

**GREENPOWER MOTOR COMPANY INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**

For the Years Ended March 31, 2020, March 31, 2019 and March 31, 2018  
(Expressed in US dollars)

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

---

**March 31, 2020, 2019, and 2018**

---

Report of Independent Registered Public Accounting Firm ..... 3 - 4

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 – 43

## Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of GreenPower Motor Company Inc.

### Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of GreenPower Motor Company Inc. and subsidiaries (the “Company”) as of March 31, 2020 and 2019, the related consolidated statements of operations and comprehensive loss, changes in equity (deficit) and cash flows for the years ended March 31, 2020, 2019, and 2018, 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 consolidated financial position of the Company as at March 31, 2020 and 2019, and the results of its operations and its cash flows for the years ended March 31, 2020, 2019, and 2018 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### Going Concern

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 a working capital deficit and has suffered recurring losses from operations. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also 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 these consolidated financial statements based on our audits. 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 audits, 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.

/s/ Crowe MacKay LLP

**Chartered Professional Accountants**

We have served as the Company's auditor since 2011.

**Vancouver, Canada**

July 16, 2020

# GREENPOWER MOTOR COMPANY INC.

## Consolidated Statements of Financial Position

As at March 31, 2020 and 2019

(Expressed in US Dollars)

	March 31, 2020	March 31, 2019
<b>Assets</b>		
<b>Current</b>		
Cash and restricted cash (Note 3)	\$ 451,605	\$ 198,920
Accounts receivable (Note 4)	943,812	1,394,689
GST receivable	33,393	99,176
Current portion of finance lease receivables (Note 5)	82,501	21,101
Inventory (Note 6)	6,590,600	5,157,918
Prepays and deposits	22,083	59,503
	<u>8,123,994</u>	<u>6,931,307</u>
<b>Non-current</b>		
Promissory note receivable (Note 7)	384,261	593,547
Finance lease receivables (Note 5)	1,247,790	303,802
Right of use assets (Note 8)	620,191	699,574
Property and equipment (Note 9)	1,739,529	1,692,127
Non current portion of prepaids and deposits	46,692	46,692
Deferred financing fees (Note 13)	1,045,221	1,643,249
Other assets	1	1
	<u>\$ 13,207,679</u>	<u>\$ 11,910,299</u>
<b>Liabilities</b>		
<b>Current</b>		
Line of credit (Note 10)	\$ 5,469,944	\$ 4,419,907
Accounts payable and accrued liabilities (Note 19)	1,021,738	731,223
Note payable (Notes 14 and 19)	10,574	268,946
Deferred revenue (Note 16)	426,157	823,904
Current portion of warranty liability (Note 22)	121,944	84,707
Current portion of promissory note payable (Note 15)	58,038	56,895
Current portion of lease liabilities (Note 8)	272,468	194,829
Current portion of loans payable to related parties (Note 19)	-	506,072
	<u>7,380,863</u>	<u>7,086,483</u>
<b>Non-current</b>		
Loans payable to related parties (Note 19)	2,700,625	992,835
Convertible debentures (Notes 14 and 19)	2,995,136	2,737,054
Lease liabilities (Note 8)	386,650	523,459
Warranty liability (Note 22)	573,203	251,864
Promissory note payable (Note 15)	346,158	404,240
	<u>14,382,635</u>	<u>11,995,935</u>
<b>Equity (Deficit)</b>		
Share capital (Note 11)	16,892,725	12,984,796
Equity portion of convertible debentures (Note 14)	379,506	383,094
Reserves	5,515,639	5,342,510
Accumulated other comprehensive loss	(110,192)	(89,368)
Accumulated deficit	(23,852,634)	(18,706,668)
	<u>(1,174,956)</u>	<u>(85,636)</u>
	<u>\$ 13,207,679</u>	<u>\$ 11,910,299</u>

Nature and Continuation of Operations - Note 1

Events After the Reporting Period - Note 25

Approved on behalf of the Board on July 16, 2020

/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, 2020, 2019, and 2018

(Expressed in US Dollars)

	March 31, 2020	March 31, 2019	March 31, 2018
Revenue (Note 21)	\$ 13,500,403	\$ 6,082,561	\$ 3,516,156
Cost of Sales	9,447,578	4,224,419	2,267,765
<b>Gross Profit</b>	<b>4,052,825</b>	<b>1,858,142</b>	<b>1,248,391</b>
<b>Sales, general and administrative costs</b>			
Administrative fees (Note 19)	3,710,618	2,144,423	1,231,041
Depreciation (Notes 8 and 9)	578,555	516,208	525,228
Product development costs	973,146	437,208	251,826
Office expense	206,035	241,824	185,847
Professional fees (Note 19)	303,541	324,577	170,153
Sales and marketing (Note 19)	549,750	417,111	404,610
Share-based payments (Notes 12 and 19)	308,106	332,741	744,801
Transportation costs (Note 19)	255,535	263,164	229,637
Travel, accomodation, meals and entertainment (Note 19)	348,524	298,328	315,556
Allowance for credit losses (Note 4)	46,447	-	-
<b>Total sales, general and administrative costs</b>	<b>7,280,257</b>	<b>4,975,584</b>	<b>4,058,699</b>
<b>Loss from operations before interest, accretion and foreign exchange</b>	<b>(3,227,432)</b>	<b>(3,117,442)</b>	<b>(2,810,308)</b>
Interest and accretion	(2,133,824)	(1,400,923)	(563,411)
Foreign exchange gain	439,209	52,445	18,396
<b>Loss from operations for the year</b>	<b>(4,922,047)</b>	<b>(4,465,920)</b>	<b>(3,355,323)</b>
<b>Other item</b>			
Write down of assets (Notes 7 and 9)	(223,919)	(78,231)	(28,817)
<b>Loss before income tax</b>	<b>(5,145,966)</b>	<b>(4,544,151)</b>	<b>(3,384,140)</b>
<b>Income tax recovery</b>	<b>-</b>	<b>-</b>	<b>610,000</b>
<b>Loss for the year</b>	<b>(5,145,966)</b>	<b>(4,544,151)</b>	<b>(2,774,140)</b>
<b>Other comprehensive income (loss)</b>			
Cumulative translation reserve	(20,824)	(23,691)	21,314
<b>Total comprehensive loss for the year</b>	<b>\$ (5,166,790)</b>	<b>\$ (4,567,842)</b>	<b>\$ (2,752,826)</b>
<b>Loss per common share, basic and diluted</b>	<b>\$ (0.05)</b>	<b>\$ (0.05)</b>	<b>\$ (0.03)</b>
<b>Weighted average number of common shares outstanding, basic and diluted</b>	<b>106,542,125</b>	<b>93,496,658</b>	<b>92,262,206</b>

(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, 2020, 2019 and 2018**

(Expressed in US Dollars)

