

GREENPOWER MOTOR COMPANY INC.
CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US dollars)

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

For the Years Ended March 31, 2025, 2024, and 2023

Report of Independent Registered Public Accounting Firm BDO Canada LLP; Vancouver, British Columbia; (PCAOB ID#1227)3

Consolidated Statements of Financial Position..... 5

Consolidated Statements of Operations and Comprehensive Loss..... 6

Consolidated Statements of Changes in Equity / (Deficit)7

Consolidated Statements of Cash Flows... 8

Notes to the Consolidated Financial Statements... 9 – 39



Tel: (604) 688-5421
Fax: (604) 688-5132
www.bdo.ca

BDO Canada LLP
1100 Royal Centre
1055 West Georgia Street, P.O. Box 11101
Vancouver, British Columbia
V6E 3P3

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
GreenPower Motor Company Inc.
Vancouver, Canada

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of GreenPower Motor Company Inc. (the "Company") as of March 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, changes in equity / (deficit) and cash flows for the each of the three years in the period ended March 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2025, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2025, in conformity with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

Going Concern Uncertainty

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.



Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

BDO Canada LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2022.
Vancouver, Canada
July 30, 2025

GREENPOWER MOTOR COMPANY INC.

Consolidated Statements of Financial Position

As of March 31, 2025 and 2024

(Expressed in US Dollars)

	March 31, 2025	March 31, 2024
Assets		
Current		
Cash (Note 4)	\$ 344,244	\$ 1,150,891
Accounts receivable, net of allowances (Note 5)	541,793	2,831,942
Current portion of finance lease receivables (Note 6)	45,473	111,529
Inventory (Note 7)	25,601,888	32,010,631
Prepays and deposits	1,241,670	748,362
	27,775,068	36,853,355
Non-current		
Finance lease receivables (Note 6)	91,455	1,046,855
Right of use assets (Note 8)	5,479,555	4,124,563
Property and equipment (Note 10)	1,310,581	2,763,525
Restricted deposit (Note 9)	415,065	414,985
Other assets	1	1
	\$ 35,071,725	\$ 45,203,284
Liabilities		
Current		
Line of credit (Note 11)	\$ 5,983,572	\$ 7,463,206
Term loan facility (Note 12)	3,591,354	2,267,897
Accounts payable and accrued liabilities (Note 22)	3,719,716	2,977,251
Current portion of deferred revenue (Note 15)	3,279,536	7,066,145
Current portion of lease liabilities (Note 8)	633,035	630,207
Current portion of loans payable to related parties (Note 18)	1,334,720	-
Current portion of warranty liability (Note 19)	816,326	750,806
Current portion of contingent liability (Notes 21, 23)	310,000	136,078
	19,668,259	21,291,590
Non-current		
Deferred revenue (Note 15)	6,858,820	2,876,240
Lease liabilities (Note 8)	5,535,051	4,006,004
Contingent liability (Note 21)	-	1,255,668
Loans payable to related parties (Note 18)	2,849,325	2,432,180
Other liabilities	17,133	25,699
Warranty liability (Note 19)	1,749,103	1,749,084
	36,677,691	33,636,465
Equity / (Deficit)		
Share capital (Note 13)	80,538,262	76,393,993
Reserves	15,239,622	14,305,642
Accumulated other comprehensive income / (loss)	39,657	(111,896)
Accumulated deficit	(97,423,507)	(79,020,920)
	(1,605,966)	11,566,819
	\$ 35,071,725	\$ 45,203,284

Nature and Continuance of Operations and Going Concern - Note 1

Approved on behalf of the Board on July 28, 2025

/s/ Fraser Atkinson

Director

/s/ 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, 2025, 2024 and 2023

(Expressed in US Dollars)

	March 31, 2025	March 31, 2024	March 31, 2023
Revenue (Note 22)	\$ 19,847,279	\$ 39,271,839	\$ 39,695,890
Cost of Sales (Note 7)	17,650,661	33,914,237	32,445,836
Gross Profit	2,196,618	5,357,602	7,250,054
Sales, general and administrative costs			
Salaries and administration (Note 18)	9,912,495	8,814,561	7,394,085
Depreciation (Notes 8 and 10)	1,662,113	1,858,458	1,219,223
Product development costs	1,339,200	1,811,472	2,090,338
Office expense	1,256,499	1,607,459	920,468
Insurance	1,727,831	1,716,157	1,801,665
Professional fees (Note 23)	1,672,938	1,925,938	1,477,094
Sales and marketing	997,772	661,426	818,289
Share-based payments (Notes 14 and Notes 18)	897,468	1,502,112	3,645,893
Transportation costs	264,344	212,263	324,773
Travel, accomodation, meals and entertainment	397,749	599,169	748,299
Allowance for credit losses (Note 5)	(12,277)	1,450,962	95,153
Total sales, general and administrative costs	20,116,132	22,159,977	20,535,280
Loss from operations before interest, accretion and foreign exchange	(17,919,514)	(16,802,375)	(13,285,226)
Interest and accretion	(2,176,337)	(1,554,858)	(1,549,769)
Other Income / loss (Note 10, 18, and 21)	1,391,746	306,288	72,867
Foreign exchange gain / (loss)	40,657	131,416	(30,897)
Loss from operations for the year	(18,663,448)	(17,919,529)	(14,793,025)
Other item			
Write down of assets (Notes 2.g., 6, and 10)	-	(423,267)	(250,832)
Loss for the year	(18,663,448)	(18,342,796)	(15,043,857)
Other comprehensive income / (loss)			
Cumulative translation reserve	151,553	29,547	(13,007)
Total comprehensive loss for the period	\$ (18,511,895)	\$ (18,313,249)	\$ (15,056,864)
Loss per common share, basic and diluted	\$ (0.68)	\$ (0.74)	\$ (0.64)
Weighted average number of common shares outstanding, basic and diluted	27,580,203	24,950,961	23,522,755

(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, 2025, 2024 and 2023

(Expressed in US Dollars)

	Share Capital		Reserves	Accumulated other comprehensive income / (loss)	Accumulated Deficit	Total
	Number of Common shares	Amount				
Balance, March 31, 2022	23,148,038	\$ 70,834,121	\$ 10,038,816	\$ (128,436)	\$ (46,359,308)	\$ 34,385,193
Shares issued for cash	1,565,268	4,895,826	-	-	-	4,895,826
Share issuance costs	-	(216,803)	-	-	-	(216,803)
Shares issued for exercise of options	3,322	15,094	(6,333)	-	-	8,761
Fair value of stock options forfeited	-	-	(612,193)	-	612,193	-
Share-based payments	-	-	3,645,893	-	-	3,645,893
Cumulative translation reserve	-	-	-	(13,007)	-	(13,007)
Net loss for the year	-	-	-	-	(15,043,857)	(15,043,857)
Balance, March 31, 2023	24,716,628	\$ 75,528,238	\$ 13,066,183	\$ (141,443)	\$ (60,790,972)	27,662,006
Shares issued for cash	188,819	520,892	-	-	-	520,892
Share issuance costs	-	(14,904)	-	-	-	(14,904)
Shares issued for exercise of options	85,715	359,767	(149,805)	-	-	209,962
Fair value of stock options forfeited	-	-	(112,848)	-	112,848	-
Share-based payments	-	-	1,502,112	-	-	1,502,112
Cumulative translation reserve	-	-	-	29,547	-	29,547
Net loss for the year	-	-	-	-	(18,342,796)	(18,342,796)
Balance, March 31, 2024	24,991,162	\$ 76,393,993	\$ 14,305,642	\$ (111,896)	\$ (79,020,920)	\$ 11,566,819
Shares issued for cash	4,500,000	4,967,645	-	-	-	4,967,645
Share issuance costs	-	(823,376)	-	-	-	(823,376)
Warrants issued			358,205			358,205
Warrant issuance costs			(60,832)			(60,832)
Fair value of stock options forfeited	-	-	(260,861)	-	260,861	-
Share-based payments			897,468			897,468
Cumulative translation reserve	-	-	-	151,553	-	151,553
Net loss for the year	-	-	-	-	(18,663,448)	(18,663,448)
Balance, March 31, 2025	29,491,162	\$ 80,538,262	\$ 15,239,622	\$ 39,657	\$ (97,423,507)	\$ (1,605,966)

GREENPOWER MOTOR COMPANY INC.
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2025, 2024 and 2023

(Expressed in US Dollars)

