,000)	717,000	-	0.40	n/a
May 17, 2017	1,900,000	-	-	1,900,000	0.65	2,923,077
May 31, 2017	250,000	-	-	250,000	0.65	384,615
Sep 25, 2017	1,476,000	-	-	1,476,000	0.40	3,690,000
Oct 16, 2017	2,220,000	(200,000)	-	2,020,000	0.40	5,050,000
Total	6,623,000	(260,000)	717,000	5,646,000		12,047,692

\$CDN	May 17 & 31, 2017	Sep 25, 2017	Oct 16, 2017
Proceeds bifurcated to carrying value of the loan	\$1,169,370	\$660,360	\$938,557
Proceeds bifurcated to equity	247,744	139,904	198,843
Transaction costs related to the Debentures	30,789	11,536	83,600
Fair value assigned to the issuance of warrants	702,097	664,200	999,000
<i>Proceeds on issuance of Convertible Debentures</i>	<i>\$2,150,000</i>	<i>\$1,476,000</i>	<i>\$2,220,000</i>

On February 27, 2018, CDN\$100,000 worth of debentures (issued on October 16, 2017) were converted into 250,000 common shares with a conversion price of CDN\$0.40.

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13. Convertible Debentures (continued)

On June 18, 2018, CDN\$100,000 worth of debentures (issued on October 16, 2017) were converted into 250,000 common shares at a conversion price of CDN\$0.40.

On December 11, 2018, the convertible debentures issued on December 11, 2015, with a remaining balance prior to maturity of CDN \$717,000 matured. Prior to maturity, CDN \$40,000 worth of debentures from this series were converted into 100,000 common shares at a conversion price of CDN \$0.40 per share. CDN \$37,000 of the debentures were repaid during December 2018. The remaining balance of CDN \$680,000 was transferred to a Note Payable, CDN \$300,000 of which were repaid during January 2019. The remaining investors have agreed to be repaid their investments in December 2019. The Note Payable accrues interest at 12% per annum, payable in quarterly instalments, and matures on December 11, 2019.

During the years ended March 31, 2019, the Company paid interest of \$393,043 (March 31, 2018 - \$276,957, and March 31, 2017 - \$46,008) and recognized accretion of \$469,725 (March 31, 2018 - \$275,523, and March 31, 2017 - \$44,766) related to its issued and outstanding convertible debentures.

14. Promissory Note Payable

During the year ended March 31, 2017, the Company issued a \$594,000 promissory note (the "Note") to the City of Porterville to acquire land (Note 8). The Note bears interest at 2.0% per annum and is payable in blended monthly installments of \$5,463, which began on November 1, 2016. The monthly installments will occur for five years, at which point a balloon payment of \$311,764 is due and payable. The Note is secured by an interest in the land in favour of the City of Porterville.

A summary of the remaining principal payments until maturity of the promissory note are as follows:

Principal Payments	
Next 12 months	\$ 56,895
12 to 24 months	58,039
Thereafter	346,201
Total	461,135
Current portion	(56,895)
Long-term portion	\$ 404,240

During the year ended March 31, 2019, the Company incurred \$9,788 (March 31, 2018 - \$10,931 and March 31, 2017 - \$4,855) of interest on the Note. This amount is included in Interest and accretion on the Consolidated Statements of Operations.

15. Deferred Revenue

The Company recorded Deferred Revenue of \$589,727 for invoices issued to a customer for the sale of all-electric buses which were not delivered as at March 31, 2019.

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16. Financial Instruments

The Company's financial instruments consist of cash and restricted cash, accounts receivable, finance lease receivable, promissory note receivable, line of credit, accounts payable and accrued liabilities, note payable, loans payable to related parties, promissory note payable, convertible debentures and lease liabilities.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liabilities either directly or indirectly; and

Level 3: Inputs that are not based on observable market data

The Company does not currently hold any financial instruments measured at fair value on the Consolidated Statements of Financial Position.