	Share Capital		Equity portion of convertible debentures	Reserves	Accumulated other comprehensive gain (loss)	Accumulated Deficit	Total
	Number of Common shares	Amount					
Balance, March 31, 2017	91,442,453	\$ 12,144,019	\$ 67,695	\$ 1,358,503	\$ (86,991)	\$ (11,305,999)	\$ 2,177,227
Fair value of the equity portion of the convertible debentures	-	-	454,231	-	-	-	454,231
Fair value assigned to the warrants on issuance of convertible debentures	-	-	-	1,863,238	-	-	1,863,238
Tax impact of equity instruments issued with convertible debentures	-	-	(121,000)	(489,000)	-	-	(610,000)
Transaction costs assigned to the warrants on the issuance of Convertible Debentures	-	-	-	(41,639)	-	-	(41,639)
Fair value of stock options exercised	1,495,000	499,136	-	(202,668)	-	-	296,468
Shares issued for conversion of debentures	250,000	43,321	(7,076)	-	-	-	36,245
Share-based payments	-	-	-	744,801	-	-	744,801
Cumulative translation reserve	-	-	-	-	21,314	-	21,314
Net loss for the year	-	-	-	-	-	(2,774,140)	(2,774,140)
Balance, March 31, 2018	93,187,453	12,686,476	393,850	3,233,235	(65,677)	(14,080,139)	2,167,745
Impact of adopting IFRS 15 on April 1, 2018	-	-	-	-	-	(82,378)	(82,378)
Fair value of stock options exercised	670,000	220,502	-	(92,848)	-	-	127,654
Shares issued for conversion of debentures	350,000	77,818	(10,756)	-	-	-	67,062
Share-based payments	-	-	-	332,741	-	-	332,741
Fair value of loan guarantee warrants	-	-	-	1,869,382	-	-	1,869,382
Cumulative translation reserve	-	-	-	-	(23,691)	-	(23,691)
Net loss for the year	-	-	-	-	-	(4,544,151)	(4,544,151)
Balance, March 31, 2019	94,207,453	12,984,796	383,094	5,342,510	(89,368)	(18,706,668)	(85,636)
Shares issued in private placement of units	13,114,754	4,000,000	-	-	-	-	4,000,000
Share issuance costs	-	(463,411)	-	-	-	-	(463,411)
Shares issued for exercise of warrants	125,000	66,624	-	(18,209)	-	-	48,415
Fair value of stock options exercised	835,044	277,455	-	(116,768)	-	-	160,687
Shares issued for conversion of debentures	125,000	27,261	(3,588)	-	-	-	23,673
Share-based payments	-	-	-	308,106	-	-	308,106
Cumulative translation reserve	-	-	-	-	(20,824)	-	(20,824)
Net loss for the year	-	-	-	-	-	(5,145,966)	(5,145,966)
Balance, March 31, 2020	108,407,251	\$ 16,892,725	\$ 379,506	\$ 5,515,639	\$ (110,192)	\$ (23,852,634)	\$ (1,174,956)

**GREENPOWER MOTOR COMPANY INC.**  
**Consolidated Statements of Cash Flows**  
For the Years Ended March 31, 2020, 2019 and 2018  
(Expressed in US Dollars)

	March 31, 2020	March 31, 2019	March 31, 2018
<b>Cash flows from (used in) operating activities</b>			
Loss for the year	\$ (5,145,966)	\$ (4,544,151)	\$ (2,774,140)
Items not affecting cash			
Allowance for credit losses	46,447	-	-
Depreciation	578,555	516,208	525,228
Share-based payments	308,106	332,741	744,801
Accretion and accrued interest	608,411	469,725	270,256
Amortization of deferred financing fees	619,394	247,975	-
Write down of assets	223,919	78,231	28,817
Foreign exchange gain	(439,209)	(52,445)	(18,396)
Income tax recovery	-	-	(610,000)
Cash flow used in operating activities before changes in non-cash items	(3,200,343)	(2,951,716)	(1,833,434)
Changes in non-cash items:			
Accounts receivable	404,430	(1,230,388)	(246,679)
GST receivable	65,783	(83,952)	5,266
Inventory	(2,675,980)	(1,982,729)	(2,236,935)
Prepays and deposits	37,420	(37,733)	11,015
Promissory note receivable	-	(15,404)	(572,876)
Finance lease receivables	25,020	(324,903)	-
Financing fees incurred	(21,366)	(21,842)	-
Accounts payable and accrued liabilities	290,515	279,330	505,238
Deferred revenue	(397,747)	241,707	358,020
Warranty liability	358,576	213,506	123,065
	(5,113,692)	(5,914,124)	(3,887,320)
<b>Cash flows from (used in) investing activities</b>			
Security deposits for right of use assets	-	(20,000)	-
Government grant proceeds	-	319,635	-
Purchase of property and equipment	(161,860)	(120,050)	(365,664)
	(161,860)	179,585	(365,664)
<b>Cash flows from (used in) financing activities</b>			
Repayment of loans payable to related parties	(358,873)	(222,334)	(38,084)
Loans from related parties	1,630,668	1,000,427	538,215
Proceeds from line of credit	1,050,037	4,419,907	-
Principal payments on promissory note	(56,939)	(55,774)	(54,629)
Principal payments on lease liabilities	(231,574)	(49,038)	-
Proceeds from private placements	4,000,000	-	-
Proceeds from issuance of convertible debentures	-	-	4,522,292
Repayment of note payable and convertible debentures, net of conversion	(276,258)	(259,754)	-
Private placement and convertible debenture costs	(463,411)	-	(99,014)
Proceeds from exercise of stock options	160,687	127,654	296,468
Proceeds from exercise of warrants	48,415	-	-
	5,502,752	4,961,088	5,165,248
<b>Foreign exchange on cash</b>	25,485	(34,958)	38,070
<b>Net (decrease) increase in cash and restricted cash</b>	252,685	(808,409)	950,334
<b>Cash and restricted cash, beginning of year</b>	198,920	1,007,329	56,995
<b>Cash and restricted cash, end of year</b>	\$ 451,605	\$ 198,920	\$ 1,007,329

Supplemental Cash Flow Disclosure Note 24.

(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, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**1. Nature and Continuance of Operations**

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

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

The consolidated financial statements were approved by the Board of Directors on July 16, 2020.

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

The Company’s continuing operations are dependent upon its ability to raise capital and generate cash flows. At March 31, 2020, the Company had working capital of \$743,131 and an accumulated deficit of \$23,852,634. These consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The continuation of the Company as a going concern is dependent on future cash flows from operations including the successful sale and manufacture of electric buses to achieve a profitable level of operations and obtaining necessary financing to fund ongoing operations. To this end, the Company has now delivered and received payment for all-electric buses to customers, has a backlog of orders for delivery, and has a line of credit with a credit limit of up to \$8 million to meet funding requirements. The Company’s ability to achieve its business objectives is subject to material uncertainty which may cast significant doubt upon the Company’s ability to continue as a going concern.

The Company faces risks from the COVID-19 global pandemic which has had, and will continue to have, a material adverse impact on our business and financial condition. The future impact of the COVID-19 global pandemic is inherently uncertain, and is expected to negatively impact the financial ability of our customers to purchase vehicles from us, of our suppliers’ ability to deliver products used in the manufacture of our all-electric vehicles in a timely manner, if at all, in our employees’ ability to manufacture our vehicles and to carry out their other duties in order to sustain our business, and in our ability to collect certain receivables owing to us, among other factors. In addition, COVID-19 has caused a significant reduction in public transit ridership, which is one of the primary market segments served by Greenpower, which may lead to reduced future sales to this segment, as transit properties adjust to changing demand for their services. We have taken steps to modify our business and staffing levels in order to manage impacts caused by the COVID-19 global pandemic and resulting government and regulatory health orders, these factors are expected to continue to have a negative impact on our financial results, operations, outlook, goals, growth prospects, cash flows, liquidity and share price, and the potential timing and ultimate duration of these negative impacts is uncertain.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**2. Significant Accounting Policies**

*(a) Basis of presentation*

Statement of Compliance with IFRS

These annual consolidated financial statements for the years ended March 31, 2020, March 31, 2019, and March 31, 2018 were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These consolidated financial statements are presented on a historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”) or as fair value through other comprehensive income (“FVOCI”), in U.S. dollars. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies.

*(b) Basis of consolidation*

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

<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Ownership 31-Mar-20</b>	<b>Ownership 31-Mar-19</b>	<b>Principal Activity</b>
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. (formerly Utah Manganese, Inc.)	United States	100%	100%	Electric bus leasing
0999314 BC Ltd.	Canada	100%	100%	Inactive

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

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

*(c) Financial instruments*

*Classification*

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(c) Financial instruments (continued)*

i. Amortized Cost

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

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

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

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

ii. FVTPL

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the Consolidated Statements of Operations. The Company did not have any liabilities classified as FVTPL as at March 31, 2020, and March 31, 2019.