	March 31, 2025	March 31, 2024	March 31, 2023
Cash flows from (used in) operating activities			
Loss for the year	(18,663,448)	(18,342,796)	(15,043,857)
Items not affecting cash			
Allowance (recovery) for credit losses	(12,277)	1,450,962	95,153
Depreciation	1,662,113	1,854,728	1,219,223
Share-based payments	897,468	1,502,112	3,645,893
Accretion & accrued interest	724,152	723,199	826,584
Write-down of assets	-	423,267	250,832
Other income	(1,391,746)	(306,288)	(72,867)
Write down of inventory	-	1,078,854	192,000
Foreign exchange loss / (gain)	(40,657)	(131,416)	30,897
Cash flow used in operating activities before changes in assets and liabilities	(16,824,395)	(11,747,378)	(8,856,142)
Changes in assets and liabilities:			
Accounts receivable	2,302,426	6,255,091	(7,377,311)
Inventory	7,883,289	8,752,609	(9,132,692)
Prepays and deposits	(493,308)	(419,778)	172,935
Finance lease receivables	50,230	132,138	425,383
Accounts payable and accrued liabilities	581,983	(4,339,016)	5,816,192
Contingent liability	310,000	-	320,000
Deferred revenue	46,063	(337,484)	3,158,930
Warranty liability	155,539	571,570	1,034,766
	(5,988,173)	(1,132,248)	(14,437,939)
Cash flows from (used in) investing activities			
Proceeds from disposal of property and equipment, net of fees	-	-	874,184
Restricted deposits	-	(400,000)	-
Purchase of property and equipment	(83,172)	(361,533)	(355,993)
Lion Truck Body business combination	-	-	(215,000)
	(83,172)	(761,533)	303,191
Cash flows from (used in) financing activities			
(Repayment of) / loans from related parties	1,377,292	(449,400)	3,043,734
Proceeds from (repayment of) line of credit	(1,479,634)	850,974	845,853
Proceeds from term loan facility	1,323,457	2,235,375	-
Proceeds from promissory note	-	30,111	15,055
Payments on lease liabilities	(553,918)	(1,050,611)	(394,580)
Repayment of other liabilities	(8,567)	(8,566)	(8,566)
Proceeds from issuance of common shares and warrants	5,325,850	520,892	4,895,826
Equity offering costs	(884,208)	(14,904)	(216,803)
Proceeds from exercise of stock options	-	209,962	8,761
	5,100,272	2,323,833	8,189,280
Foreign exchange on cash	164,426	120,437	(22,452)
Net (decrease) increase in cash	(806,647)	550,489	(6,287,920)
Cash, beginning of period	1,150,891	600,402	6,888,322
Cash, end of period	\$ 344,244	\$ 1,150,891	\$ 600,402

(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, 2025, 2024 and 2023
(Expressed in US Dollars)

1. Nature and Continuance of Operations and Going Concern

GreenPower Motor Company Inc. ("GreenPower" or the "Company") was incorporated in the Province of British Columbia on September 18, 2007. The Company is a manufacturer and distributor of purpose-built, all-electric, zero-emission medium and heavy-duty vehicles serving the cargo and delivery market, shuttle and transit space and school bus sector.

The Company's corporate office is located at Suite 240-209 Carrall St., Vancouver, Canada and the Company maintains its primary operational facilities in southern California and a manufacturing facility in West Virginia.

The consolidated financial statements were approved by the Board of Directors on July 28, 2025.

These consolidated financial statements have been prepared on the basis that the Company is a going concern, meaning that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of operations.

The Company's operations are dependent upon its ability to raise capital and generate cash flows. As at March 31, 2025, the Company had a cash balance of \$344,244, working capital, defined as current assets less current liabilities, of \$8,106,809, accumulated deficit of (\$97,423,507), shareholders' deficit of (\$1,605,966), and the Company recorded a loss of (\$18,511,895) for the year ended March 31, 2025. 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. The Company's ability to achieve its business objectives is subject to material uncertainty which casts substantial doubt upon the Company's ability to continue as a going concern. Management plans to address this material uncertainty by selling vehicles in inventory, collecting accounts receivable, accessing funds available from its operating line of credit and term loan facility with Export Development Canada ("EDC") and, from time to time, by seeking potential new sources of financing.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

2. Material Accounting Policy Information

(a) Basis of presentation

Statement of Compliance with IFRS

These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards). These consolidated financial statements are presented on a historical cost basis, 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 Accounting Standards requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

(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-25	Ownership 31-Mar-24	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 Valley Equipment Leasing, Inc.	United States	100%	100%	Electric bus leasing
0999314 BC Ltd.	Canada	100%	100%	Inactive
Electric Vehicle Logistics Inc.	United States	100%	100%	Vehicle Transportation
GreenPower Manufacturing WV Inc.	United States	100%	100%	Electric bus manufacturing and distribution
GP Truck Body Inc.	United States	100%	100%	Truck body manufacturing
Lion Truck Body Incorporated	United States	N/A	100%	Truck body manufacturing; dissolved as of March 10th, 2025
Gerui New Energy Vehicle (Nanjing) Co., Ltd.	China	100%	100%	Electric bus manufacturing and distribution
EA Green-Power Private Ltd.	India	100%	100%	Electric bus manufacturing and distribution

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. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

2. Material Accounting Policy Information (continued)

(c) Financial instruments

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, Fair Value Through Profit and Loss ("FVTPL"), and Fair Value through Other Comprehensive Income ("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").

All of the Company's financial instruments, initially recognized at fair value, are subsequently measured at amortized cost using the effective interest method.

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, 2025 and March 31, 2024.

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, 2025 and March 31, 2024.

Measurement

GreenPower initially measures its financial instruments at fair value and subsequently at amortized cost using the effective interest 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.

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, which is recorded as an allowance for credit losses. 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. Lifetime expected losses will be recognized on financial assets for which there is a significant increase in credit risk after initial recognition.

(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, 2025 and March 31, 2024 the Company had no cash equivalents.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

2. Material Accounting Policy Information (continued)

(e) Revenue recognition

The majority of the Company's contracts have a single performance obligation, which is the delivery of goods, including electric vehicles, vehicle parts, and completed truck bodies. The Company recognizes revenue from these 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 for these contracts is allocated to the single performance obligation, which is the transfer of the asset, including vehicles, vehicle parts, and completed truck bodies. Payment terms vary by customer, and the range of payment terms can vary between requiring up front deposits, payment on receipt, or net terms of 30 days or longer in exceptional circumstances. The Company is a lessor under certain lease contracts involving GreenPower all-electric vehicles. The recognition of lease revenue is discussed in note 2. (p).

When the period between the receipt of consideration and revenue recognition is greater than one year, the Company determines whether the financing component is significant to the contract. Where a contract is determined to have a significant financing component, the transaction price is adjusted to reflect the financing. The discount rate used in adjusting the promised amount of consideration is the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception.

(f) Warranty

GreenPower provides its customers with a warranty on its vehicles which typically have a term of five years. 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 expense provision is booked as a percentage of revenue, which creates a Warranty liability from which actual disbursements are deducted as incurred.

(g) 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.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

2. Material Accounting Policy Information (continued)

(h) 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)	U.S. 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.	U.S. Dollar
0999314 B.C. Ltd.	Canadian Dollar
Electric Vehicle Logistics Inc.	U.S. Dollar
GreenPower Manufacturing WV Inc.	U.S. Dollar
GP Truck Body Inc.	U.S. Dollar
Lion Truck Body Incorporated	U.S. Dollar
EA GreenPower Private Ltd.	U.S. Dollar
Gerui New Energy Vehicle (Nanjing) Co. Ltd.	RMB

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.

(i) Inventory

Vehicle inventory is recorded at the lower of average cost and net realizable value with cost determined by vehicle model in accordance with standard input costs which are reviewed and updated over time based on actual costs. Parts inventory is valued at the lower of cost and net realizable value, where cost is determined using First in First Out (FIFO) for parts inventory. WIP inventory is valued based on actual costs to bring the WIP to its current state of completion. The Company's inventory consists of work in process (including electric vehicles and truck bodies), parts, and finished goods. In determining net realizable value for new vehicles, the Company considers the cost, the average age of the vehicles, and recent sales of the same or similar models from inventory. For used vehicles, the Company considers the value of new inventory and compares this to the age and condition of used inventory, as well as sales (including leases) of same or similar used inventory, where available.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

2. Material Accounting Policy Information (continued)

When a vehicle in inventory is used for demonstration purposes it is transferred to property and equipment at the lesser of net book value and net realizable value (Note 10).

(j) 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:

Computers	3 years, straight line method
Furniture	7 years, straight line method
Automobiles	5-10 years, straight line method
Demonstration Electric Vehicles	5-12 years, straight line method
Tools and equipment	3 years, straight line method
Leasehold improvements	Straight line over the lesser of the term of the lease or economic life

(k) 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. GreenPower's loss per common share, excludes stock options (Note 14) from the calculation of diluted EPS for each period, as their effect would be anti-dilutive.

(l) Share capital

Common shares are classified as equity. Finder's 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.

(m) 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. 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.

(n) Government grants and vouchers

Government vouchers are recognized in revenue when there is reasonable assurance that the voucher will be received and the Company will comply with all required conditions. Those vouchers without specified future performance conditions are recognized in income when the voucher proceeds are receivable. A grant that imposes specified future performance conditions is recognized in income when those conditions are met. Government grants in the form of forgivable loans, or other forms of government grants or assistance,

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

2. Material Accounting Policy Information (continued)

are evaluated in accordance with IAS 20 and are recognized when there is reasonable assurance that the Company will meet the terms of the government grant or assistance.

(o) Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

(p) Leases

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.

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.

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.

Amounts due from lessees under finance leases are recorded as finance lease receivables at the amount of the Company's net investment in the leases. Finance lease income is recognized as revenue by allocating the lease income to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment in the lease. 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 and comprehensive loss.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

2. Material Accounting Policy Information (continued)

(q) Goodwill and Impairment

The Company is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. The Company did not record any goodwill during the years ended March 31, 2025 and 2024. During the year ended March 31 2023, GreenPower acquired Lion Truck Body Inc., and recorded goodwill of \$250,832 on the acquisition (Note 21). This goodwill was tested at March 31, 2023, and was not supported by the estimated future cash flows of the business, and management concluded that the \$250,832 of goodwill from the acquisition was impaired and was therefore written off.

(r) Adoption of accounting standards

Certain new accounting standards have been published by the IASB that are effective for annual reporting periods beginning on or after January 1, 2025. These changes were reviewed by management and did not cause a significant or material change to the Company's financial statements.

