GREENPOWER MOTOR COMPANY INC.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the Periods Ended September 30, 2019 and September 30, 2018

(Expressed in US dollars)

(Unaudited – Prepared by Management)

GREENPOWER MOTOR COMPANY INC.
Consolidated Condensed Interim Financial Statements
(Expressed in US Dollars)
(Unaudited – Prepared by Management)

September 30, 2019

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3(a)), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of GreenPower Motor Company Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

GREENPOWER MOTOR COMPANY INC.

Consolidated Condensed Interim Statements of Financial Position
As at September 30, 2019 and March 31, 2019

(Expressed in US Dollars)
(Unaudited - Prepared by Management)

	September 30, 2019 (Unaudited)	March 31, 2019 (Audited)
Assets		
Current		
Cash and restricted cash (Note 3)	$ 487,230	$ 198,920
Accounts receivable	2,105,272	1,394,689
GST receivable	104,709	99,176
Current portion of finance lease receivable (Note 4)	43,490	21,101
Inventory (Note 5)	6,940,336	5,157,918
Prepaids & deposits	42,742	59,503
	9,723,779	6,931,307
Non-current		
Promissory note receivable (Note 6)	617,214	593,547
Finance lease receivable (Note 4)	447,769	303,802
Right of use assets (Note 7)	752,697	699,574
Property and equipment (Note 8)	1,592,043	1,692,127
Non current portion of prepaids & deposits	46,692	46,692
Deferred financing fees	1,335,055	1,643,249
Other assets	1	1
	$ 14,515,250	$ 11,910,299
Liabilities		
Current liabilities		
Line of credit (Note 9)	$ 4,633,916	$ 4,419,907
Accounts payable & accrued liabilities (Note 18)	1,331,480	731,223
Note payable (Note 18)	267,414	268,946
Deposits from customers	224,177	234,177
Deferred revenue (Note 15)	61,374	589,727
Current portion of warranty liability (Note 21)	121,944	84,707
Current portion of promissory note payable (Note 14)	57,464	56,895
Current portion of lease liabilities (Note 7)	260,607	194,829
Current portion of loans payable to related parties (Note 18)	1,116,793	506,072
	8,075,169	7,086,483
Non-current		
Loans payable to related parties (Note 18)	219,699	992,835
Convertible debentures (Notes 13 and 18)	2,940,176	2,737,054
Lease liabilities (Note 7)	526,125	523,459
Warranty liability (Note 21)	427,035	251,864
Promissory note payable (Note 14)	375,321	404,240
	12,563,525	11,995,935
Equity (Deficit)		
Share capital (Note 10)	16,792,855	12,984,796
Equity portion of convertible debentures (Note 13)	379,506	383,094
Reserves	5,540,384	5,342,510
Accumulated other comprehensive loss	(78,500)	(89,368)
Accumulated deficit	(20,682,520)	(18,706,668)
	1,951,725	(85,636)
	$ 14,515,250	$ 11,910,299

Nature and Continuance of Operations - Note 1

Approved on behalf of the Board on October 28, 2019

"Fraser Atkinson" — Director

"Mark Achtemichuk" — Director

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

GREENPOWER MOTOR COMPANY INC.

Consolidated Condensed Interim Statements of Operations and Comprehensive Loss

For the Three and Six Month Periods Ended September 30, 2019 and 2018

(Expressed in US Dollars)

(Unaudited - Prepared by Management)