Derivative financial assets and liabilities are initially recognized at their fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at each reporting period with changes in the fair value recognized in profit and loss. Derivative financial assets and liabilities include warrants purchased or issued by the Company denominated in a currency other than the Company's functional currency. As at March 31, 2020, and March 31, 2019, the Company did not have any derivative financial assets or liabilities.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(c) Financial instruments (continued)*

iii. FVOCI

Certain debt instrument assets must be classified as FVOCI unless the option to FVTPL is taken and the FVOCI classification is an election for equity assets. The Company did not have any debt or equity assets classified as FVOCI as at March 31, 2020, and March 31, 2019.

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

*Measurement*

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

*Impairment*

The Company assesses on a forward-looking basis the expected credit loss associated with financial assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables, 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. During the year ended March 31, 2020, the company recognized an allowance for credit losses of \$46,477 (Note 4).

For financial assets that are measured at amortized cost, the Company will, at a minimum, recognize 12 month expected losses in profit or loss, calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Lifetime expected losses will be recognized on assets for which there is a significant increase in credit risk after initial recognition. During the year ended March 31, 2020 the company recognized an impairment of \$223,919 on its promissory note receivable (Note 7).

*(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, 2020 and March 31, 2019 the Company had no cash equivalents.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(e) Revenue recognition*

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

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

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

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

*(f) Impairment of long-lived assets*

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

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(g) Foreign currency translation*

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

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

GreenPower Motor Company Inc. (parent) changed its functional currency from the Canadian dollar to the US dollar effective April 1, 2019 due to the significant US dollar denominated liabilities of the entity, the significant amount of financing raised that is denominated in US dollar, the portion of the Company's expenses denominated in US dollars has increased, and the expectation that all of these factors are expected to increase over time. The change in functional currency of this entity did not have a material impact on the financial results of the Company for the year ended March 31, 2020. San Joaquin Valley Equipment Leasing, Inc. changed its functional currency from the Canadian dollar to the US dollar during the year ended March 31, 2019. The change in functional currency of this entity did not have a material impact on the financial results of the Company for the year ended March 31, 2019.

Translation to functional currency

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

Translation to presentation currency

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

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

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(h) Inventory*

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

*(i) Property, plant, and equipment*

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

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

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

*(j) Loss per share*

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

*(k) Share capital*

Common shares are classified as equity. Finders fees and other related share issue costs, such as legal, regulatory, and printing, on the issue of the Company's shares are charged directly to share capital, net of any tax effects. During the years ended March 31, 2020, March 31, 2019 and March 31, 2018 the Company recorded \$463,411, \$nil, and \$nil respectively in share issuance costs on its Consolidated Statements of Changes in Equity in regards to the issuance of shares (Note 11).

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(l) Income taxes*

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

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

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

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

*(m) Critical accounting estimates and judgments*

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

*Critical accounting estimates*

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

Effective January 1, 2019, management changed its estimated useful life for diesel and electric buses (including some categorized under Leased Assets in note 9) from 7 years to 12 years. For the year ended March 31, 2019 this change reduced the Company's depreciation expense by \$19,537. The carrying value of diesel and electric buses was \$622,833 as at March 31, 2019 using an estimated useful life of 12 years, and the carrying value of diesel and electric buses would have been \$603,296 with an estimated life of 7 years.



**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(m) Critical accounting estimates and judgments (continued)*

*Critical accounting judgments*

- i. The determination of the discount rate to use to discount the promissory note receivable, finance lease receivables and lease liabilities;
- ii. The determination of the functional currency of each entity within the consolidated Company;
- iii. The Company's ability to continue as a going concern.
- iv. The classification of leases as either financial leases or operating leases;
- v. The determination that there are no material matters requiring disclosures and/or recognition on the consolidated financial statements as either a provision, a contingent liability, or a contingent asset; and
- vi. The identification of performance obligations in revenue contracts and the determination of when they are satisfied.

*(n) Share-based payment transactions*

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

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

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

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(p) Government grants*

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

*(q) 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.

*(r) Leases*

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

*Definition of a lease*

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

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

*As a lessee*

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

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(r) Leases (continued)*

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

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

*As a lessor*

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

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

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

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

*Impact on adoption*

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

The application of IFRS 16 to leases previously classified as operating leases under IAS 17, resulted in the recognition of right of use assets and lease liabilities as at April 1, 2018. The following table summarizes the Right of Use Assets of the Company for the year ended March 31, 2019:

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**2. Significant Accounting Policies (continued)**

*(r) Leases (continued)*

During the year ended March 31, 2019, the Company entered into two transactions as lessor, one which was accounted for as an operating lease, and the other as a finance lease (Note 5). The adoption of IFRS 16 did not have a material impact on the financial results for the year ended March 31, 2019 for either of these transactions.

*(s) Adoption of accounting standards*

The following new or amended standards were adopted during the year ended March 31, 2020:

IAS 23 Borrowing Costs

The amendment to IAS 23 Borrowing Costs clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

The amendment to IAS 23 Borrowing Costs did not have an impact on the Consolidated Financial Statements of the Company for the year ended March 31, 2020.

*(t) Future accounting pronouncements*

Certain new accounting standards and interpretations have been published by the IASB or the IFRS Interpretations Committee that are not mandatory for the March 31, 2020 reporting period.

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

**3. Restricted Cash**

The Company has a restricted cash balance of \$151,909 (2019 - \$151,886) on deposit at a major financial institution in the United States. The funds relate to a contract for the sale of vehicles and will be returned to the Company within 30 days of acceptance of the vehicles by the customer.

**4. Accounts Receivable**

The Company has evaluated the carrying value of accounts receivable as at March 31, 2020 in accordance with IFRS 9 and has determined that an allowance against accounts receivable of \$46,447 as at March 31, 2020 (2019 - \$nil) is warranted.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**5. Finance Lease Receivables**

Greenpower's wholly owned subsidiary San Joaquin Valley Equipment Leasing Inc. ("SJVEL") leases vehicles to several customers, and as at March 31, 2020 the Company had a total of 25 (2019 – 1) vehicles on lease that were determined to be finance leases, and the Company had a total of 2 (2019 – 2) vehicles on lease that were determined to be operating leases. During the year ended March 31, 2020, the Company entered into 8 finance leases for vehicles where SJVEL subsequently entered into a mutual release agreement with the lessee after which the vehicles were sold to a third party. For operating leases, lease payments are recognized in revenue when earned.

For the year ended March 31, 2020, selling profit on finance leases was \$865,009 (2019 - \$102,155, 2018 – nil). The following table shows changes in Finance Lease Receivables during the years ended March 31, 2020 and 2019:

	<b>For the years ended</b>	
	March 31, 2020	March 31, 2019
Finance lease receivable, beginning of period	\$ 324,903	\$ -
Net investment recognized	1,030,408	329,090
Lease payments received	(87,703)	(4,274)
Interest income recognized	62,683	87
<b>Finance lease receivable, end of period</b>	<b>\$ 1,330,291</b>	<b>\$ 324,903</b>
<b>Current portion of Finance Lease Receivable</b>	<b>\$ 82,501</b>	<b>\$ 21,101</b>
<b>Long Term Portion of Finance Lease Receivable</b>	<b>\$ 1,247,790</b>	<b>\$ 303,802</b>

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

Year 1	\$ 208,104
Year 2	236,712
Year 3	378,298
Year 4, including unguaranteed residual	685,449
Year 5, including unguaranteed residual	51,281
Remainder, including unguaranteed residual	175,997
less: amount representing interest income	(405,550)
<b>Finance Lease Receivable</b>	<b>\$ 1,330,291</b>

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**6. Inventory**

The following is a listing of inventory as at March 31, 2020 and 2019:

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Work in Process	\$ 2,812,935	\$ 5,107,918
Finished Goods	<u>3,777,665</u>	<u>50,000</u>
Total	<u>\$ 6,590,600</u>	<u>\$ 5,157,918</u>

**7. Promissory Note Receivable**

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

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

The Company has evaluated the carrying value of the promissory note receivable as at March 31, 2020 in accordance with IFRS 9 and determined there was a significant increase in credit risk. The Company aggregated the present value of expected payments of the promissory note receivable under three probability weighted scenarios and determined that a write down of the asset of CDN\$297,883 or \$223,919 as at March 31, 2020 is warranted.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**8. Right of Use Assets and Lease Liabilities**

The Company has recorded Right of Use assets and Lease Liabilities in its statement of financial position related to three properties in California for which the Company has entered into lease agreements that expire in more than one year. These leases are in a single class of Right of Use Assets, whose carrying value at March 31, 2020 was \$620,191 (March 31, 2019 \$699,574). Rental payments on the Right of Use Assets are discounted using an 8% rate of interest and capitalized on the Consolidated Statement of Financial Position as Lease Liabilities. The value of the Right of Use Assets is determined at lease inception and include the capitalized lease liabilities, incorporate upfront costs incurred and incentives received, and the value is depreciated over the term of the lease. For the year ended March 31, 2020 the Company incurred interest expense of \$56,614 (2019 - \$25,199) on the Lease Liabilities, recognized depreciation expense of \$251,787 (2019 - \$87,752) on the Right of Use Assets and made total rental payments of \$288,188 (2019 - \$74,237). Additions to Right of Use Assets during the year was \$172,404 (2019 - \$787,326).

For one of the leases there is an option to extend the lease for a further 36 months. As at March 31, 2020, GreenPower has not committed to additional leases that begin after the year-end.

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Right of Use Assets, beginning of year	\$ 699,574	\$ -
Additions	172,404	787,326
Depreciation	(251,787)	(87,752)
<b>Right of Use Assets, end of year</b>	<b>\$ 620,191</b>	<b>\$ 699,574</b>

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

Year 1	\$ 311,900
Year 2	284,363
Year 3	122,420
less amount representing interest expense	(59,565)
<b>Lease liability</b>	<b>\$ 659,118</b>
Current portion of lease liabilities	\$ 272,468
Long term portion of lease liabilities	\$ 386,650

Payments on two leases that were classified as short-term leases totaled \$48,942 (\$2019 – 83,962) for the year and were recognized in office expense. In August 2019, one of these leases was renewed for a term of three years and at that point was accounted for as a right of use asset, and one lease is scheduled to terminate during the year ended March 31, 2021. The one lease that is scheduled to terminate during the year ended March 31, 2021 has remaining minimum lease payments of \$8,591.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**9. Property and Equipment**

The following is a summary of activities for the years ended March 31, 2020 and March 31, 2019:

<b>Cost</b>	<b>Computers</b>	<b>Furniture</b>	<b>Automobiles</b>	<b>Diesel Bus</b>	<b>Demonstration Electric Buses</b>	<b>Leased Asset</b>	<b>EV Equipment</b>	<b>Land</b>	<b>Leasehold Improvements</b>	<b>Total</b>
Balance, March 31, 2018	\$ 6,721	\$ 23,818	\$ 51,283	\$ 45,982	\$ 1,611,359	\$ -	\$ 628,631	\$ 740,445	\$ -	\$ 3,108,239
Additions	6,701	12,643	-	-	-	-	13,032	53,986	33,688	120,050
Transfers from/(to) inventory	-	-	-	70,899	(1,290,636)	1,290,636	-	-	-	70,899
Government grant reduction	-	-	-	-	-	(319,635)	-	-	-	(319,635)
Write off of asset	-	-	-	(115,243)	-	-	-	-	-	(115,243)
Foreign exchange translation	694	(947)	-	(1,638)	-	-	-	-	-	(1,891)
Balance, March 31, 2019	<u>14,116</u>	<u>35,514</u>	<u>51,283</u>	<u>-</u>	<u>320,723</u>	<u>971,001</u>	<u>641,663</u>	<u>794,431</u>	<u>33,688</u>	<u>2,862,419</u>
Additions	38,112	8,121	42,973	-	-	-	50,040	6,286	16,328	161,860
Transfers from/(to) inventory	-	-	-	-	511,740	(298,850)	-	-	-	212,890
Foreign exchange translation	(379)	(577)	-	-	-	-	-	-	-	(956)
Balance, March 31, 2020	<u>\$ 51,849</u>	<u>\$ 43,058</u>	<u>\$ 94,256</u>	<u>\$ -</u>	<u>\$ 832,463</u>	<u>\$ 672,151</u>	<u>\$ 691,703</u>	<u>\$ 800,717</u>	<u>\$ 50,016</u>	<u>\$ 3,236,213</u>
<b>Depreciation and impairment losses</b>										
Balance, March 31, 2018	\$ 5,460	\$ 6,806	\$ 8,353	\$ 31,810	\$ 469,099	\$ -	\$ 258,171	\$ -	\$ -	\$ 779,699
Transfers	-	-	-	-	(571,235)	571,235	-	-	-	-
Depreciation	2,052	4,884	5,128	6,335	172,439	27,353	207,232	-	3,033	428,456
Write off of asset	-	-	-	(37,012)	-	-	-	-	-	(37,012)
Foreign exchange translation	569	(287)	-	(1,133)	-	-	-	-	-	(851)
Balance, March 31, 2019	<u>8,081</u>	<u>11,403</u>	<u>13,481</u>	<u>-</u>	<u>70,303</u>	<u>598,588</u>	<u>465,403</u>	<u>-</u>	<u>3,033</u>	<u>1,170,292</u>
Depreciation	9,223	5,604	6,645	-	79,320	41,084	172,881	-	12,011	326,768
Transfers	-	-	-	-	14,052	(14,052)	-	-	-	-
Foreign exchange translation	(380)	4	-	-	-	-	-	-	-	(376)
Balance, March 31, 2020	<u>\$ 16,924</u>	<u>\$ 17,011</u>	<u>\$ 20,126</u>	<u>\$ -</u>	<u>\$ 163,675</u>	<u>\$ 625,620</u>	<u>\$ 638,284</u>	<u>\$ -</u>	<u>\$ 15,044</u>	<u>\$ 1,496,684</u>
<b>Carrying amounts</b>										
As at March 31, 2018	<u>\$ 1,261</u>	<u>\$ 17,012</u>	<u>\$ 42,930</u>	<u>\$ 14,172</u>	<u>\$ 1,142,260</u>	<u>\$ -</u>	<u>\$ 370,460</u>	<u>\$ 740,445</u>	<u>\$ -</u>	<u>\$ 2,328,540</u>
As at March 31, 2019	<u>\$ 6,035</u>	<u>\$ 24,111</u>	<u>\$ 37,802</u>	<u>\$ -</u>	<u>\$ 250,420</u>	<u>\$ 372,413</u>	<u>\$ 176,260</u>	<u>\$ 794,431</u>	<u>\$ 30,655</u>	<u>\$ 1,692,127</u>
As at March 31, 2020	<u>\$ 34,925</u>	<u>\$ 26,047</u>	<u>\$ 74,130</u>	<u>\$ -</u>	<u>\$ 668,788</u>	<u>\$ 46,531</u>	<u>\$ 53,419</u>	<u>\$ 800,717</u>	<u>\$ 34,972</u>	<u>\$ 1,739,529</u>



**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**9. Property and Equipment (continued)**

During the year ended March 31, 2020 the Company transferred two EV Stars from inventory that are being used for demonstration and testing purposes.

During the year ended March 31, 2019, the Company wrote down the value of two diesel buses from \$78,231 to \$nil, leased one EV 350 to a customer for a period of 3 years which was determined to be an operating lease and leased one EV 250 to a customer for a period of 7 years which was determined to be a finance lease (Note 5). The EV 250 was previously held in inventory. The carrying value of electric buses was reduced by \$319,635 to reflect the Company's receipt of government grants for two EV 350s.