(s) Future accounting pronouncements

Certain new accounting standards have been published by the IASB that are not mandatory for the March 31, 2025 reporting period, as summarized in the following table:

Mandatorily effective for periods beginning on or after January 1, 2025	Mandatorily effective for periods beginning on or after January 1, 2026
IAS 21 – The effect of changes in Foreign Exchange Rates (effective Jan 1, 2025)	IFRS 7 and IFRS 9 – Amendments to the Classification and measurement of Financial Instruments (effective Jan 1, 2026)
	IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7 – Annual improvements to IFRS accounting standards (effective Jan 1, 2026)
	IFRS 7 and IFRS 9 – Contracts referencing nature-dependent electricity (effective Jan 1, 2026)
	IFRS 19 – Subsidiaries without Public Disclosures (effective Jan 1, 2027)
	IFRS 18 – Presentation and Disclosure in Financial Statements (effective Jan 1, 2027)

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.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

3. Critical accounting estimates and judgements

The preparation of these consolidated financial statements requires management to make certain estimates, judgements 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 circumstance.

Critical accounting judgements

- i. The determination of the functional currency of the Company and of each entity within the consolidated Company (Note 2. h.).
- ii. The Company's ability to achieve its business objectives is subject to material uncertainty which casts substantial doubt upon the Company's ability to continue as a going concern (Note 1).
- iii. The determination to de-recognize the loan amounts representing the term loan that would be assumed from the acquisition of Lion Truck Body, which was subject to the seller obtaining the required consents for the assumption. The consents for the assumption of the loan were not received, and Lion Truck Body was dissolved during the year, so the contingent liability was written off as at March 31, 2025 (Note 21).
- iv. The determination that a portion of loans payable to related parties outstanding as at March 31, 2025 is a non-current liability (Note 18).

Critical accounting estimates and assumptions

- a. The determination of the discount rates used to discount finance lease receivables (Note 6) and lease liabilities (Note 8)
- b. The estimated accrual rate for the warranty provision on the sale of all-electric vehicles (Note 19)
- c. The classification of leases as either financial leases or operating leases (Note 6, Note 2 p.).
- d. The determination that the Company should book a contingent liability of \$310,000 for potential judgements for legal matters (Note 23)
- e. The determination of an allowance for doubtful accounts on the Company's trade receivables (Note 5)
- f. The estimate of the useful life of equipment (Note 2.j, Note 10)
- g. The estimate of the net realizable value of inventory (Note 7)
- h. Estimates underlying the recognition of proceeds from government vouchers and grants (Note 2. n.)
- i. Estimates underlying the determination of the carrying value of the West Virginia lease liability and right of use asset (Note 8)
- j. Estimates underlying the calculation of deferred income tax assets and deferred income tax recovery (Note 20)
- k. The determination of overheads to be allocated to inventory and charged to cost of sales (Note 7)

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

4. Cash

As at March 31, 2025 the Company has a cash balance of \$344,244 (2024 - \$1,150,891). Both of these amounts were on deposit at major financial institutions in the United States and Canada. The Company has no cash equivalents as at March 31, 2025 or at March 31, 2024.

5. Accounts Receivable

The Company has evaluated the carrying value of accounts receivable as at March 31, 2025 and 2024 in accordance with IFRS 9. During the year ended March 31, 2025 the Company recognized an allowance / (recovery) for doubtful accounts, net of payments collected, of (\$12,277) (2024 - \$1,319,873). The Company recognized an allowance for credit losses of \$nil on its promissory note receivable during the year ended March 31, 2025 (2024 - \$131,089). As at March 31, 2025 the Company had an accounts receivable net of allowances balance of \$541,793 (2024 - \$2,831,942). 2 customers (2024 - 2 customers) each represented more than 10% of this balance, and these customers in aggregate represented 53% (2024 - 30%) of the balance.

	March 31, 2025	March 31, 2024
Allowance for doubtful accounts, beginning of year	\$ 1,459,243	\$ 139,370
plus: new allowance recognized	261,686	1,459,243
less: AFDA written off as uncollectible	(883,814)	-
less: allowance collected	(273,963)	(139,370)
Allowance for doubtful accounts, end of year	\$ 563,152	\$ 1,459,243

6. Finance Lease Receivables

GreenPower's wholly owned subsidiaries San Joaquin Valley Equipment Leasing Inc. ("SJVEL") and 0939181 BC Ltd. lease vehicles to several customers, and as at March 31, 2025 the Company had a total of 3 (2024 - 8) vehicles on lease that were determined to be finance leases, and the Company had a total of 3 (2024 - 4) vehicles on lease that were determined to be operating leases. For operating leases, lease payments are recognized in revenue when earned.

During the year ended March 31, 2025, GreenPower repossessed 6 vehicles that were under lease due to non-payment, and GreenPower cancelled the leases. During the year ended March 31, 2024, GreenPower provided a notice of default to a lessee of 37 vehicles, and the defaults were not cured so the leases were terminated and the vehicles were repossessed. In addition, GreenPower booked an impairment of \$nil on finance lease receivables during the year ended March 31, 2025 (2024 - \$423,267), due to delinquent payments on finances leases for five vehicles. For the year ended March 31, 2025, selling profit on finance leases was \$68,296 (2024 - \$53,924, 2023 - \$ nil).

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

6. Finance lease receivables (continued)

The following table illustrates Finance Lease Receivables as at March 31, 2025 and as at March 31, 2024:

	March 31, 2025	March 31, 2024
Finance lease receivable, beginning of year	\$ 1,158,384	\$ 2,970,356
Investment recognized	-	148,158
Investment derecognized	(971,226)	(1,334,921)
Impairment recognized	-	(423,267)
Lease payments received	(53,764)	(351,434)
Interest income recognized	3,534	149,492
Finance lease receivable, end of year	\$ 136,928	\$ 1,158,384
Current portion of Finance Lease Receivable	\$ 45,473	\$ 111,529
Long Term Portion of Finance Lease Receivable	\$ 91,455	\$ 1,046,855

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

	March 31, 2025
Year 1	\$ 53,764
Year 2	\$ 57,351
Year 3	\$ 37,200
Year 4	\$ 27,902
Year 5	\$ -
less: amount representing interest income	\$ (39,333)
Finance Lease Receivable	\$ 136,928
Current Portion of Finance Lease Receivable	\$ 45,473
Long Term Portion of Finance Lease Receivable	\$ 91,455

During the year ended March 31, 2025, the Company repossessed 5 EV 250s under finance leases and one EV 350 on an operating lease due to the lessee's default under the leases. The carrying value of finance lease receivables for the 5 EV 250's that were repossessed during the year ended March 31, 2025 was \$971,226, and this finance lease receivable was de-recognized and the vehicles were recorded in inventory. The carrying value of the EV 350 was \$200,938 and was included in property, plant and equipment.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

7. Inventory

The following is a listing of inventory as at March 31, 2025 and 2024:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Parts	\$ 4,208,596	\$ 3,855,668
Work in Process	11,282,556	14,341,949
Finished Goods	10,110,736	13,813,014
Total	<u>\$ 25,601,888</u>	<u>\$ 32,010,631</u>

During the year ended March 31, 2025, management wrote down the value of inventory by \$530,675 (2024 - \$1,078,854; 2023 - \$192,000), and this amount is included in Cost of Sales. During the year ended March 31, 2025, \$15,760,151 of inventory was included in Cost of Sales (2024 - \$31,179,514, 2023 - \$31,438,059).

8. Right of Use Assets and Lease Liabilities

The Company has recorded Right of Use Assets ("RoU Assets") and Lease Liabilities in its consolidated statement of financial position related to properties for which the Company has entered into lease agreements that expire in more than one year at the inception of the leases. Rental payments on the Right of Use Assets are discounted using 8% and 12% rates 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, 2025 the Company incurred interest expense of \$531,987 (2024 - \$377,026; 2023 - \$229,743) on the Lease Liabilities, recognized depreciation expense of \$730,803 (2024 - \$785,306; 2023 - \$571,793) on the Right of Use Assets and made total rental payments of \$957,685 (2024 - \$1,050,611; 2023 - \$394,580).

During the year, GreenPower entered into a lease for a 72,056 square foot property in Riverside, CA where it consolidated its California operations. The lease commenced on January 1, 2025, a has termination date of December 31, 2029, and monthly lease payments of \$50,439 commencing on May 1, 2025, with annual increases to the monthly lease rate effective January of each year between 2026 and 2029 such that lease rates over the term will range from \$50,439 to \$56,204. Using an incremental borrowing rate (IBR) of 8%, it resulted in an addition of \$2.5 million to RoU assets during the year ended March 31, 2025.

GreenPower entered into a contract of lease-purchase with the South Charleston Development Authority (the "lessor") for a property located in South Charleston, West Virginia during the year ended March 31, 2023. The terms of the lease required no cash up front and monthly lease payments started May 1, 2023. GreenPower is eligible for up to \$1,300,000 forgiveness on the lease, calculated on a pro-rata basis for the employment of up to 200 employees by December 31, 2024. GreenPower provided employee reports to the lessor on December 31, 2024 and the lessor has agreed to a reduction in lease liabilities of \$578,500. GreenPower had suspended monthly lease payments to account for the \$578,500 reduction, however, on May 22, 2025 GreenPower received a default notice from the lessor. The lessor's interpretation of the lease is that the \$578,500 reduction in lease payments is applied at the end of the lease, and GreenPower is in negotiations with the lessor in regards to this interpretation. The reduction in lease payments has been recognized, and resulted in a reduction of the lease liability of \$229,012, and is considered a government grant under IAS 20 and has been presented as a net reduction in RoU assets. Title to the property will be transferred to GreenPower once the sum of total lease payments plus the amount of the forgiveness reaches \$6.7 million.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

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

The following table summarizes remaining payments on GreenPower's Lease Liabilities (undiscounted) as at March 31, 2025:

		31-Mar-25
1 year	\$	1,212,682
thereafter	\$	7,450,905
less amount representing interest expense	\$	(2,495,501)
Lease liability	\$	6,168,086
Current Portion of Lease Liabilities	\$	633,035
Long Term Portion of Lease Liabilities	\$	5,535,051

Payments on leases that were classified as short-term leases for the year ended March 31, 2025 totaled \$288,303 (2024 - \$91,312, 2023 - \$236,480). Payments on short term leases are recognized in office expense, and remaining payments on short term leases as at March 31, 2025 total \$11,994.