	For the three months ended		For the six months ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Revenue	$ 5,430,503	$ 9,008	$ 7,880,454	$ 2,489,362
Cost of Sales	4,038,365	-	5,764,920	1,612,229
Gross Profit	**1,392,138**	**9,008**	**2,115,534**	**877,133**
Administrative fees (Note 18)	780,466	532,789	1,449,369	1,009,427
Depreciation (Notes 7 and 8)	160,661	114,672	304,247	229,362
Product development costs	301,313	6,637	515,726	170,259
Office expense	36,125	68,724	93,608	147,548
Professional fees (Note 18)	52,940	38,834	113,632	120,010
Sales and marketing (Note 18)	49,322	93,710	146,480	220,084
Share based payments (Notes 11 and 18)	53,025	88,903	146,569	181,709
Transportation costs (Note 18)	56,884	74,503	118,864	129,364
Travel, accomodation, meals and entertainment (Note 18)	99,403	80,104	187,750	146,816
Sales, general and administrative costs and other expenses	1,590,139	1,098,876	3,076,245	2,354,579
Loss from operations before interest, accretion and foreign exchange	(198,001)	(1,089,868)	(960,711)	(1,477,446)
Interest and accretion	510,042	354,180	1,010,654	596,654
Foreign exchange loss	4,325	1,424	4,487	551
Loss for the period	(712,368)	(1,445,472)	(1,975,852)	(2,074,651)
Other comprehensive income/(loss)				
Cumulative translation reserve	15,379	(12,151)	10,868	(18,023)
Total comprehensive loss for the period	$ (696,989)	$ (1,457,623)	$ (1,964,984)	$ (2,092,674)
Loss per common share, basic and diluted	$ (0.01)	$ (0.02)	$ (0.02)	$ (0.02)
Weighted average number of common shares, basic and diluted	107,555,090	93,472,453	104,737,108	93,264,675

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

GREENPOWER MOTOR COMPANY INC.
Consolidated Condensed Interim Statements of Changes in Equity
For the Six Month Periods ended September 30, 2019 and 2018
(Expressed in US Dollars)
(Unaudited - prepared by Management)

	Share Capital		Equity portion		Accumulated other		
	Number of Common shares	Amount	of convertible debentures	Reserves	comprehensive gain (loss)	Accumulated Deficit	Total
Balance, March 31, 2018	93,187,453	$ 12,686,476	$ 393,850	$3,233,235	$ (65,677)	$(14,080,139)	$ 2,167,745
Fair value of stock options exercised	70,000	29,852	-	(8,238)	-	-	21,614
Fair value of warrants issued on loan guarantee	-	-	-	948,640	-	-	948,640
Shares issued for conversion of debentures	250,000	44,322	(7,128)	-	-	-	37,194
Share-based payments	-	-	-	181,709	-	-	181,709
Cumulative translation reserve	-	-	-	-	(18,023)	-	(18,023)
Net loss for the period	-	-	-	-	-	(2,074,651)	(2,074,651)
Balance, September 30, 2018	93,507,453	$ 12,760,650	$ 386,722	$4,355,346	$ (83,700)	$(16,154,790)	$ 1,264,228
Balance, March 31, 2019	94,207,453	$ 12,984,796	$ 383,094	$5,342,510	$ (89,368)	$(18,706,668)	$ (85,636)
Shares issued for cash at USD $0.305 per share unit	13,114,754	4,000,000	-	-	-	-	4,000,000
Share issuance costs	-	(406,377)	-	-	-	-	(406,377)
Fair value assigned to the warrants on issuance of share units	-	(132,146)	-	199,226	-	-	67,080
Shares issued for conversion of warrants	125,000	66,624	-	(18,209)	-	-	48,415
Fair value of stock options exercised	635,044	252,697	-	(129,712)	-	-	122,985
Shares issued for conversion of debentures	125,000	27,261	(3,588)	-	-	-	23,673
Share-based payments	-	-	-	146,569	-	-	146,569
Cumulative translation reserve	-	-	-	-	10,868	-	10,868
Net loss for the period	-	-	-	-	-	(1,975,852)	(1,975,852)
Balance, September 30, 2019	108,207,251	$ 16,792,855	$ 379,506	$5,540,384	$ (78,500)	$(20,682,520)	$ 1,951,725

GREENPOWER MOTOR COMPANY INC.