The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

Overview

The Company has exposure to the following financial instrument related risks.

Credit risk

The Company's exposure to credit risk is on its cash, promissory note receivable, and on its finance lease receivables. The maximum exposure to credit risk is their carrying amounts in the consolidated statement of Financial Statements.

Cash and restricted cash consists of cash bank balances held in major financial institutions in Canada and the United States with a high credit quality and therefore the Company is exposed to minimal risk. The Company assesses the credit risk of its finance lease receivable and promissory note receivable counterparties on an annual basis and believes it is exposed to minimal credit risk.

Liquidity risk

The Company tries to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's cash balances and available liquidity on the Company's \$5 million operating line of credit. The Company's cash is invested in bank accounts at major financial institutions in Canada and the United States and is available on demand. The Company will continue to rely on additional financings to further its operations and meet its capital requirements.

Market risks

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange. The Company is exposed to interest rate risk with respect to its Line of Credit (Note 9).

The Company is exposed to foreign exchange risk as it conducts business in both the United States and Canada. Management monitors its foreign currency balances, but the Company does not engage in any hedging activities to reduce its foreign currency risk.

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16. Financial Instruments (continued)

At March 31, 2019, the Company was exposed to currency risk through the following financial assets and liabilities in CDN Dollars.

Cash	\$	2,067
Accounts Receivable	\$	38,091
Promissory Notes Receivable	\$	1,000,000
Accounts Payable and Accrued Liabilities	\$	(176,197)
Loans Payable to Related Parties	\$	(1,430,000)
Convertible Debentures	\$	(5,646,000)
Note Payable	\$	(380,000)

The CDN/USD exchange rate as at March 31, 2019 was 0.74895 \$ (2018 - \$0.776). Based on the net exposure and assuming all other variables remain constant, a 10% change in the appreciation or depreciation of the Canadian dollar relative to the US dollar would result in a change of approximately \$494,000 to other comprehensive income/loss.

17. Capital Management

The Company is actively engaged in selling its electric vehicles and expanding its business however the company has not achieved profitability to date. The Company's capital management objective is to obtain sufficient capital to develop new business opportunities for the benefit of its shareholders. To meet the objectives, management monitors the Company's ongoing capital requirements on specific business opportunities on a case-by-case basis. The capital structure of the Company consists of cash, operating line of credit, secured and unsecured promissory notes and convertible debentures and equity attributable to common shareholders, consisting of issued share capital and deficit. There was no change to the Company's approach to capital management during the year. The Company is subject to externally imposed capital requirements with respect to its line of credit (note 9). In May 2019 the Company completed a brokered private placement of units for gross proceeds of approximately \$5.35 million CAD or \$4.0 million USD. Under the offering the Company sold 13,114,754 Units at a price of CDN \$0.408 per unit, with each unit being comprised of one GreenPower common share and one-half share purchase warrant (Note 23). Subject to market conditions and other factors the Company intends to raise additional capital in the future to fund and grow its business for the benefit of shareholders.

18. Related Party Transactions

A summary of compensation for directors, officers and key management personnel is as follows:

	For the Year Ended		
	March 31, 2019	March 31, 2018	March 31, 2017
Salaries and Benefits (1)	\$ 289,840	\$ 225,000	\$ 93,750
Consulting fees (2)	382,875	293,400	259,150
Accommodation (3)	49,895	64,085	22,328
Truck and Trailer Rentals (4)	140,722	144,807	174,756
Options Vested (5)	252,804	571,130	275,196
Total	\$ 1,116,136	\$ 1,298,422	\$ 825,180

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18. Related Party Transactions (continued)

- 1) Salaries and benefits incurred with directors and officers are included in Administrative fees on the Consolidated Statements of Operations.
- 2) Consulting fees included in professional fees and sales and marketing on Consolidated Statements of Operations are paid to the directors, the Chairman, and to the CEO of the Company to provide accounting, management consulting and director services.
- 3) Accommodation expense paid to Stage Coach Landing, Inc., a company that the Chairman of GreenPower is an officer and director. These costs are expensed on the Consolidated Statements of Operations.
- 4) Truck and trailer rental fees paid to Maple Leaf Equipment Aircraft and Recovery Inc., a company that the Chairman of GreenPower is an officer and director. These costs are included in Transportation costs on the Consolidated Statements of Operations.
- 5) Amounts recognized for related party stock-based compensation are included in Share-based payments on the Consolidated Statements of Operations.