The following table summarizes changes in Right of Use Assets during the years ended March 31, 2025 and March 31, 2024:

	March 31, 2025	March 31, 2024
Right of Use Assets, beginning of year	\$ 4,124,563	\$ 4,845,738
Depreciation	(730,803)	(785,306)
Additions to RoU Assets	2,506,822	69,131
Removal of RoU assets	(25,000)	(5,000)
Change from lease modification	(167,015)	-
Change from lease adjustment	(229,012)	-
Right of Use Assets, end of year	\$ 5,479,555	\$ 4,124,563

9. Restricted deposit

On June 23, 2023 the Company agreed to pledge a \$400,000 term deposit as security for an irrevocable standby letter of credit issued by a commercial bank to an insurance company that is providing the Company with a surety bond to support the Company's importation of goods to the United States. The term deposit has a term of one year, is scheduled to automatically renew for successive one-year terms, and currently earns interest at a fixed rate of 3.0%. The surety bond was issued on June 28, 2023, has a term of one year and is automatically renewable for successive one-year terms unless cancelled by the bank with 45 days' notice or cancelled by the surety bond provider. The Company expects that the restricted deposit will be held as security for the standby letter of credit for a period of greater than one year.

Subsequent to the end of the year, on April 24, 2025, the standby letter of credit was amended to increase the standby letter of credit by \$50,000, from \$400,000 to \$450,000. The lender on the Company's line of credit has reserved \$50,000 from the line of credit as collateral for the amended standby letter of credit (Note 11).

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

10. Property and Equipment

The following is a summary of activities for the years ended March 31, 2025, and March 31, 2024:

	Computers	Furniture	Automobiles	Demonstration Electric Vehicles	Leased Asset	Tools and Equipment	Leasehold Improvements	Total
Cost								
Balance, March 31, 2023	\$ 242,854	\$ 100,811	\$ 589,420	\$ 2,727,455	\$ 672,151	\$ 1,377,357	\$ 163,979	\$ 5,874,027
Transfers from / (to) inventory	-	-	-	874,278	-	-	-	874,278
Additions	-	-	-	-	-	334,575	26,958	361,533
Balance, March 31, 2024	\$ 242,854	\$ 100,811	\$ 589,420	\$ 3,601,733	\$ 672,151	\$ 1,711,932	\$ 190,937	\$ 7,109,838
Transfers from / (to) inventory	\$ -	\$ -	\$ -	\$ (593,320)	\$ -	\$ -	\$ -	(593,320)
Additions	\$ 7,280	\$ -	\$ -	\$ -	\$ -	\$ 72,892	\$ 3,000	83,172
Balance, March 31, 2025	\$ 250,134	\$ 100,811	\$ 589,420	\$ 3,008,413	\$ 672,151	\$ 1,784,824	\$ 193,937	\$ 6,599,690
Depreciation								
Balance, March 31, 2023	\$ 142,619	\$ 48,324	\$ 150,342	\$ 1,213,606	\$ 672,151	\$ 964,231	\$ 77,963	\$ 3,269,236
Depreciation	62,128	10,931	70,900	581,355	-	305,692	42,146	1,073,152
Foreign exchange translation	-	-	-	3,925	-	-	-	3,925
Balance, March 31, 2024	\$ 204,747	\$ 59,255	\$ 221,242	\$ 1,798,886	\$ 672,151	\$ 1,269,923	\$ 120,109	\$ 4,346,313
Depreciation	\$ 18,470	\$ 10,930	\$ 72,197	\$ 442,708	\$ -	\$ 357,360	\$ 29,644	931,309
Foreign exchange translation	\$ -	\$ -	\$ -	\$ 11,486	\$ -	\$ -	\$ -	11,486
Balance, March 31, 2025	\$ 223,217	\$ 70,185	\$ 293,439	\$ 2,253,080	\$ 672,151	\$ 1,627,283	\$ 149,753	\$ 5,289,109
Carrying amounts								
As at, March 31, 2024	\$ 38,107	\$ 41,556	\$ 368,178	\$ 1,802,847	\$ -	\$ 442,009	\$ 70,828	\$ 2,763,525
As at, March 31, 2025	\$ 26,917	\$ 30,626	\$ 295,981	\$ 755,333	\$ -	\$ 157,540	\$ 44,184	\$ 1,310,581

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

10. Property and Equipment (continued)

During the year ended March 31, 2025, the Company transferred three vehicles with a carrying value of \$593,320 from Property and Equipment to Finished Goods Inventory, comprised of one BEAST, one EV Star and one EV 350, as the company intends to sell the vehicles. During the year ended March 31, 2024, the Company transferred vehicles from inventory with a carrying value of \$874,278 to Property and Equipment. The transferred vehicles are comprised of four EV Stars, one Nano BEAST, one BEAST and one EV 550.

During the year ended March 31, 2023, the Company completed the sale of land owned by the Company in Porterville, California for gross proceeds of \$950,000 and generated a gain on the sale of \$72,867 that was included in other income. During the year ended March 31, 2023 GreenPower also acquired property, plant and equipment with an aggregate fair value of \$268,252, as part of its acquisition of Lion Truck Body.

11. Line of Credit

The Company's primary bank account denominated in US dollars is linked to its Line of Credit such that funds deposited to the bank account reduce the outstanding balance on the Line of Credit. As at March 31, 2025 the Company's Line of Credit had a credit limit of up to \$6,000,000 (2024 - \$8,000,000). The Line of Credit bears interest at the bank's US Base Rate (March 31, 2025 – 8.0%, March 31, 2024 – 9.0%) plus a margin of 2.25% (2024– 2.0%). On July 25, 2024 GreenPower signed a term sheet pursuant to which the lender increased the margin from 2.0% to 2.25% and reduced the credit limit on the Company's Line of Credit with reductions of \$200,000 per month until the credit limit reached \$6,000,000 on January 25, 2025.

The Line of Credit is secured by a general floating charge on the Company's assets and the assets of one of its subsidiaries, and one of the Company's subsidiaries has provided a corporate guarantee. Two directors of the Company have provided personal guarantees for a total of \$5,020,000. 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, and the Line of Credit has one financial covenant, to maintain a current ratio, defined as current assets over current liabilities, of greater than 1.2:1, for which the Company is in compliance as at March 31, 2025 and March 31, 2024. In addition, the availability of the credit limit over \$5,000,000 is subject to margin requirements of a percentage of finished goods inventory and accounts receivable. As of March 31, 2025, the Company had a drawn balance of \$5,983,572 (2024 - \$7,463,206) on the Line of Credit.

12. Term loan facility

During February 2024, the Company entered into a \$5,000,000 revolving loan facility (the "Loan") with Export Development Canada ("EDC"). The Loan is used to finance working capital investments to deliver all-electric vehicles to customers under purchase orders approved by EDC. The Loan allows advances over a 24-month period, has a term of 36 months, and bears interest at a floating rate of US Prime + 5% per annum. The Company has granted EDC a first and second ranking security interest over property of the Company and certain subsidiaries, and the Company and certain subsidiaries have provided Guarantees to EDC. The Company and FWP Holdings LLC, a company beneficially owned by the Chairman and CEO of the Company, entered into a postponement and subordination agreement with the term loan facility lender under which the parties agreed that the loans from FWP Holdings LLC would be subordinate to the lender's security interests and that no payment will be made on the loans from FWP Holdings LLC before the full repayment of the term loan facility (Note 18).

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

12. Term loan facility (continued)

The term loan facility has two financial covenants. The first covenant is reported quarterly, and is to maintain a current ratio, defined as current assets over current liabilities, of greater than 1.2 to 1.0. The Company is in compliance with this covenant as at March 31, 2025 and March 31, 2024. The second covenant commences at the 2026 fiscal year end, will be reported quarterly, and is to maintain a debt service coverage ratio of 1.25 to 1.0. The debt service coverage ratio is defined as earnings before interest, taxes, depreciation and amortization ("EBITDA") for the trailing four quarters, divided by the sum of debt payments, capital lease payments, and interest expense, each for the trailing four quarters. As at March 31, 2025 the balance outstanding on the term loan facility, including fees and accrued interest, was \$3,591,354 (March 31, 2024 - \$2,267,897). The Company anticipates that it will not be in compliance with the minimum debt service coverage ratio at the 2026 fiscal year end as the Company has not generated positive EBITDA in the trailing four quarters ended March 31, 2025.

13. Share Capital

Authorized

Unlimited number of common shares without par value

Unlimited number of preferred shares without par value

Issued

During October 2024, the Company issued 3,000,000 common shares in an underwritten offering of common shares (the "Share Offering") for gross proceeds of \$3,000,000. The Company also issued 150,000 warrants (the "Underwriter Warrants") to the underwriter of the Share Offering to purchase up to 150,000 common shares of the company. The Underwriter Warrants have an exercise price of \$1.25 per share and expire three years from the date of issuance. The Company assessed and concluded that the warrants should be recorded as equity instruments. The Company incurred \$483,434 in professional fees and other direct expenses in connection with the offering, which were included in the share issuance costs for the year ended March 31, 2025. The Company determined that the fair value of the warrants issued was \$79,955, and after allocating \$12,884 in professional fees, the net amount was booked to reserves, with the remainder booked to share capital in the Company's statement of financial position.