Consolidated Condensed Interim Statements of Cash Flows

For the Six Month Periods Ended September 30, 2019 and 2018

(Expressed in US Dollars)

(Unaudited - Prepared by Management)

		September 30 2019		September 30 2018
Cash flows from (used in) operating activities				
Loss for the period	$	(1,975,852)	$	(2,074,651)
Items not affecting cash:				
Depreciation		304,247		229,362
Share-based payments		146,569		181,709
Accretion		263,362		198,978
Accrued interest, net		(2,967)		-
Amortization of deferred financing fees		311,615		79,054
Foreign exchange loss (gain)		4,487		551
Cash flow used in operating activities before changes in non-cash working capital items		(948,539)		(1,384,997)
Changes in non-cash working capital items:				
Accounts receivable		(710,583)		(2,640,140)
GST receivable		(5,533)		(94,756)
Inventory		(1,782,418)		(1,717,529)
Prepaids & deposits		16,761		(37,833)
Promissory note receivable		(23,667)		(9,681)
Finance lease receivable		(111,435)		-
Net payments on Right of Use Assets		(14,434)		-
Deposits from customers		(10,000)		225,000
Accounts payable & accrued liabilities		600,257		254,054
Deferred revenue		(528,353)		2,631,134
Warranty liability		175,171		85,569
		(3,342,772)		(2,689,179)
Cash flows from (used in) investing activities				
Purchase of property and equipment		(85,326)		(75,064)
		(85,326)		(75,064)
Cash flows from (used in) financing activities				
Repayment of loans payable to related parties		(286,249)		(70,000)
Loans from related parties		149,893		205,322
Principal payments on promissory note		(28,350)		-
Principal payments on lease liabilities, net of interest expense		(101,454)		-
Conversion of warrants		48,416		
Conversions of convertible debentures		-		37,194
Proceeds from private placements		4,000,000		-
Proceeds from exercise of stock options		122,985		21,614
Share issuance costs		(406,377)		-
		3,498,864		194,130
Foreign exchange on cash		3,535		(30,462)
Net (decrease) increase in cash		74,301		(2,600,575)
Cash / (Line of Credit), beginning of period		(4,220,987)		1,007,329
Cash / (Line of Credit), end of period	$	(4,146,686)	$	(1,593,246)
Cash / (Line of Credit), is comprised of the following:				
Cash and restricted cash	$	487,230	$	149,464
Operating line of credit		(4,633,916)		(1,742,710)
Cash / (Line of Credit)	$	(4,146,686)	$	(1,593,246)
Supplemental Cash Flow Disclosure:				
Interest paid	$	442,478	$	318,622
Taxes paid		-		-

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

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

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 September 30, 2019, the Company had working capital of $1,648,610 and an accumulated deficit of $(20,682,520). 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 buses to customers, has a backlog of orders for delivery, has inventory of approximately $6.9 million and has a $5 million line of credit to meet funding requirements. 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

The Consolidated Condensed Interim Financial Statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to interim financial information, as outlined in International Accounting Standard ("IAS") 34, Interim Financial Reporting, and using the accounting policies consistent with those in the audited consolidated financial statements as at and for the year ended March 31, 2019.

These Consolidated Condensed Interim Financial Statements were prepared under the historical cost convention, except for certain items not carried at historical cost as discussed below. All amounts are expressed in US dollars, unless otherwise stated.

(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 30-Jun-19	Ownership 31-Mar-19	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 sales and leasing
San Joaquin Equipment Valley Leasing, Inc. (formerly Utah Manganese, Inc.)	United States	100%	100%	Electric bus 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

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. The Company did not have any financial instruments measured at FVTPL or FVOCI as at September 30, 2019. 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.

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.

(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 September 30, 2019, and March 31, 2019 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.

2. Significant Accounting Policies (continued)

(e) Revenue recognition (continued)

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 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.