**10. Line of Credit**

As at March 31, 2020 the Company's Line of Credit had a credit limit of up to \$8,000,000 (2019 – \$5,000,000). The line of Credit had a limit of \$2,000,000 at September 30, 2018, which was increased to a limit of US \$5,000,000 during the quarter ended December 31, 2018, and was increased to a credit limit of up to \$8,000,000 during the quarter ended March 31, 2020. The Line of Credit bears interest at the bank's US Base Rate (March 31, 2020 – 3.75%, March 31, 2019 – 6% ) plus 1.5%.

The Line of Credit is secured by a general floating charge on the Corporation's assets and the assets of one of its subsidiaries, and one of the Company's subsidiaries has provided a corporate guarantee. Two directors of the Company have also 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 greater than 1.2:1, and the bank approved a temporary reduction in the current ratio to 1.0:1 as at March 31, 2020 and June 30, 2020. 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, and these margins are tested on a monthly basis. As of March 31, 2020 the credit limit on the Company's Line of Credit was \$7,207,000, and funds available under the line of credit were approximately \$1,737,000.

**11. Share Capital**

Authorized

Unlimited number of common shares without par value

Unlimited number of preferred shares without par value

Issued

During the year ended March 31, 2020 the Company issued a total of 14,199,798 shares pursuant to the exercise of 835,044 options, the exercise of 125,000 warrants, conversion of debentures for 125,000 shares and 13,114,754 shares issued in a private placement of unit securities during May 2019.

During May 2019 the Company completed a private placement of units for gross proceeds of \$4.0 million. Under the offering the Company sold 13,114,754 units at a price of \$0.305 per unit, with each unit being comprised of one GreenPower common share and one-half share purchase warrant (Note 13). Each full warrant is exercisable into one share for a period of four years at an exercise price of \$0.3811 per share, and the warrants contain terms whereby if the share price is above CAD \$1.20 per share for ten (10) consecutive trading days then the Company may issue an acceleration notice to accelerate the expiry of the warrants by thirty (30) days from the date of the acceleration notice.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**11. Share Capital (continued)**

During the year ended March 31, 2019, the Company issued a total of 1,020,000 shares pursuant to the exercise of 670,000 stock options and conversion of debentures for 350,000 shares. During the year ended March 31, 2018, the Company issued a total of 1,745,000 shares pursuant to the exercise of 1,495,000 stock options and conversion of debentures for 250,000 shares.

As at March 31, 2020, March 31, 2019 and March 31, 2018, the Company had no shares held in escrow.

**12. Stock Options**

The Company has an incentive stock option plan whereby it grants options to directors, officers, employees, and consultants of the Company. On May 14, 2019, the Company replaced its Fixed Stock Option Plan (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 allowed for the issuance of up to 10,440,790 shares (the "2016 Plan").

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**12. Stock Options (continued)**

The Company had the following incentive stock options granted under the 2019 Plan, 2016 Plan, and Plan that are issued and outstanding as at March 31, 2020:

Expiry Date	Exercise Price (CDN\$)	Balance March 31, 2019	Granted	Exercised	Forfeited	Balance March 31, 2020
December 23, 2019	\$ 0.25	2,934,717	-	(635,044)	(2,299,673)	-
March 25, 2020	\$ 0.25	200,000	-	(200,000)	-	-
May 26, 2020 <sup>1</sup>	\$ 0.60	150,000	-	-	-	150,000
July 10, 2020 <sup>1</sup>	\$ 0.55	50,000	-	-	-	50,000
February 4, 2021	\$ 0.35	500,000	-	-	(100,000)	400,000
May 6, 2021	\$ 0.35	530,000	-	-	(10,000)	520,000
October 27, 2021	\$ 0.62	500,000	-	-	-	500,000
February 2, 2022	\$ 0.75	665,000	-	-	(208,000)	457,000
May 26, 2022	\$ 0.60	200,000	-	-	(200,000)	-
May 26, 2022	\$ 0.75	1,037,500	-	-	-	1,037,500
December 18, 2022	\$ 0.45	235,000	-	-	(60,000)	175,000
May 4, 2023	\$ 0.50	630,000	-	-	(100,000)	530,000
November 30, 2023	\$ 0.43	350,000	-	-	-	350,000
February 12, 2024	\$ 0.50	650,000	-	-	(100,000)	550,000
January 30, 2022	\$ 0.37	-	175,000	-	-	175,000
January 30, 2025	\$ 0.37	-	2,235,000	-	-	2,235,000
Total outstanding		8,632,217	2,410,000	(835,044)	(3,077,673)	7,129,500
Total exercisable		6,883,717				4,408,250
Weighted Average Exercise Price (CDN\$)		\$ 0.45	\$ 0.37	\$ 0.25	\$ 0.33	\$ 0.50
Weighted Average Remaining Life						3.0 years

1. 150,000 options exercisable at CAD \$0.60 per share expired unexercised on May 26, 2020 and 50,000 options exercisable at CAD \$0.55 per share expired unexercised on July 10, 2020.

As at March 31, 2020, there were 3,711,225 options available for issuance under the 2019 Plan.

During the twelve-month period ended March 31, 2020, the Company incurred share-based compensation expense with a measured fair value of \$308,106. The fair value of the options granted and vested were recorded as share-based payments on the Consolidated Statements of Operations.

On January 30, 2020, the Company granted:

- 1,650,000 options to directors and officers with an exercise price of CDN\$0.37 per share which vest 25% after 3 months, 6 months, 9 months, and 12 months and with a term of five years.
- 585,000 options to employees with an exercise price of CDN\$0.37 per share which vest 25% after 4 months and then 25% after years 1, 2 & 3, and with a term of five years.
- 125,000 options to a consultant with an exercise price of CDN\$0.37 per share which vest 25% after 3 months, 6 months, 9 months, and 12 months, and with a term of two years.
- 50,000 options to a consultant (IR provider) with an exercise price of CDN\$0.37 per share which vest 25% after 3 months, 6 months, 9 months, and 12 months and with a term of two years.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**12. Stock Options (continued)**

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

Expiry Date	Exercise Price (CDN\$)	Balance March 31, 2018	Granted	Exercised	Forfeited	Balance March 31, 2019
July 3, 2018	\$ 0.40	50,000	-	-	(50,000)	-
July 3, 2018	\$ 0.25	750,000	-	(50,000)	(700,000)	-
September 1, 2018	\$ 0.25	20,000	-	(20,000)	-	-
December 23, 2019	\$ 0.25	275,000	-	-	-	275,000
December 23, 2019	\$ 0.25	2,984,717	-	(600,000)	-	2,384,717
December 23, 2019	\$ 0.25	300,000	-	-	(25,000)	275,000
July 10, 2020	\$ 0.55	50,000	-	-	-	50,000
March 25, 2020	\$ 0.25	200,000	-	-	-	200,000
May 26, 2020	\$ 0.60	150,000	-	-	-	150,000
February 4, 2021	\$ 0.35	500,000	-	-	-	500,000
May 6, 2021	\$ 0.35	530,000	-	-	-	530,000
October 27, 2021	\$ 0.62	500,000	-	-	-	500,000
February 2, 2022	\$ 0.75	715,000	-	-	(50,000)	665,000
May 26, 2022	\$ 0.60	200,000	-	-	-	200,000
May 26, 2022	\$ 0.75	1,037,500	-	-	-	1,037,500
December 18, 2022	\$ 0.45	235,000	-	-	-	235,000
May 4, 2023	\$ 0.50	-	630,000	-	-	630,000
November 30, 2023	\$ 0.43	-	350,000	-	-	350,000
February 12, 2024	\$ 0.50	-	650,000	-	-	650,000
Total outstanding		8,497,217	1,630,000	(670,000)	(825,000)	8,632,217
Total exercisable		7,003,717				6,883,717
Weighted Average Exercise Price (CDN\$)		\$ 0.41	\$ 0.48	\$ 0.25	\$ 0.29	\$ 0.45
Weighted Average Remaining Life						2.3 years

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

On May 4, 2018, the Company granted:

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

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**12. Stock Options (continued)**

On February 12, 2019 the Company granted:

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

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

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**12. Stock Options (continued)**

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

On May 26, 2017, the Company granted:

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

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

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

The weighted average share price on the exercise dates was CDN \$0.41 (2019 – CDN \$0.49, 2018-CDN \$0.50).