During May 2024, 1,500,000 units in an underwritten Unit offering (the "Unit Offering") comprised of 1,500,000 common shares and warrants to purchase 1,575,000 common shares for gross proceeds of \$2,325,750 before deducting underwriting discounts and offering expenses. The warrants have an exercise price of \$1.82 per share and expire three years from the date of issuance, and the Company assessed and concluded that the Warrants should be recorded as equity instruments. None of the warrants have been cancelled, forfeited or exercised as of March 31, 2025. The Company incurred \$400,774 in professional fees and other direct expenses in connection with the Unit Offering, which was included in share issuance costs for the year ended March 31, 2025. The Company determined that the fair value of warrants issued in the Unit Offering was \$278,250, and this amount, net of allocated professional fees of \$48,040 was booked to reserves, with the remainder booked to share capital in the Company's statement of financial position.

During the year ended March 31, 2024, the Company issued a total of 274,534 common shares, including 188,819 shares issued under the At the Market Offering (ATM), and 85,715 shares from the exercise of options.

During the year ended March 31, 2023 the Company issued a total of 1,568,590 common shares, including 1,565,268 shares issued under the At the Market Offering (ATM) and 3,322 shares from the exercise of options.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

13. Share Capital (continued)

At the Market Offering

On March 7, 2025 the Company filed a prospectus supplement to its short form base shelf prospectus, pursuant to which the Company may, at its discretion and from time to time, sell common shares of the Company on the NASDAQ stock exchange for aggregate gross proceeds of up to US\$850,000 (the "2025 ATM"). The Company did not sell any shares under the 2025 ATM during the year ended March 31, 2025. Subsequent to the year ended March 31, 2025, the Company sold a total of 216,007 common shares under the 2025 ATM for gross proceeds of \$97,964 (Note 25).

In September 2022, the Company filed a prospectus supplement to its short form base shelf prospectus, pursuant to which the Company may, at its discretion and from time to time, sell common shares of the Company on the NASDAQ stock exchange for aggregate gross proceeds of up to US\$20,000,000 (the "2022 ATM"). The 2022 ATM expired in November 2023 due to the expiry of the then effective short form base shelf prospectus.

During the year ended March 31, 2024, the Company sold 188,819 common shares under the 2022 ATM for gross proceeds of \$520,892 before transaction fees. The Company incurred approximately \$14,904 in professional fees and other direct expenses in connection with the 2022 ATM, which was included in share issuance costs for the year ended March 31, 2024 (2023 - \$216,803).

14. Stock Options

The Company has two incentive stock option plans whereby it grants options to directors, officers, employees, and consultants of the Company, the 2023 Equity Incentive Plan (the "2023 Plan") which was adopted in order to grant awards to people in the United States, and the 2022 Equity Incentive Plan (the "2022 Plan").

2023 Plan

Effective February 21, 2023 GreenPower adopted the 2023 Plan which was approved by shareholders at our AGM on March 28, 2023 in order to grant stock options or non-stock option awards to people in the United States. Under the 2023 Plan GreenPower can issue stock options that are considered incentive stock options, which are stock options that qualify for certain favorable tax treatment under U.S. tax laws. Nonqualified stock options are stock options that are not incentive stock options. The aggregate fair market value on the date of grant of Shares with respect to which incentive stock options are exercisable for the first time by an optionee subject to tax in the United States during any calendar year must not exceed US\$100,000, or such other limit as may be prescribed by the Internal Revenue Code. Non-stock option awards mean a right granted to an award recipient under the 2023 Plan, which may include the grant of stock appreciation rights, restricted awards or other equity-based awards. The aggregate number of Shares issuable under the 2023 will not exceed 2,467,595 (and all of the Company's other Security-Based Compensation Arrangements. The Company received final approval of the 2023 plan on April 18, 2024.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

14. Stock Options (continued)

2022 Plan

Effective April 19, 2022 GreenPower adopted the 2022 Equity Incentive Plan (the “2022 Plan”), which was further ratified and re-approved by shareholders at our AGM on May 23, 2025, and which replaced the 2019 Plan. Under the 2022 Plan the Company can grant equity-based incentive awards in the form of stock options (“Options”), restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”). RSU’s, DSU’s and PSU’s are collectively referred to as “Performance Based Awards”. The 2022 Plan is a Rolling Plan for Options and a fixed-plan for Performance-Based Awards such that the aggregate number of Shares that: (i) may be issued upon the exercise or settlement of Options granted under the 2022 Plan (and all of the Company’s other Security-Based Compensation Arrangements), shall not exceed 10% of the Company’s issued and outstanding Shares from time to time, and (ii) may be issued in respect of Performance-Based Awards granted under the 2022 Plan (and all of the Company’s other Security-Based Compensation Arrangements) shall not exceed 2,949,116. No performance-based awards have been issued as at March 31, 2025 or as at March 31, 2024. The 2022 Plan is considered an “evergreen” plan, since Options which have been exercised, cancelled, terminated, surrendered, forfeited or expired without being exercised shall be available for subsequent grants under the 2022 Plan and the number of awards available to grant increases as the number of issued and outstanding Shares increases.

Stock Option Plans from Prior Periods

On May 14, 2019, the Company replaced the 2016 Plan with a Rolling Stock Option Plan (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 with a maximum term of 10 years. On March 9, 2016, the shareholders approved the previous stock option plan which initially allowed for the issuance of up to 1,491,541 shares and which was subsequently further increased to allow up to 2,129,999 shares to be issued under the plan (the “2016 Plan”).

The Company had the following incentive stock options granted under the 2023 Plan, 2022 Plan, and the 2019 Plan, that are issued and outstanding as at March 31, 2025:

Expiry Date		Exercise	Balance	Granted	Exercised	Forfeited	Balance		
		Price	March 31, 2024			or Expired	March 31, 2025		
January 30, 2025	CDN \$	2.59	238,212	-	-	(238,212)	-		
February 11, 2025	CDN \$	8.32	50,000	-	-	(50,000)	-		
July 3, 2025	CDN \$	4.90	14,999	-	-	(8,571)	6,428		
November 19, 2025	US \$	20.00	300,000	-	-	-	300,000		
December 4, 2025	US \$	20.00	20,000	-	-	(5,000)	15,000		
May 18, 2026	CDN \$	19.62	63,700	-	-	(31,250)	32,450		
December 10, 2026	CDN \$	16.45	523,250	-	-	(103,250)	420,000		
July 4, 2027	CDN \$	4.25	15,000	-	-	(15,000)	-		
November 2, 2027	US \$	2.46	10,000	-	-	(10,000)	-		
February 14, 2028	CDN \$	3.80	632,500	-	-	(130,000)	502,500		
March 27, 2029	CDN \$	2.72	605,000	-	-	(113,750)	491,250		
June 28, 2029	CDN \$	1.40	-	20,000	-	-	20,000		
March 14, 2030	CDN \$	0.78	-	800,000	-	(5,000)	795,000		
Total outstanding			2,472,661	820,000	-	(710,033)	2,582,628		
Total exercisable			1,711,798				1,681,378		
Weighted Average									
Exercise Price (CDN\$)		\$	9.62	\$	0.80	\$	6.25	\$	7.95
Weighted Average Remaining Life			3.2 years						3.2 years

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

14. Stock Options (continued)

As at March 31, 2025, there were 366,488 stock options available for issuance under the 2023 and 2022 plan and 2,949,116 performance-based awards available for issuance under the 2023 Plan and the 2022 Plan.

On March 14, 2025, the Company granted 800,000 options with a term of five years and an exercise price of CDN \$0.78 per share, comprised of:

- 525,000 stock options to officers and directors which vest 25% four months after grant date, 25% six months after the grant date, 25% nine months after the grant date, 25% nine months after the grant date and 25% one year after the grant date;
- 250,000 stock options to employees which vest 25% four months after the grant date, and then 25% years 1, 2, and 3 after the grant date;
- 25,000 stock options to consultant which vest 25% four months after grant date, 25% six months after grant date, 25% nine months after the grant date, 25% nine months after the grant date and 25% one year after the grant date;

During the year ended March 31, 2025, nil common shares were issued pursuant to the exercise of stock options and 710,033 options were forfeited or expired. During the year ended March 31, 2025, \$260,860 of options were forfeited or expired (2024 - \$112,848). During the year ended March 31, 2025, the Company incurred share-based compensation expense with an measured fair value of \$897,468. The fair value of the options granted and vested were recorded as share-based payments on the Consolidated Statements of Operations. Subsequent to the end of the reporting period, between April 1, 2025 and July 30, 2025, 124,628 stock options exercisable at a weighted average share price of CDN \$3.24 were forfeited.