(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:

Entity	Functional Currency
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

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

2. Significant Accounting Policies (continued)

(g) Foreign currency translation (continued)

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.

(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.

(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.

2. Significant Accounting Policies (continued)

(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 six months ended September 30, 2019 and September 30, 2018 the Company recorded $406,377 and $nil, respectively, in share issuance costs on its Consolidated Condensed Interim 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.

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.

2. Significant Accounting Policies (continued)

(m) Critical accounting estimates and judgments (continued)

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.

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.

(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.

2. Significant Accounting Policies (continued)

(o) Valuation of equity units issued in private placements (continued)

The fair value of the common shares issued in the private placement during the three months ended September 30, 2019 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 less a discount to the public trading price typical of a private placement for similarly sized public companies. 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.

(q) Adoption of accounting standards

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

<u>IFRS 15</u>

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.

<u>IFRS 9</u>

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.

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.

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. 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.

(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 $151,901 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

In December 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 quarter ended September 30, 2019 the opening balance of the lease was $324,903, lease payments received were $12,820, interest income recognized was $7,732, and the closing balance was $319,814.

In June 2019 the Company delivered two EV Stars and provided the customer with 50-month lease financing to finance a portion of the purchase price. Selling profit recognized on the sale of the two EV Stars was $122,646, and the net investment in the two leases was $182,656. The Company received total lease payments of $9,336 and recognized interest income of $3,335 on the two leases during the quarter ended September 30, 2019.

(Expressed in US Dollars)

4. Finance Lease Receivable (continued)

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

Year 1	$ 88,624
Year 2	$ 88,624
Year 3	$ 88,624
Year 4, including unguaranteed residual	$165,512
Year 5, including unguaranteed residual	$ 51,281
Remainder, including unguaranteed residual	$201,637
less: amount representing interest income	(193,044)
Finance Lease Receivable	$491,259
Current Portion of Finance Lease Receivable	$ 43,490
Long Term Portion of Finance Lease Receivable	$447,769

5. Inventory

The following is a listing of inventory as at September 30, 2019 and March 31, 2019:

	Sep 30, 2019	March 31, 2019
Work in Process	$ 4,302,625	$ 5,107,918
Finished Goods	2,637,711	50,000
Total	$ 6,940,336	$ 5,157,918

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%.

(Expressed in US Dollars)

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 three properties in California for which the Company has entered into lease agreements that expire in more than one year. The carrying value of Right of Use Assets as at September 30, 2019 is $752,697. 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 three months ended September 30, 2019 the Company incurred interest expense of $15,597 on the Lease Liabilities, recognized depreciation expense of $66,253 on the Right of Use Assets and made total rental payments of $74,150. There were no additions to Right of Use Assets during the quarter ended September 30, 2019.

For one of the leases there is an option to extend the lease for a further 36 months.

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

1 year	$	310,412
2 years	$	308,062
3 years	$	255,239
less amount representing interest expense	$	(86,983)
Lease liability	$	786,731
Current Portion of Lease Liabilities	$	260,607
Long Term Portion of Lease Liabilities	$	526,125

Payments on one lease that is classified as a short-term lease totaled $8,020 for the quarter ended September 30, 2019 and were recognized in rent and maintenance expense. This lease is scheduled to terminate during the year ended March 31, 2020, and the remaining minimum lease payments until the end of the lease are $12,271.