Accounts payable and accrued liabilities at March 31, 2019 included \$38,768 (March 31, 2018 - \$57,755, and March 31, 2017 - \$115,464) owed to officers, directors, and companies controlled by officers and directors, and shareholders, which is non-interest bearing, unsecured and has no fixed terms of repayment.

Notes payable as at March 31, 2019 includes \$172,259 (March 31, 2018 – nil) owed to a company beneficially owned by the Chairman of the Company.

As at March 31, 2019, two companies beneficially owned by the Chairman of the Company had loans outstanding to the Company with a total value of CDN \$1,430,000 and USD \$120,000 (2018 – CDN \$650,000). On March 31, 2019, the two companies renewed loans to the Company for CDN \$1,050,000 and USD \$120,000. The principal and interest on the loans is repayable on the earlier of the date that (i) the Company completes an equity financing of more than US\$5,000,000, (ii) from receipt of proceeds on the sale of buses in excess of US\$5,000,000, or (iii) July 1, 2020. The remaining loans outstanding with one company beneficially owned by the Chairman totaling CAD \$380,000 plus accrued interest were repaid on May 31, 2019.

During the year ended March 31, 2019, there were \$222,334 (March 31, 2018 - \$38,084) of shareholder loan repayments.

Loans payable to related parties of \$1,498,907 (March 31, 2018 - \$756,241) include the loans with terms described above, including accrued interest, and other loans payable to directors and officers, companies controlled by directors and officers, which are unsecured and have no fixed terms of repayment.

The outstanding balance of unconverted convertible debentures at March 31, 2019 (Note 13), includes CDN\$3,025,000 (2018 – CDN\$3,255,000) owed to directors and companies controlled by directors.

These transactions were measured at the exchange amount, which is the amount agreed upon by the transacting parties.

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19. Income Taxes

Income tax expense is recognized based on management's best estimate of weighted average annual income tax rate for the full financial year applied to the pre-tax income of the reporting period. The Company's effective tax rate for the years ended March 31, 2019, March 31, 2018 and March 31, 2017 was 27.00%, 26.25% and 26.00% respectively.

The difference between tax expenses for the years and the expected income taxes based on the statutory rate are as follows:

	For the year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
Combined statutory tax rate	27.00%	26.25%	26.00%
Expected income tax expense (recovery)	\$ (1,226,922)	\$ (888,337)	\$ (731,436)
Items not deductible for tax purposes	124,866	193,900	115,295
Difference in tax rate in other jurisdictions	(63,785)	(124,699)	(105,162)
Effect of change in tax rates	180,534	(52,391)	-
Expiry of loss carryforwards	57,656	-	-
Unrecognized (recognized) loss carryforwards	927,651	261,527	721,303
Deferred income tax expense (recovery)	\$ -	\$ (610,000)	\$ -

The nature and effect of the temporary differences giving rise to the deferred income tax assets as of March 31, 2019 and March 31, 2018 are summarized below:

Deferred income tax assets	As at	
	March 31, 2019	March 31, 2018
Non-capital loss carry-forwards	\$ 3,733,613	\$ 2,730,030
Investment in subsidiary	94,196	97,598
Promissory note receivable and finance lease receivable	(82,399)	53,422
Capital assets	431,695	291,049
Resource properties	39,932	86,199
Right of use assets and lease liabilities	11,551	-
Warranty provision	98,279	37,264
Convertible debentures	(424,348)	(573,438)
Other carryforward balances	(3,205)	4,392
Share issue costs	23,617	46,497
Unrecognized deferred tax assets	(3,922,931)	(2,773,013)
Net deferred income tax asset (liability)	\$ -	\$ -