The Company had the following incentive stock options granted under the 2023 Plan, 2022 Plan, the 2019 Plan, and 2016 Plan that are issued and outstanding as at March 31, 2024:

		Exercise	Balance				Forfeited	Balance
Expiry Date		Price	March 31, 2023	Granted	Exercised		or Expired	March 31, 2024
May 4, 2023	CDN	\$ 3.50	57,144	-	(42,858)		(14,286)	-
November 30, 2023	CDN	\$ 3.01	50,000	-	(15,000)		(35,000)	-
February 12, 2024	CDN	\$ 3.50	71,787	-	(14,643)		(57,144)	-
January 30, 2025	CDN	\$ 2.59	254,640	-	(10,714)		(5,714)	238,212
February 11, 2025	CDN	\$ 8.32	50,000	-	-		-	50,000
July 3, 2025	CDN	\$ 4.90	16,071	-	-		(1,072)	14,999
November 19, 2025	US	\$ 20.00	300,000	-	-		-	300,000
December 4, 2025	US	\$ 20.00	20,000	-	-		-	20,000
May 18, 2026	CDN	\$ 19.62	73,275	-	-		(9,575)	63,700
December 10, 2026	CDN	\$ 16.45	553,500	-	-		(30,250)	523,250
July 4, 2027	CDN	\$ 4.25	15,000	-	-		-	15,000
November 2, 2027	US	\$ 2.46	10,000	-	-		-	10,000
February 14, 2028	CDN	\$ 3.80	645,000	-	(2,500)		(10,000)	632,500
March 28, 2028	CDN	\$ 2.85	100,000	-	-		(100,000)	-
March 27, 2029	CDN	\$ 2.72	-	605,000	-		-	605,000
Total outstanding			2,216,417	605,000	(85,715)		(263,041)	2,472,661
Total exercisable			1,265,128					1,711,798
Weighted Average								
Exercise Price (CDN\$)			\$ 10.72	\$ 2.72	\$ 3.31	\$ 5.26	\$ 9.62	
Weighted Average Remaining Life			3.4 years					3.2 years

As at March 31, 2024, there were 26,455 stock options available for issuance under the 2023 and 2022 plan and 2,499,116 performance-based awards available for issuance under the 2023 Plan and the 2022 Plan.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

14. Stock Options (continued)

On March 27, 2024, the Company granted 605,000 options with a term of five years and an exercise price of CDN \$2.72 per share, comprised of:

- 360,000 stock options to officers and directors which vest 25% four months after grant date, 25% six months after the grant date, 25% nine months after the grant date, 25% nine months after the grant date and 25% one year after the grant date;
- 60,000 stock options to an officer and director which vest 20% four months after grant date, 20% six months after the grant date, 30% 288 days after the grant date and 30% one year after the grant date;
- 110,000 stock options to employees which vest 25% four months after the grant date, and then 25% after years 1, 2, and 3 after the grant date;
- 40,000 stock options to employees which vest 50% 288 days after the grant date, and then then 25% years 2, and 3 after the grant date;
- 35,000 stock options to consultants which vest 25% four months after the grant date, and then 25% years 1, 2, and 3 after the grant date;

During the year ended March 31, 2024, 85,715 common shares were issued pursuant to the exercise of stock options and 263,041 options were forfeited or expired.

During the year ended March 31, 2024, the Company incurred share-based compensation expense with a measured fair value of \$1,502,112. The fair value of the options granted and vested were recorded as share-based payments on the Consolidated Statements of Operations.

The Company had the following incentive stock options granted under the 2023 Plan, 2022 Plan, the 2019 Plan, and 2016 Plan that are issued and outstanding as at March 31, 2023:

		Exercise	Balance				Forfeited	Balance
Expiry Date		Price	March 31, 2022	Granted	Exercised		or Expired	March 31, 2023
May 26, 2022	CDN	\$ 5.25	5,357	-	-		(5,357)	-
December 18, 2022	CDN	\$ 3.15	14,286	-	-		(14,286)	-
May 4, 2023	CDN	\$ 3.50	68,571	-	(2,857)		(8,570)	57,144
November 30, 2023	CDN	\$ 3.01	50,000	-	-		-	50,000
February 12, 2024	CDN	\$ 3.50	73,214	-	-		(1,427)	71,787
January 30, 2025	CDN	\$ 2.59	281,787	-	(465)		(26,682)	254,640
February 11, 2025	CDN	\$ 8.32	50,000	-	-		-	50,000
July 3, 2025	CDN	\$ 4.90	41,787	-	-		(25,716)	16,071
November 19, 2025	US	\$ 20.00	300,000	-	-		-	300,000
December 4, 2025	US	\$ 20.00	20,000	-	-		-	20,000
May 18, 2026	CDN	\$ 19.62	139,650	-	-		(66,375)	73,275
December 10, 2026	CDN	\$ 16.45	658,000	-	-		(104,500)	553,500
July 4, 2027	CDN	\$ 4.25	-	15,000	-		-	15,000
November 2, 2027	US	\$ 2.46	-	60,000	-		(50,000)	10,000
February 14, 2028	CDN	\$ 3.80	-	660,000	-		(15,000)	645,000
March 28, 2028	CDN	\$ 2.85	-	100,000	-		-	100,000
Total outstanding			1,702,652	835,000	(3,322)		(317,913)	2,216,417
Total exercisable			700,957					1,265,128
Weighted Average								
Exercise Price (CDN\$)			\$ 12.94	\$ 3.66	\$ 3.37	\$ 11.16	\$ 10.72	
Weighted Average Remaining Life			3.5 years					3.4 years

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

14. Stock Options (continued)

As at March 31, 2023, there were 255,246 stock options available for issuance under the 2023 and 2022 plan and 2,467,595 performance-based awards available for issuance under the 2023 Plan and the 2022 Plan. On July 4, 2022, the Company granted 15,000 options to an employee with a term of five years and an exercise price of CDN\$4.25 per share which vest 25% after 4 months, and after years 1, 2, and 3. On November 2, 2022, the Company granted 60,000 options to employees with a term of five years and an exercise price of US\$2.46 per share which vest 25% after 4 months, and after years 1, 2, and 3.

On February 14, 2023, the Company granted 660,000 options with a term of five years and an exercise price of CDN\$3.80 per share, comprised of:

- a. 420,000 stock options to officers and directors which vest 25% four months after grant date, 25% six months after the grant date, 25% nine months after the grant date, 25% nine months after the grant date and 25% one year after the grant date;
- b. 225,000 stock options to employees which vest 25% four months after the grant date, and then 25% after years 1, 2, and 3 after the grant date;
- c. 15,000 stock options to a consultant which vest 25% after 4 months, and then 25% after six months, nine months and twelve months;

On March 28, 2023 the Company granted 100,000 stock options to employees. The stock options have an exercise price of CDN\$2.85 per share, a term of 5 years, which vest after 4 months, and then 25% after years 1, 2, and 3.

During the year ended March 31, 2023, 3,322 common shares were issued pursuant to the exercise of stock options and 317,913 options were forfeited or expired.

During the year ended March 31, 2023, the Company incurred share-based compensation expense with a measured fair value of \$3,645,893. The fair value of the options granted and vested were recorded as share-based payments on the Consolidated Statements of Operations.

The weighted average share price on the exercise dates for the years ending March 31, 2025, 2024, and 2023 respectively were CDN \$nil, CDN \$3.85, and CDN \$8.06.

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

For the year ended	March 31, 2025	March 31, 2024	March 31, 2023
Share price on grant date	CDN \$0.78	CDN \$2.72	CDN \$3.66
Exercise price	CDN \$0.78	CDN \$2.72	CDN \$3.66
Risk-free interest rate	2.32%	3.40%	3.22%
Expected life of options	5 years	5 years	5 years
Annualized volatility	107%	103%	101%
Forfeiture rate	Nil	Nil	Nil
Dividend rate	N/A	N/A	N/A

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

15. Deferred Revenue

The Company recorded Deferred Revenue of \$10,138,356 for deposits received from customers for the sale of all-electric vehicles which were not delivered as at March 31, 2025 (March 31, 2024 - \$9,942,385). The following table summarizes changes in deferred revenue during the years ended March 31, 2025 and March 31, 2024:

	March 31, 2025		March 31, 2024	
Deferred Revenue, beginning of year	\$	9,942,385	\$	9,998,609
Additions to deferred revenue during the year		1,077,193		4,361,857
Deposits returned		(22,534)		(234,415)
Revenue recognized from deferred revenue during the year		(858,688)		(4,183,666)
Deferred Revenue, end of year	\$	10,138,356	\$	9,942,385
Current portion	\$	3,279,536	\$	7,066,145
Long term portion		6,858,820		2,876,240
	\$	10,138,356	\$	9,942,385

The Company expects to recognize revenue from amounts held in the current portion of deferred revenue within the next twelve months, based on expected deliveries of vehicles and from completed sales of vehicle parts. The Company expects to recognize revenue from amounts held in the long-term portion of deferred revenue more than twelve months after the reporting date. As at March 31, 2025 the current portion of deferred revenue includes a financing component of \$474,173 (2024 – \$324,265), and during the year ended March 31, 2025, \$nil of this deferred revenue was recognized in revenue (2024 – \$36,030).

16. Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, promissory note receivable, finance lease receivables, line of credit, loans payable to related parties, term loan, accounts payable and accrued liabilities, other liabilities, 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 fair value of the Company's financial instruments approximates their carrying value, unless otherwise noted.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

16. Financial Instruments (continued)

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 Position.

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 account receivable, finance lease receivables and promissory note receivable at each reporting period end and on an annual basis. During the year ended March 31, 2025 the Company recognized an allowance / (recovery) for doubtful accounts, net of payments collected, of (\$12,277) (2024 – \$1,319,873 as summarized in the table below:

	March 31, 2025	March 31, 2024
Allowance for doubtful accounts, beginning of year	\$ 1,459,243	\$ 139,370
plus: new allowance recognized	261,686	1,459,243
less: AFDA written off as uncollectible	(883,814)	-
less: allowance collected	(273,963)	(139,370)
Allowance for doubtful accounts, end of year	\$ 563,152	\$ 1,459,243

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 \$6 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 continuation of the Company as a going concern is dependent on future cash flows from operations including the successful sale and manufacture of electric vehicles to achieve a profitable level of operations and obtaining necessary financing to fund ongoing operations. The Company's ability to achieve its business objectives is subject to material uncertainty which casts substantial doubt upon the Company's ability to continue as a going concern (Note 1). The Company will continue to rely on additional financings to further its operations and meet its capital requirements.