(Expressed in US Dollars)

8. Property and Equipment

The following is a summary of activities for the three-months ended September 30, 2019:

Cost	Computers	Furniture	Automobiles	Demonstration Buses Electric Buses	Leased Asset	EV Equipment	Land	Leasehold Improvements	Total
Balance, March 31, 2019	$ 14,116	$ 35,514	$ 51,283	$ 320,723	$ 971,001	$ 641,663	$ 794,431	$ 33,688	$ 2,862,419
Additions	25,224	3,653	6,000	-	-	31,222	1,718	16,328	84,145
Transfers from/(to) inventory	-	-	-	-	-	-	-	-	-
Government grant reduction	-	-	-	-	-	-	-	-	-
Write off of asset	-	-	-	-	-	-	-	-	-
Foreign exchange translation	54	189	-	-	-	-	-	-	243
Balance, September 30, 2019	$ 39,394	$ 39,356	$ 57,283	$ 320,723	$ 971,001	$ 672,885	$ 796,149	$ 50,016	$ 2,946,807
Depreciation and impairment losses									
Balance, March 31, 2019	$ 8,081	$ 11,403	$ 13,481	$ 70,303	$ 598,588	$ 465,403	$ -	$ 3,033	$ 1,170,292
Transfers to inventory	-	-	-	-	-	-	-	-	-
Depreciation	2,836	2,694	2,865	12,457	42,245	115,492	-	5,760	184,349
Write off of asset	-	-	-	-	-	-	-	-	-
Foreign exchange translation	52	71	-	-	-	-	-	-	123
Balance, September 30, 2019	$ 10,969	$ 14,168	$ 16,346	$ 82,760	$ 640,833	$ 580,895	$ -	$ 8,793	$ 1,354,764
Carrying amounts									
As at March 31, 2019	$ 6,035	$ 24,111	$ 37,802	$ 250,420	$ 372,413	$ 176,260	$ 794,431	$ 30,655	$ 1,692,127
As at September 30, 2019	$ 28,425	$ 25,188	$ 40,938	$ 237,963	$ 330,168	$ 91,990	$ 796,149	$ 41,223	$ 1,592,043

9. Line of Credit

As at September 30, 2019 the Company's Line of Credit had a maximum limit of $5,000,000 (March 31, 2019 - $5,000,000). The Line of Credit bears interest at the bank's US Base Rate (September 30, 2019 – 5.5%) 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. 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.

10. Share Capital

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

Issued

During the six months ended September 30, 2019, the Company issued a total of 885,044 shares pursuant to the exercise of 635,044 options, the exercise of 125,000 warrants, and 125,000 converted debentures.

In May 2019, the Company completed a brokered private placement of units for gross proceeds of USD $4.0 million. Under the offering the Company sold 13,114,754 Units at a price of USD $0.305 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 USD $0.3811 per share, and the warrants contain terms whereby if the share price is above CAD $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.

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.

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 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 2019 Plan, 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. The exercise price of options granted under the 2019 Plan may not be less than the minimum prevailing price permitted by the TSXV policies. 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.

(Expressed in US Dollars)

11. Stock Options (Cont.)

The Company had the following incentive stock options granted under its Plan, 2016 Plan and 2019 Plan that are issued and outstanding at September 30, 2019:

Expiry Date	Exercise Price (CDN$)	Balance March 31, 2019	Granted	Exercised	Forfeited	Balance September 30, 2019
December 23, 2019	$ 0.25	2,934,717	-	(635,044)	(1,816,860)	482,813
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	-	-	(100,000)	400,000
May 6, 2021	$ 0.35	530,000	-	-	-	530,000
October 27, 2021	$ 0.62	500,000	-	-	-	500,000
February 2, 2022	$ 0.75	665,000	-	-	-	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 30, 2023	$ 0.43	350,000	-	-	-	350,000
February 12, 2024	$ 0.50	650,000	-	-	(75,000)	575,000
Total outstanding		8,632,217	-	(635,044)	(2,191,860)	5,805,313
Total exercisable		6,883,717				4,918,563
Weighted Average Exercise Price (CDN$)		$ 0.45	N/A	$ 0.25	$ 0.30	$ 0.53
Weighted Average Remaining Life						2.4 years

As at September 30, 2019, there were 5,015,412 options available for issuance under the 2019 Plan.