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

For the year ended	March 31, 2020	March 31, 2019	March 31, 2018
Share price on grant date	CDN\$0.37	CDN\$0.47	CDN\$0.56
Exercise price	CDN\$0.37	CDN\$0.48	CDN\$0.67
Risk-free interest rate	1.35%	1.31%	1.07%
Expected life of options	5 years	5 years	5 years
Annualized volatility <sup>(1)</sup>	73%	100%	100%
Dividend rate	n/a	n/a	n/a

(1) Expected volatility was determined by reference to historical volatility.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**13. Warrants**

As at March 31, 2020 the Company had outstanding warrants, enabling the holders to acquire common shares as follows:

Expiry Date	Exercise Price	Balance				Balance March 31, 2020
		March 31, 2019	Issued	Exercised	Expired	
May 17, 2020 <sup>1</sup>	CDN \$0.75	2,922,200	-	-	-	2,922,200
May 31, 2020 <sup>1</sup>	CDN \$0.75	384,500	-	-	-	384,500
October 17, 2020	CDN \$1.10	311,497	-	-	-	311,497
June 29, 2021	CDN \$0.65	4,400,000	-	-	-	4,400,000
September 25, 2021	CDN \$0.50	3,690,000	-	-	-	3,690,000
October 12, 2021	CDN \$0.50	5,550,000	-	(125,000)	-	5,425,000
March 14, 2022	CDN \$0.60	4,800,000	-	-	-	4,800,000
May 6, 2023	USD \$0.3811	-	6,065,568	-	-	6,065,568
May 8, 2023	USD \$0.3811	-	491,803	-	-	491,803
<b>Total outstanding</b>		<b>22,058,197</b>	<b>6,557,371</b>	<b>(125,000)</b>	<b>-</b>	<b>28,490,568</b>
Weighted Average						
Exercise Price (CDN\$)		\$ 0.60	\$ 0.54	\$ 0.50	NA	\$ 0.58
Weighted Average Life						1.7 years

1. 2,922,200 warrants exercisable at CDN \$0.75 per share expired unexercised on May 17, 2020 and 384,500 warrants exercisable at CDN \$0.75 per share expired unexercised on May 31, 2020.

During May 2019 the Company issued 6,557,371 warrants as part of a private placement of 13,114,754 units for gross proceeds of \$4.0 million (Note 11). Under the offering the Company sold 13,114,754 Units at a price of \$0.305 per unit, with each unit being comprised of one GreenPower common share and one-half share purchase warrant. Each full warrant is exercisable into one share for a period of four years at an exercise price of \$0.3811 per share, and the warrants contain terms whereby if the share price is above CDN \$1.20 per share for ten (10) consecutive trading days then the Company may issue an acceleration notice to accelerate the expiry of the warrants by thirty (30) days from the date of the acceleration notice.

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

Expiry Date	Exercise Price (CDN\$)	Balance				Balance March 31, 2019
		March 31, 2018	Issued	Exercised	Expired	
October 1, 2018	\$ 0.25	400,000	-	-	(400,000)	-
December 10, 2018	\$ 1.00	250	-	-	(250)	-
December 16, 2018	\$ 1.00	153,928	-	-	(153,928)	-
May 17, 2020	\$ 0.75	2,922,200	-	-	-	2,922,200
May 31, 2020	\$ 0.75	384,500	-	-	-	384,500
October 17, 2020*	\$ 1.10	342,270	-	-	(30,773)	311,497
June 29, 2021	\$ 0.65	-	4,400,000	-	-	4,400,000
September 25, 2021	\$ 0.50	3,690,000	-	-	-	3,690,000
October 12, 2021	\$ 0.50	5,550,000	-	-	-	5,550,000
March 14, 2022	\$ 0.60	-	4,800,000	-	-	4,800,000
<b>Total outstanding</b>		<b>13,443,148</b>	<b>9,200,000</b>	<b>-</b>	<b>(584,951)</b>	<b>22,058,197</b>
Weighted Average						
Exercise Price (CDN\$)		\$ 0.60	\$ 0.62	\$ -	\$ 0.70	\$ 0.60
Weighted Average Life						2.3 years

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**13. Warrants (continued)**

In November 2018, 4,400,000 warrants were issued to two directors of the Company in consideration for guarantees offered by each of the two directors providing guarantees in support of the Company's Line of Credit (Note 10). The warrants are exercisable into one common share of the Company at a price of \$0.65 per share and expire on June 29, 2021 and had a calculated fair value of \$948,640 (CDN \$1,232,016). In March 2019 the Company agreed to issue 4,800,000 warrants to two Directors of the Company in consideration for additional guarantees offered by the two directors in support of an increase in the Company's Line of Credit (Note 10). The warrants are exercisable at an exercise price of CDN \$0.60 per share and expire on March 14, 2022 and had a calculated fair value of \$920,742 (CDN \$1,229,378). The fair value of the warrants issued to the two directors is recognized under deferred financing fees in the Company's Statement of Financial Position and will be recognized in earnings over the 3-year term of the warrants, to approximate the estimated life of the benefits from the financing fees.

The following table summarizes deferred financing fees for the years ended March 31, 2020 and March 31, 2019:

	March 31, 2020	March 31, 2019
Deferred Financing Fees, beginning of year	\$ 1,643,249	\$ -
plus: Deferred Financing Fees Incurred During the Year	21,366	1,891,224
less: Amortization of Deferred Financing Fees	(619,394)	(247,975)
Deferred Financing Fees, end of year	\$ 1,045,221	\$ 1,643,249

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

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

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

In May 2017, there were 3,306,700 warrants issued with a fair value of \$516,046 as a result of the issuance of Convertible Debentures (Note 14). The transaction costs assigned to the issuance of the warrants with regards to the Convertible Debentures was \$7,390.

In September 2017, 3,690,000 warrants were issued with a fair value of \$538,002 as a result of the issuance of Convertible Debentures (Note 14). The transaction costs assigned to the issuance of the warrants with regards to the Convertible Debentures was \$4,153.



**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**13. Warrants (continued)**

In October 2017, 5,550,000 warrants were issued with a fair value of \$809,190 as a result of the issuance of Convertible Debentures (Note 14). The transaction costs assigned to the issuance of the warrants with regards to the Convertible Debentures was \$30,096.

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

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

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

**14. Convertible Debentures**

As at March 31, 2020, the Company had the following outstanding convertible debentures all with an 8% interest rate and a term of four years, other than the December 11, 2015 issuance, which had a term of 3 years and matured on December 11, 2018. The Convertible Debentures have effective rates ranging from 28.3% - 38.5%. The table below lists the convertible debenture values and conversion prices in CDN\$, and as at March 31, 2020 the CDN\$/US\$ exchange rate was \$0.7049.