The following table summarizes the Company's undiscounted financial commitments by maturity as at March 31, 2025:

March 31, 2025	Less than 3 months	3 to 12 months	One to five years	Thereafter
Line of credit (Note 1)	\$ 5,983,572	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	3,719,716	-	-	-
Loans payable to related parties	-	1,334,720	2,849,325	-
Lease liabilities	127,105	597,248	3,952,393	2,000,901
Term loan facility	-	3,591,354	-	-
Other liabilities	-	-	17,133	-
	\$ 9,830,393	\$ 5,523,322	\$ 6,818,851	\$ 2,000,901

(1) GreenPower's operating line of credit with the Bank of Montreal is repayable on demand and is therefore recorded as a current liability with less than 3 months to maturity. GreenPower remains in compliance with the financial covenant under the facility and since inception of the loan the Bank of Montreal has not demanded repayment of the facility, however there is no guarantee that the Bank of Montreal will not do so in the future.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

16. Financial Instruments (continued)

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 12) and its term loan facility (Note 13). Assuming the drawn amounts on the line of credit and term loan facility are unchanged, a 1% change in the base rate or prime rate applicable to these two liabilities would result in a change of approximately \$97,000 to comprehensive income/loss.

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.

As at March 31, 2025, the Company was exposed to currency risk through the following financial assets and liabilities in CDN Dollars.

		CAD
Cash	\$	59,649
Accounts Receivable	\$	150,000
Prepays and deposits	\$	10,988
Finance Lease Receivable	\$	46,961
Accounts Payable and Accrued Liabilities	\$	(678,090)
Related Party Loan	\$	(5,293,936)

The CDN/USD exchange rate as at March 31, 2025 was \$0.6956 (March 31, 2024 - \$0.738). 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 \$396,800 to comprehensive income/loss.

17. Capital Management

The Company's capital management objective is to obtain sufficient capital to develop new business opportunities for the benefit of its shareholders. To meet these 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, a line of credit, a term loan facility, loans from related parties and equity attributable to common shareholders, consisting of issued share capital and deficit. The Company may issue additional debt or equity over time in order to fund new business opportunities for the benefit of shareholders.

As at March 31, 2025, the Company had a cash balance of \$344,244, working capital, defined as current assets minus current liabilities, of \$8,106,809, accumulated deficit of (\$97,423,507), and shareholders' equity of (\$1,605,966).

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

18. Related Party Transactions

A summary of compensation and other amounts paid to directors, officers and key management personnel is as follows:

	For the Years Ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Salaries and Benefits (1)	\$ 551,410	\$ 562,160	\$ 580,774
Consulting fees (2)	\$ 566,042	541,623	396,250
Non-cash Options Vested (3)	\$ 632,493	874,321	2,100,717
Total	\$ 1,749,945	\$ 1,978,104	\$ 3,077,741

- 1) Salaries and benefits incurred with directors and officers are included in Salaries and Administration on the Consolidated Statements of Operations and Comprehensive Loss.
- 2) Consulting fees included in Salaries and administration on the Consolidated Statements of Operations and Comprehensive Loss are paid to the Chairman and CEO for management consulting services, and includes Director's Fees paid to GreenPower's four independent directors.
- 3) 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, 2025 includes \$454,894 (March 31, 2024 – \$105,676) 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.

During the year ended March 31, 2025, the Company received loans totaling CAD \$475,000 from FWP Holdings LLC ("FWP Holdings"), USD\$250,000 from Koko Financial Services Inc. ("Koko"), and CAD\$675,000 from 0851433 BC Ltd. FWP Holdings, Koko, and 08551433 BC Ltd. are all beneficially owned by the CEO and Chairman of the Company. The loans bear interest at 12.0% per annum plus such additional bonus interest, if any, as may be agreed to and approved by GreenPower's Board of Directors at a later date. Loans from FWP Holdings with a principal balance of CAD \$3,670,000 matured on March 31, 2023 however the principal balance remains outstanding as at March 31, 2025. The Company has agreed to grant FWP Holdings a general security assignment on the assets of GreenPower Motor Company Inc., which will be subordinated to any security assignment of senior lenders. The Company and FWP Holdings entered into a postponement and subordination agreement with the term loan facility lender under which the parties agreed that the loans from FWP Holdings would be subordinate to the lender's security interests and that no payment will be made on the loans from FWP Holdings before the full repayment of the term loan facility (Note 13). As a result, loans from related parties that are covered under the postponement and subordination agreement are considered non-current liabilities. This determination required the Company to revalue these loans as at the date of the subordination agreement, which resulted in a non-cash gain of \$306,288 that was included in Other Income during the year ended March 31, 2024 (2025 – nil, 2023 – nil).

During the quarter ended March 31, 2025 the Company received advances of \$150,000 from Koko and CAD\$50,000 from FWP Acquisition Corp. that were unsecured and non-interest bearing and were repaid subsequent to the year-end (Note 25). In addition, the Company received a further advance of \$100,000 from Brendan Riley, President of the Company, that is unsecured and non-interest bearing. These amounts are included in loans payable to related parties on the Company's Consolidated Statements of Financial Position.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

18. Related Party Transactions (continued)

During the year ended March 31, 2024 no additional related party loans were received by the Company. The CAD \$250,000 loan plus accrued interest from Countryman Investments Ltd., company wholly owned by David Richardson, a director of the Company, was repaid, and the US\$25,000 loan from FWP Holdings LLC was repaid.

A director of the Company, David Richardson, and the Company's CEO and Chairman Fraser Atkinson, have each provided personal guarantees of \$2,510,000, or \$5,020,000 in total to support the Company's operating line of credit (Note 11).

Subsequent to the end of the year ended March 31, 2025, on May 13, 2025, the Company announced a term loan offering of up to \$2,000,000 from several related party lenders. The loan will be advanced in tranches, have a term of 2 years, will bear interest at 12% per annum and as an inducement for entering into the loan the lenders will receive either loan bonus warrants or loan bonus shares. As of the date of this report the Company has entered into five tranches of the loan, as follows:

- The first tranche of the loan closed on May 15, 2025 for an aggregate principal amount of U.S. \$500,000 from FWP Acquisition Corp. ("FWP Acquisition"), a company beneficially owned by the CEO and Chairman of the Company, and from Countryman. The Company issued 1,086,956 warrants each of which entitle the lenders to purchase common shares at \$0.46 per share for a period of 24 months.
- The second tranche of the loan closed on May 28, 2025 for an aggregate principal amount of U.S. \$500,000 from FWP Holdings, from Koko, and from Countryman. The Company issued 568,181 warrants to Countryman each of which entitle Countryman to purchase common shares at \$0.44 per share for a period of 24 months, and the Company issued an aggregate of 113,635 common shares, in aggregate, to FWP Holdings and Koko.
- The third tranche of the loan closed on June 8, 2025 for an aggregate principal amount of U.S. \$300,000 from FWP Acquisition and from Countryman. The Company issued 340,909 warrants to Countryman each of which entitle Countryman to purchase common shares at \$0.44 per share for a period of 24 months, and the Company issued an aggregate of 68,181 common shares to FWP Acquisition.
- The fourth tranche of the loan closed on June 27, 2025 for an aggregate principal of U.S. \$200,000 from FWP Holdings and from Koko. The Company issued 263,157 warrants to Countryman each of which entitle Countryman to purchase common shares at \$0.38 per share for a period of 24 months, and the Company issued an aggregate of 52,631 common shares, in aggregate, to FWP Holdings and Koko.
- The fifth tranche of the loan closed on July 4, 2025 for an aggregate principal amount of U.S. \$250,000 from FWP Acquisition and from Countryman. The Company issued 304,878 warrants to Countryman each of which entitle Countryman to purchase common shares at \$0.41 per share for a period of 24 months, and the Company issued an aggregate of 60,975 common shares to FWP Acquisition;
- On July 21, 2025 the Company received a short term loan of \$125,000 from Countryman for which the Company did not provide shares or warrants and which the Company intends to repay within 30 days.

19. Warranty Liability

The Company provides its customers with a warranty on its vehicles with specific coverage for brake systems, lower-level components, fleet defect provisions and battery-related components. The majority of warranties cover a period of five years, with some variation 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.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

19. Warranty Liability (continued)

This assessment relies on estimates and assumptions about expenditures on future warranty claims. Actual warranty disbursements are inherently uncertain, and differences may impact cash expenditures on these claims. It is expected that the Company will incur approximately \$800,000 in warranty costs within the next twelve months, with disbursements for the remaining warranty liability incurred after this date.

An accrual for expected future warranty expenditures is recognized in the period when the revenue is recognized from the associated vehicle sale and is expensed in product development costs in the Company's sales, general and administrative costs. Assuming revenue in each year remains unchanged, an increase or decrease of 5% to the warranty provision would have a corresponding increase or decrease of product development costs of approximately \$36,000 for the year ended March 31, 2025 (2024 - \$67,000).