During the six-month period ended September 30, 2019, the Company incurred share-based compensation expense of $146,569 (September 30, 2018 - $181,709). The fair value of the options granted and vested were recorded as share-based payments on the Consolidated Statements of Operations.

On July 2, 2019, the former CEO resigned as a director of the Company, resulting in the forfeiture of 1,566,860 stock options exercisable at CAD $0.25 per share, and 100,000 stock options exercisable at CAD $0.35 per share. In addition, 75,000 unvested stock options exercisable at CAD $0.50 per share expired immediately.

During July 2019, 250,000 stock options exercisable at CAD $0.25 per share and 200,000 options exercisable at CAD $0.60 per share were forfeited.

On September 25, 2019 635,044 stock options were exercised at a weighted average exercise price of CAD $0.25 per share for proceeds of CDN$158,761.

(Expressed in US Dollars)

12. Warrants

As at September 30, 2019, the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry Date	Exercise Price	Balance March 31, 2019	Issued	Exercised	Expired	Balance September 30, 2019
October 17, 2020[1]	CAD $1.10	311,497	-	-	-	311,497
May 17, 2020	CAD $0.75	2,922,200	-	-	-	2,922,200
May 31, 2020	CAD $0.75	384,500	-	-	-	384,500
June 29, 2021	CAD $0.65	4,400,000	-	-	-	4,400,000
September 25, 2021	CAD $0.50	3,690,000	-	-	-	3,690,000
October 13, 2021	CAD $0.50	5,550,000	-	(125,000)	-	5,425,000
March 14, 2022	CAD $0.60	4,800,000	-	-	-	4,800,000
May 6, 2023	USD $0.3811	-	6,065,568	-	-	6,065,568
May 8, 2023	USD $0.3811	-	491,803	-	-	491,803
Total outstanding		22,058,197	6,557,371	(125,000)	-	28,490,568
Weighted Average Exercise Price ($CDN)		$ 0.60	$ 0.51	NA	NA	$ 0.58
Weighted Average Life						2.25 years

On July 19, 2019 125,000 common shares were issued at CAD $0.50 per share, pursuant to the exercise of 125,000 warrants.

In May 2019 the Company completed a brokered private placement of units for gross proceeds of USD $4.0 million. Under the offering the Company sold 13,114,754 Units at a price of USD $0.305 per unit, with each unit being comprised of one GreenPower common share and one-half share purchase warrant. 6,557,371 warrants were issued in the brokered private placement where each full warrant is exercisable into one share for a period of four years at an exercise price of USD $0.3811 per share, and the warrants contain terms whereby if the share price is above CAD $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.

13. Convertible Debentures

As at September 30, 2019, the Company had issued the following outstanding convertible debentures all with an 8% interest rate and a term of four years, other than the Dec 11, 2015 issuance, which had a term of 3 years and matured on Dec 11, 2018. 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	(250,000)		1,970,000	0.40	4,925,000
Total	6,623,000	(310,000)	(717,000)	5,596,000		11,922,692

On July 19, 2019 CDN $50,000 worth of debentures (issued on October 16, 2017) were converted into 125,000 common shares with a conversion price of CDN$0.40.

(Expressed in US Dollars)

13. Convertible Debentures (continued)

During the six-months ended September 30, 2019, the Company paid interest of $172,328 (September 30, 2018 $200,836) and recognized accretion of $263,362 (September 30, 2018 - $198,978) related to the convertible debentures listed above.

$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
Proceeds on issuance of Convertible Debentures	*$2,150,000*	*$1,476,000*	*$2,220,000*

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		
One year	$	57,464
Two years		58,619
Three years		316,702
Total	$	432,784
Current portion		(57,464)
Long-term portion	$	375,321

During the three and six months ended September 30, 2019, the Company incurred $2,202 and $4,475 (September 30, 2018 - $2,580 and $5,160) 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 $61,374 for invoices issued to customers for the sale of all-electric buses which were not delivered as at September 30, 2019.

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, accounts receivable, 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.