Issue Date	Amount (CDN\$)	Converted Amount (CDN\$)	Matured Amount (CDN\$)	Outstanding Amount (CDN\$)	Conversion Price (CDN\$)	Shares on Conversion
Dec 11, 2015	777,000	(60,000)	(717,000)	-	-	-
May 17, 2017	1,900,000	-	-	1,900,000	0.65	2,923,077
May 31, 2017	250,000	-	-	250,000	0.65	384,615
Sep 25, 2017	1,476,000	-	-	1,476,000	0.40	3,690,000
Oct 12, 2017	2,220,000	(250,000)	-	1,970,000	0.40	4,925,000
Total	6,623,000	(310,000)	(717,000)	5,596,000		11,922,692

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

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**14. Convertible Debentures (continued)**

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

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

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

On December 11, 2018, the convertible debentures issued on December 11, 2015, with a remaining balance prior to maturity of CDN \$717,000 matured. Prior to maturity, CDN \$40,000 worth of debentures from this series were converted into 100,000 common shares at a conversion price of CDN \$0.40 per share. CDN \$37,000 of the debentures were repaid during December 2018. The remaining balance of CDN \$680,000 was transferred to a Note Payable, CDN \$300,000 of which was repaid during January 2019 and CDN \$365,000 was repaid during the year ended March 31, 2020. The Note Payable accrued interest at 12% per annum.

During the year ended March 31, 2020, the Company paid interest of \$343,722 (March 31, 2019 - \$393,043, and March 31, 2018 - \$276,957) and recognized accretion of \$548,882 (March 31, 2019 - \$469,725, March 31, 2018 - \$275,523) related to its issued and outstanding convertible debentures.

**15. Promissory Note Payable**

During the year ended March 31, 2017, the Company issued a \$594,000 promissory note (the "Note") to the City of Porterville to acquire land (Note 9). The Note bears interest at 2.0% per annum and is payable in blended monthly installments of \$5,463, which began on November 1, 2016. The monthly installments will occur for five years, at which point a balloon payment of \$311,764 is due and payable. The Note is secured by an interest in the land in favour of the City of Porterville. The current portion of the promissory note payable is \$58,038 (2019 - \$56,895), and the long-term portion is \$346,158 (2019 - \$404,240).

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

<b>Principal Payments</b>	
Year 1	\$ 58,038
Year 2	346,158
<b>Total</b>	<b>\$ 404,196</b>
<b>Current portion</b>	<b>(58,038)</b>
<b>Long-term portion</b>	<b>\$ 346,158</b>

During the year ended March 31, 2020, the Company incurred \$8,621 (March 31, 2019 - \$9,788 and March 31, 2018 - \$10,931) of interest on the Note. This amount is included in Interest and accretion on the Consolidated Statements of Operations.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**16. Deferred Revenue**

The Company recorded Deferred Revenue of \$426,157 for invoices issued to a customer for the sale of all-electric buses which were not delivered as at March 31, 2020 (March 31, 2019 - \$823,904).

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Deferred revenue, beginning of year	\$ 823,904	\$ 582,197
Additions to deferred revenue during the period	252,443	2,872,841
Deposits returned	(335,000)	-
Revenue recognized from deferred revenue during the period	(303,353)	(2,631,134)
FX Changes	(11,837)	-
<b>Deferred revenue, end of year</b>	<b>\$ 426,157</b>	<b>\$ 823,904</b>

**17. Financial Instruments**

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

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

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

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

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

The Company does not currently hold any financial instruments measured at fair value on the Consolidated Statements of Financial Position. The fair value of these financial instruments approximates their carrying value, unless otherwise noted.

**Overview**

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

**Credit risk**

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

Cash and restricted cash consists of cash bank balances held in major financial institutions in Canada and the United States with a high credit quality and therefore the Company is exposed to minimal risk. The Company assesses the credit risk of its account receivable, finance lease receivables and promissory note receivable at each reporting period end and on an annual basis. As at March 31, 2020 the Company recognized an allowance for credit losses of \$46,447 against its accounts receivable (Note 4), and wrote down the promissory note receivable by \$223,919 (Note 7).

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**17. Financial Instruments (continued)**

**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 \$8 million operating line of credit. The Company's cash is invested in bank accounts at major financial institutions in Canada and the United States and is available on demand. The Company will continue to rely on additional financings to further its operations and meet its capital requirements.

**Market risks**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange. The Company is exposed to interest rate risk with respect to its Line of Credit (Note 10).

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.

At March 31, 2020, the Company was exposed to currency risk through the following financial assets and liabilities in CDN Dollars.

Cash	\$	8,984
Accounts Receivable	\$	72,361
Promissory Note Receivable	\$	650,000
Accounts Payable and Accrued Liabilities	\$	(237,994)
Loans Payable to Related Parties	\$	(3,276,895)
Convertible Debentures	\$	(5,596,000)
Note Payable	\$	(15,000)

The CDN/USD exchange rate as at March 31, 2020 was \$0.7049 (March 31, 2019 - \$0.74895). 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 \$592,000 to other comprehensive income/loss.

**18. Capital Management**

The Company is actively engaged in selling its electric vehicles and expanding its business however the company has not achieved profitability to date. The Company's capital management objective is to obtain sufficient capital to develop new business opportunities for the benefit of its shareholders. To meet 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, operating line of credit, secured and unsecured promissory notes and convertible debentures and equity attributable to common shareholders, consisting of issued share capital and deficit. There was no change to the Company's approach to capital management during the year. The Company is subject to externally imposed capital requirements with respect to its line of credit (note 10). In May 2019 the Company completed a brokered private placement of units for gross proceeds of approximately \$4.0 million. Under the offering the Company sold 13,114,754 Units at a price of \$0.305 per unit, with each unit being comprised of one GreenPower common share and one-half share purchase warrant. Subject to market conditions and other factors the Company intends to raise additional capital in the future to fund and grow its business for the benefit of shareholders.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**19. Related Party Transactions**

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

	For the Years Ended		
	March 31, 2020	March 31, 2019	March 31, 2018
Salaries and Benefits (1)	\$ 455,067	\$ 289,840	\$ 225,000
Consulting fees (2)	263,750	382,875	293,400
Accommodation (3)	762	49,895	64,085
Truck and Trailer Rentals (4)	98,943	140,722	144,807
Options Vested (5)	240,996	252,804	571,130
<b>Total</b>	<b>\$ 1,059,518</b>	<b>\$ 1,116,136</b>	<b>\$ 1,298,422</b>

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

Accounts payable and accrued liabilities at March 31, 2020 included \$71,697 (March 31, 2019 - \$38,768, March 31, 2018 - \$57,755) 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.

Note payable as at March 31, 2020 includes \$nil (March 31, 2019 – \$172,259) owed to a company beneficially owned by the Chairman of the Company.

As at March 31, 2020, two companies beneficially owned by the Chairman and CEO of the Company had loans outstanding to the Company with a total value of CDN \$3,185,000 and USD \$120,000 (2019 – CDN \$1,430,000 and USD \$120,000). These loans were renewals of all outstanding loans to the two companies beneficially owned by the CEO and Chairman on December 30, 2019 and have a maturity date that is the earlier of (i) the date that the GreenPower completes an equity financing of more than Five Million Dollars (\$5,000,000) (ii) from receipt of proceeds on the sale of buses in excess of Ten Million Dollars (\$10,000,000) or (iii) April 15, 2021, and bear interest at a rate of 12.0% per annum. The Company has agreed to grant the lender in each of these loans a general security assignment on the assets of GreenPower Motor Company Inc., which will be subordinated to the BMO Bank of Montreal.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**19. Related Party Transactions (continued)**

During the year ended March 31, 2020, there were \$586,932 (March 31, 2019 - \$222,334) of shareholder loan repayments and related accrued interest, and \$1,823,771 (March 31, 2019 - \$1,000,427) of shareholder loan advances. Shareholder loan advances were made by the Company's CEO and Chairman to fund the ongoing operations and working capital requirements of the Company.

Loans payable to related parties of \$2,700,625 (March 31, 2019 - \$1,498,907) include the loans with terms described above, including accrued interest, and other loans payable to directors and officers, companies controlled by directors and officers, which are unsecured, are non-interest bearing and have no fixed terms of repayment.