As at March 31, 2019, and March 31, 2018 the Company has approximately \$7,043,000 and \$5,813,000 respectively, of non-capital losses carry forwards available to reduce Canadian taxable income for future years. As at March 31, 2019, and March 31, 2018 the Company has approximately \$6,139,000 and \$3,412,000, respectively, of net operating losses carry forwards available to reduce future taxable income in the United States. The losses in Canada and United States expire between 2030 and 2039 if unused. The potential benefits of these carry-forward non-capital losses has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

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20. Segmented Information and Other Additional Disclosures

The Company operates in one reportable operating segment, being the manufacture and distribution of all-electric transit, school and charter buses.

During the year ended March 31, 2019, the Company was economically dependent on one (2018 – two, 2017 - nil) customers who accounted for more than 10% of revenue from continuing operations and in aggregate accounted for approximately 80% (2018: 100%, 2017: nil) of sales.

The Company's revenues allocated by segment for the years ended March 31, 2019, 2018 and 2017 is summarized in the following table. Included in Vehicle sales revenue for the year ended March 31, 2019 is \$622,420 (2018 – \$nil, 2017 – \$nil) received from government grants.

	For the Years Ended		
	March 31, 2019	March 31, 2018	March 31, 2017
Vehicle Sales	\$ 5,781,853	\$ 3,431,211	\$ -
Revenue from operating and finance leases	264,699	-	-
Accretion on promissory note	36,009	4,779	-
Rental income	-	80,166	-
Total	\$ 6,082,561	\$ 3,516,156	\$ -

The Company's revenues allocated by geography for the years ended March 31, 2019, 2018 and 2017 is as follows:

	For the Years Ended		
	March 31, 2019	March 31, 2018	March 31, 2017
United States of America	\$ 6,046,552	\$ 1,647,556	\$ -
Canada	36,009	1,868,600	-
Total	\$ 6,082,561	\$ 3,516,156	\$ -

As at March 31, 2019 and March 31, 2018 the majority of the Company's consolidated non-current assets, being property and equipment, are located in the United States.

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20. Segmented Information and Other Additional Disclosures (continued)

GreenPower incurred salaries and benefits of \$1,909,196 for the year ended March 31, 2019 (2018 - \$1,271,673, 2017 - \$894,658). These costs were allocated to the following expense categories, and to cost of sales, for each of these periods:

	For the Year Ended		
	March 31, 2019	March 31, 2018	March 31, 2017
Administrative fees	\$ 1,778,178	\$ 1,053,123	\$ 548,233
Product development costs	-	76,340	229,800
Transportation costs	-	-	56,625
Sales and marketing	120,000	75,000	60,000
Cost of sales	11,018	67,210	-
Total	\$ 1,909,196	\$ 1,271,673	\$ 894,658

21. Warranty Liability

The Company generally provides its customers with a base warranty on the entire transit, school or charter bus. The Company also provides certain extended warranties, including those covering brake systems, lower level components, fleet defect provisions and battery-related components, covering a warranty period of approximately one to five years, depending on the contract. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest past cost information may differ from future claims. It is expected that some of these costs will be incurred in the 2020 fiscal year and the remaining will be incurred beyond two years of the reporting date. The warranty provision is recorded at 3.5% of revenue from product sales.