16. Financial Instruments (continued)

At September 30, 2019, the Company was exposed to currency risk through the following financial assets and liabilities in CDN Dollars.

Cash	$	83,504
Accounts Receivable		41,554
Promissory Notes Receivable		1,000,000
Accounts Payable and Accrued Liabilities		(209,922)
Loans Payable to Related Parties		(1,250,000)
Convertible Debentures		(5,646,000)
Note Payable	$	(380,000)

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 $480,000 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 CAD $5.35 million or USD $4.0 million. 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 10). 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 and other amounts paid to directors, officers and key management personnel is as follows:

	For the Six Months Ended			
	September 30, 2019		September 30, 2018	
Salaries and Benefits (1)	$	211,105	$	312,203
Consulting fees (2)		120,000		-
Accommodation (3)		762		-
Truck and Trailer Rentals (4)		54,403		73,250
Options Vested (5)		125,611		122,514
Total	$	511,880	$	507,967

18. Related Party Transactions (continued)

1) Salaries and benefits incurred with directors, officers and a former officer are included in Administrative fees on the Consolidated Statements of Operations.

2) Consulting fees included in professional fees and sales and marketing on the 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 and former CEO are officers and directors. 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 and former CEO are officers and directors. 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 September 30, 2019 included CDN $21,998 and USD $12,276 (March 31, 2019 – CDN $38,768) 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 September 30, 2019 includes CAD$230,000 (March 31, 2019 – CAD$230,000) owed to a company beneficially owned by the Chairman of the Company.

As at September 30, 2019, two companies beneficially owned by the Chairman of the Company had loans outstanding to the Company with a total value of CDN $1,250,000 and USD $120,000 (March 31, 2019 - CDN $1,430,000 and USD $120,000). 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. Loans outstanding with one company beneficially owned by the Chairman totaling CAD $380,000 plus accrued interest were repaid on May 31, 2019. During June 2019, a company beneficially owned by the Chairman loaned the Company an additional CAD$200,000. The Company has agreed to grant the lender in each of these loans a general security assignment on the assets of GreenPower Motor Company Inc., which will be subordinated to the BMO Bank of Montreal.

Loans payable to related parties of $1,336,492 (March 31, 2019 - $1,498,907) 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 September 30, 2019 (Note 13), includes CDN$3,025,000 (March 31, 2019 – CDN$3,025,000) 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.

(Expressed in US Dollars)

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 year ended March 31, 2019 was 27.00%.

As at September 30, 2019, and March 31, 2019 the Company has approximately $8,500,000 and $7,043,000 respectively, of non-capital losses carry forwards available to reduce Canadian taxable income for future years. As at September 30, 2019, and March 31, 2019 the Company has approximately $6,700,000 and $6,139,000, 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.

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 period ended September 30, 2019, the Company was economically dependent on three (September 30, 2018 – one) customer(s) who each accounted for more than 10% of revenue from continuing operations and in aggregate accounted for approximately 86% (September 30, 2018: 100%) of sales.

The Company's revenues allocated by geography for the three months ended September 30, 2019, and September 30, 2018 are as follows:

	For the Three Months Ended	
	30-Sep-19	**30-Sep-18**
United States of America	$ 5,420,810	$ -
Canada	9,693	9,008
Total	$ 5,430,503	$ 9,008

As at September 30, 2019 and March 31, 2019 the majority of the Company's consolidated non-current tangible assets, being property and equipment, are located in the United States.

(Expressed in US Dollars)

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. The warranty provision is recorded at 3.5% of revenue from product sales, and the Company made warranty disbursements of $51,488 in the six months ended September 30, 2019 and nil for the year ended March 31, 2019.

Warranty Liability, March 31, 2019	$	336,571
Warranty accrual		263,378
Warranty disbursements		(51,488)
Foreign exchange translation		518
Warranty Liability, September 30, 2019	$	548,979