	March 31, 2025		March 31, 2024	
Opening balance	\$	2,499,890	\$	2,077,750
Warranty additions		714,956		1,343,838
Warranty disbursements		(649,092)		(774,174)
Warranty expiry		-		(147,108)
Foreign exchange translation		(325)		(416)
Total	\$	2,565,429	\$	2,499,890
Current portion	\$	816,326	\$	750,806
Long term portion		1,749,103		1,749,084
Total	\$	2,565,429	\$	2,499,890

20. Income Taxes

Income tax expense is recognized based on the combined British Columbia and Federal 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, 2025, was 27.0% and for the years ended March 31, 2024 and 2023 was 27.0%.

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, 2025	March 31, 2024	March 31, 2023
Combined statutory tax rate	27.00%	27.00%	27.00%
Expected income tax expense (recovery)	\$ (5,003,092)	\$ (4,952,555)	\$ (4,061,841)
Items not deductible for tax purposes	324,482	413,506	1,276,004
Difference in tax rate in other jurisdictions	(155,572)	(129,075)	(51,259)
Unrecognized deductible temporary differences and loss carryforwards	4,834,182	4,668,124	2,837,096
Deferred income tax expense (recovery)	\$ -	\$ -	\$ -

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

20. Income Taxes (continued)

The nature and effect of the temporary differences giving rise to the unrecognized deferred income tax assets as of March 31, 2025 and March 31, 2024 are summarized below:

Unrecognized deferred income tax assets	As at	
	March 31, 2025	March 31, 2024
Non-capital loss carry-forwards	\$ 17,573,889	\$ 13,408,326
Capital assets	390,739	398,144
Right of use assets	(1,677,298)	(1,154,053)
Lease liabilities	1,868,405	1,297,212
Warranty provision	705,376	687,038
Deferred revenue	1,097,524	1,097,524
Share issue costs	205,154	208,406
Other carryforward balances	1,154,718	697,502
Unrecognized deferred tax assets	(21,318,507)	(16,640,099)
Deferred income tax asset	\$ -	\$ -

As at March 31, 2025 and March 31, 2024 the Company has approximately \$22,505,000 and \$20,240,000 respectively, of non-capital losses carry forwards available to reduce Canadian taxable income for future years. As at March 31, 2025 and March 31, 2024 the Company has approximately \$45,015,000 and \$32,430,000 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 2031 and 2045 if unused. The potential benefits of these carry-forward non-capital losses have 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.

21. Contingent Liability and Dissolution of Lion Truck Body

On July 7, 2022, GreenPower entered into an asset purchase agreement with Lion Truck Body Inc., a truck body manufacturer located in Torrance, CA, under which Greenpower purchased all of the assets of the business through its wholly owned subsidiary, Lion Truck Body Incorporated.

The acquisition included that GreenPower would assume a term loan from the seller subject to the seller obtaining the required consents to allow for the assumption. The term loan had a principal outstanding of approximately \$1.5 million as at July 7, 2022, an interest rate of 3.75%, a maturity in May 2050, and fixed monthly payments. As at March 31, 2025 and March 31, 2024 the seller has not provided the Company with any evidence that he has obtained the required consents for the Company to assume the loan, and there is significant uncertainty over whether the seller will obtain these consents. In accordance with IAS 37, as at March 31, 2024, amounts representing the term loan have been recognized as a contingent liability on the Company's Consolidated Statement of Financial Position.

Lion Truck Body Incorporated was dissolved on March 10, 2025. Accordingly, the Company has derecognized the previously recognized contingent liability of Lion Truck Body Incorporated as at March 31, 2025, as the entity to which the Contingent Liability relates no longer exists as at March 31, 2025.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

22. Segmented Information

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

During the year ended March 31, 2024, the Company was economically dependent on one (2024 – one, 2023 – one) customer who accounted for more than 10% of revenue from continuing operations and in aggregate accounted for approximately 63%, (2024: 30%, 2023: 59%) of sales.

The Company's disaggregated revenue for the years ended March 31, 2025, 2024, and 2023 is summarized in the following table. Proceeds received and/or receivable from government vouchers totaled \$558,228 for the years ended March 31, 2025 (2024 - \$385,643, 2023 - \$4,614,250) and was included in vehicle and parts sales in the years ended March 31, 2025 and March 31, 2024 and in vehicle and parts sales and in revenue from operating and finance leases in the year ended March 31, 2023. Included in vehicle sales for the year ended March 31, 2025 is \$319,000 (2024 – \$nil, 2023 - \$nil) from the sales of vehicles that were previously on lease where the leases were cancelled and the vehicles subsequently sold.

	For the Year Ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Vehicle and parts sales	\$ 19,774,549	\$ 38,879,072	\$ 39,311,659
Revenue from operating and finance leases	\$ 68,805	\$ 385,643	\$ 113,789
Finance income	3,925	7,124	270,442
Total	\$ 19,847,279	\$ 39,271,839	\$ 39,695,890

The Company's revenues allocated by geography based on the customer's country of domicile for the years ended March 31, 2025, 2024, and 2023, is as follows:

	For the Year Ended		
	March 31, 2025	March 31, 2024	March 31, 2023
United States of America	\$ 18,841,162	\$ 37,055,314	\$ 39,497,713
Canada	1,006,117	2,216,525	198,177
Total	\$ 19,847,279	\$ 39,271,839	\$ 39,695,890

The Company's property and equipment allocated by geography for the years ended March 31, 2025, and 2024 is as follows:

	For the Year Ended	
	March 31, 2025	March 31, 2024
United States of America	\$ 1,212,229	\$ 2,529,937
Canada	98,352	233,588
Total	\$ 1,310,581	\$ 2,763,525

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

22. Segmented Information (continued)

The Company's accounts payable and accrued liabilities for the years ended March 31, 2025 and 2024 is as follows:

	March 31, 2025		March 31, 2024	
Due to related parties	\$	454,894	\$	105,676
Trade payables		2,821,845		2,477,357
Accrued liabilities		442,977		394,218
Accounts payable and accrued liabilities	\$	3,719,716	\$	2,977,251

23. Litigation and Legal Proceedings

The Company filed a civil claim against the prior CEO and Director of the Company in the Province of British Columbia in 2019, and the prior CEO and Director of the Company has filed a response with a counterclaim for wrongful dismissal in the Province of British Columbia. The prior CEO and Director of the Company also filed a similar claim in the state of California in regards to this matter, and this claim has been stayed pending the outcome of the claim in British Columbia. There has not been a resolution on the British Columbia claim or counterclaim, or the California claim as at March 31, 2025.

In addition, a company owned and controlled by a former employee who provided services to a subsidiary company of GreenPower until August 2013 filed a claim for breach of confidence against GreenPower in July 2020, and this claim has not been resolved as at March 31, 2025.

During April 2023 the Company repossessed 28 EV Stars and 10 EV Star CC's after a lease termination due to non-payment. During May 2023 this customer filed a claim in the state of California against the Company and a subsidiary, and this matter has not been resolved as at March 31, 2025.

As at March 31, 2025 the Company recorded a contingent liability of \$310,000 for potential judgements for legal matters, and this amount has been recorded in professional fees on the consolidated statement of operations and comprehensive loss for the twelve months ended March 31, 2025. Any actual judgement may range from no liability to the Company, to an amount that is higher than the provision booked as at March 31, 2025.

In addition, Management believes that there is an additional potential liability of \$437,500 related to other legal matters. Any actual liability related to these other legal matters may range from \$nil to an amount higher than this amount. The Company has not booked a provision for potential liabilities related to these legal matters as management considers it less than probable that these claims will not be successfully defended by the Company.

24. Supplemental Cash Flow Disclosure

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

	For the Years Ended		
	March 31, 2025	March 31, 2024	March 31, 2023
<i>Non-cash investing and financing transactions:</i>			
Right of use asset acquired	\$ 2,802,265	\$ 69,129	\$ 4,968,446
Accretion income on promissory note receivable	\$ -	\$ 1,696	\$ -
Accretion expense on related party note payable	\$ 494,084	\$ -	\$ -
Assets transferred from Property and equipment to Inventory	\$ 593,320	\$ -	\$ -
Assets transferred from Inventory to Property and equipment	\$ -	\$ 874,278	\$ -

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2025, 2024 and 2023
(Expressed in US Dollars)

25. Events After the Reporting Period

Subsequent to the end of the reporting period:

- Between April 1, 2025 and July 30, 2025, 124,628 stock options exercisable at a weighted average share price of CDN \$3.24 were forfeited;
- Between May 21, 2025 and June 4, 2025 the Company repaid a \$50,000 advance and a CAD \$50,000 advance from FWP Acquisition and repaid a \$150,000 advance from Koko that was advanced to the Company on February 5, 2025 and on April 30, 2025;
- Between May 15, 2025 and July 4, 2025 the Company received loans totaling \$1.75 million in aggregate from Countryman, Koko, FWP Acquisition and FWP Holdings, and as an inducement to enter into the loans issued:
 - 1,086,956 warrants each of which entitle the lenders to purchase common shares at \$0.46 per share for a period of 24 months;
 - 909,090 warrants each of which entitle the lenders to purchase common shares at \$0.44 per share for a period of 24 months;
 - 304,878 warrants each of which entitle the lenders to purchase common shares at \$0.41 per share for a period of 24 months;
 - 263,157 warrants each of which entitle the lenders to purchase common shares at \$0.38 per share for a period of 24 months;
 - 295,422 common shares of the Company
- On July 21, 2025 the Company received a short-term loan of \$125,000 from Countryman for which the Company did not provide shares or warrants and which the Company intends to repay within 30 days;
- Subsequent to the year ended March 31, 2025, the Company sold a total of 216,007 common shares under the 2025 ATM for gross proceeds of \$97,964