	As at	
	March 31, 2019	March 31, 2018
Opening balance	\$ 123,065	\$ -
Warranty additions	215,786	120,259
Foreign exchange translation	(2,280)	2,806
Closing balance	\$ 336,571	\$ 123,065
Current portion	\$ 84,707	\$ -
Long term portion	251,864	123,065
Warranty liability	\$ 336,571	\$ 123,065

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22. Supplemental Cash Flow Disclosure

The following table provides additional detail regarding the Company's cash flow:

	For the Years Ended		
	March 31, 2019	March 31, 2018	March 31, 2017
Interest paid	\$ 683,223	\$ 287,888	\$ 50,863
Taxes paid	-	-	-
<i>Non-cash investing and financing transactions:</i>			
Fair value assigned to warrants	1,869,382	1,863,238	-
Fair value of stock options exercised	92,848	202,668	233,537
Fair value of the equity portion of convertible debentures	-	454,231	-
Property and equipment acquired by issuance of promissory note payable	-	-	594,000
Accretion on promissory note receivable	36,009	208,013	208,013
Assets transferred (to) from Inventory to (from) Property and equipment	70,899	(594,481)	2,031,174

The following changes in liabilities arose from financing activities during the year ended March 31, 2019:

	Cash flows			Non-cash changes				March 31, 2019	
	March 31, 2018	Advances	Repayment	Conversion	Accretion	Reclassify	Recognize Right of Use Assets		F/X movement
Loans payable to related parties	\$ 756,241	\$ 1,000,427	\$ (222,334)	\$ -	\$ -	\$ -	\$ -	\$ (35,427)	\$ 1,498,907
Promissory note payable	516,909	0	(55,774)	-	-	-	-	-	461,135
Note payable	-	0	(231,994)	-	-	500,940	-	-	268,946
Convertible debentures	2,892,416	0	(27,760)	(67,062)	469,725	(500,940)	-	(29,325)	2,737,054
Lease liabilities	-	0	(49,038)	-	-	-	767,326	-	718,288
	\$ 4,165,566	\$ 1,000,427	\$ (586,900)	\$ (67,062)	\$ 469,725	\$ -	\$ 767,326	\$ (64,752)	\$ 5,684,330

The following changes in liabilities arose from financing activities during the year ended March 31, 2018:

	Cash flows			Non-cash changes				March 31, 2018	
	March 31, 2017	Advances, net of transaction costs	Repayment	Conversion	Accretion	Reclassify from accounts payable	Warrants issued to finders		Fair value of equity portion
Loans payable to related parties	\$ 172,326	\$ 538,215	\$ (38,084)	\$ -	\$ -	\$ 83,784	\$ -	\$ -	\$ 756,241
Promissory note payable	571,538	-	(54,629)	-	-	-	-	-	516,909
Convertible debentures	505,690	4,423,278	-	(36,245)	275,523	-	(1,821,599)	(454,231)	2,892,416
	\$ 1,249,554	\$ 4,961,493	\$ (92,713)	\$ (36,245)	\$ 275,523	\$ 83,784	\$ (1,821,599)	\$ (454,231)	\$ 4,165,566

23. Events After the Reporting Period

In May 2019 the Company completed a brokered private placement of units for gross proceeds of approximately \$5.35 million CAD or \$4.0 million USD. Under the offering the Company sold 13,114,754 Units at a price of CDN \$0.408 per unit, with each unit being comprised of one GreenPower common share and one-half share purchase warrant. Each full warrant is exercisable into one share for a period of four years at an exercise price of CDN \$0.51 per share, and the warrants contain terms whereby if the share price is above \$1.20 per share for ten (10) consecutive trading days then the Company may issue an acceleration notice to accelerate the expiry of the warrants by thirty (30) days from the date of the acceleration notice.

At its AGM on May 14, 2019, the Company replaced its existing Fixed Stock Option Plan (the "2016 Plan") with a Rolling Stock Option Plan (the "2019 Plan"), and agreed to not grant any further options under the 2016 Plan and to issue any new options under the 2019 Plan. Under the terms of the 2016 Plan, the Company was permitted to grant options to acquire up to a maximum of 14,909,992 common shares. The aggregate number of Options that can be granted under the 2019 Plan cannot exceed ten (10%) of the total number of issued and outstanding Shares, calculated on a non-diluted basis.