A director of the Company and the Company's CEO and Chairman have both provided personal guarantees of USD \$2,510,000, or \$5,020,000 in total to support the Company's \$8 million operating line of credit. In consideration for these guarantees, the Company agreed to issue 4,400,000 non-transferrable common share purchase warrants exercisable at an exercise price of CDN \$0.65 per share that expire on June 29, 2021 and 4,800,000 non-transferrable common share purchase warrants exercisable at an exercise price of CDN \$0.60 per share that expire on March 14, 2022.

The outstanding balance of unconverted convertible debentures at March 31, 2020 (Note 14), includes CDN\$3,125,000 (March 31, 2019 – CDN\$3,075,000) principal balance owed to officers, directors and companies controlled by directors.

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

**20. Income Taxes**

Income tax expense is recognized based on management's best estimate of weighted average annual income tax rate for the full financial year applied to the pre-tax income of the reporting period. The Company's effective tax rate for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 was 27.00%, 27.00% and 26.25% respectively.

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

	For the year ended		
	March 31, 2020	March 31, 2019	March 31, 2018
Combined statutory tax rate	27.00%	27.00%	26.25%
Expected income tax expense (recovery)	\$ (1,389,411)	\$ (1,226,922)	\$ (888,337)
Items not deductible for tax purposes	378,391	124,866	193,900
Difference in tax rate in other jurisdictions	(68,861)	(63,785)	(124,699)
Effect of change in tax rates	(31)	180,534	(52,391)
Expiry of loss carryforwards	40,079	57,656	-
Unrecognized (recognized) loss carryforwards	1,039,833	927,651	261,527
Deferred income tax expense (recovery)	\$ -	\$ -	\$ (610,000)

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**20. Income Taxes (continued)**

The nature and effect of the temporary differences giving rise to the deferred income tax assets as of March 31, 2020 and March 31, 2019 are summarized below:

<b>Deferred income tax assets</b>	<b>As at</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Non-capital loss carry-forwards	\$ 4,563,405	\$ 3,733,613
Investment in subsidiary	88,653	94,196
Accounts, finance lease, and promissory note receivables	(180,759)	(82,399)
Capital assets	536,535	431,695
Resource properties	-	39,932
Right of use assets and lease liabilities	17,585	11,551
Warranty provision	200,496	98,279
Convertible debentures	(255,418)	(424,348)
Other carryforward balances	(7,150)	(3,205)
Share issue costs	112,060	23,617
Unrecognized deferred tax assets	(5,075,407)	(3,922,931)
<b>Net deferred income tax asset (liability)</b>	<b>\$ -</b>	<b>\$ -</b>

As at March 31, 2020 and March 31, 2019 the Company has approximately \$7,666,000 and \$7,043,000 respectively, of non-capital losses carry forwards available to reduce Canadian taxable income for future years. As at March 31, 2020 and March 31, 2019 the Company has approximately \$8,467,000 and \$6,139,000, respectively, of net operating losses carry forwards available to reduce future taxable income in the United States. The losses in Canada and United States expire between 2030 and 2040 if unused. The potential benefits of these carry-forward non-capital losses has not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

**21. Segmented Information and Other Additional Disclosures**

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

During the year ended March 31, 2020, the Company was economically dependent on four (2019 – one, 2018 – two) customers who accounted for more than 10% of revenue from continuing operations and in aggregate accounted for approximately 86% (2019: 80%, 2018: 100%) of sales.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**21. Segmented Information and Other Additional Disclosures (continued)**

The Company's revenues allocated by segment for the years ended March 31, 2020, 2019 and 2018 is summarized in the following table. Included in Vehicle sales revenue for the year ended March 31, 2020 is \$4,197,850 (2019 - \$622,420; 2018 – \$nil) received from government grants.

	For the Years Ended		
	March 31, 2020	March 31, 2019	March 31, 2018
Vehicle Sales	\$ 10,438,713	\$ 5,781,853	\$ 3,431,211
Revenue from operating and finance leases	2,920,719	264,699	-
Accretion on promissory note	39,019	36,009	4,779
Rental income	-	-	80,166
Service revenue	33,577	-	-
Finance income	68,375	-	-
<b>Total</b>	<b>\$ 13,500,403</b>	<b>\$ 6,082,561</b>	<b>\$ 3,516,156</b>

The Company's revenues allocated by geography for the years ended March 31, 2020, 2019 and 2018 is as follows:

	For the Years Ended		
	March 31, 2020	March 31, 2019	March 31, 2018
United States of America	\$ 13,461,384	\$ 6,046,552	\$ 1,647,556
Canada	39,019	36,009	1,868,600
<b>Total</b>	<b>\$ 13,500,403</b>	<b>\$ 6,082,561</b>	<b>\$ 3,516,156</b>

As at March 31, 2020 and March 31, 2019 the majority of the Company's consolidated non-current assets, being property and equipment, and finance lease receivable are located in the United States.

GreenPower incurred salaries and benefits of \$3,262,331 for the year ended March 31, 2020 (2019 - \$1,909,196, 2018 - \$1,271,673). These costs were allocated to the following expense categories, and to cost of sales, for each of these periods:

	For the Years Ended		
	March 31, 2020	March 31, 2019	March 31, 2018
Administrative Fees	\$ 3,128,304	\$ 1,778,178	\$ 1,053,123
Product development costs	-	-	76,340
Sales and marketing	30,000	120,000	75,000
Cost of sales	104,027	11,018	67,210
<b>Total</b>	<b>\$ 3,262,331</b>	<b>\$ 1,909,196</b>	<b>\$ 1,271,673</b>



**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**22. Warranty Liability**

The Company generally provides its customers with a base warranty on the entire transit, school or charter bus. The Company also provides certain extended warranties, including those covering brake systems, lower level components, fleet defect provisions and battery-related components, covering a warranty period of approximately one to five years, depending on the contract. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest past cost information may differ from future claims. It is expected that some of these costs will be incurred in the 2021 fiscal year and the remaining will be incurred beyond two years of the reporting date. The warranty provision is recorded at 3.5% of revenue from product sales.

	<b>For the Years Ended</b>	
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Opening balance	\$ 336,571	\$ 123,065
Warranty additions	462,370	215,786
Warranty disbursements	(100,078)	-
Foreign exchange translatio	(3,716)	(2,280)
<b>Total</b>	<b>\$ 695,147</b>	<b>\$ 336,571</b>
Current portion	\$ 121,944	\$ 84,707
Long term portion	573,203	251,864
<b>Total</b>	<b>\$ 695,147</b>	<b>\$ 336,571</b>

**23. Litigation and Legal Proceedings**

As of the date of this report the Company is not currently a party to any litigation or legal proceedings which are material, either individually or in the aggregate. The Company has filed a civil claim against the prior CEO and Director of the Company in the Province of British Columbia, 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, and a company for which the prior CEO and Director of the Company is a director has filed a claim against the Company in the State of California. The Company does not expect the outcome of either its claim, or the claim filed against it, to be material, and as of the date of this report the resolution of these claims, including the potential timing or financial impact of these claims is inherently uncertain.

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

**24. Supplemental Cash Flow Disclosure**

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

	For the Years Ended		
	March 31, 2020	March 31, 2019	March 31, 2018
Interest paid	\$ 965,548	\$ 683,223	\$ 287,888
Taxes paid	\$ -	\$ -	\$ -
<i>Non-cash investing and financing transactions:</i>			
Fair value assigned to warrants	\$ -	\$ 1,869,382	\$ 1,863,238
Fair value of stock options exercised	\$ 116,768	\$ 92,848	\$ 202,668
Fair value of warrants exercised	\$ 18,209	\$ -	\$ -
Fair value of the equity portion of convertible debentures	\$ -	\$ -	\$ 454,231
Accretion on promissory note receivable	\$ 39,019	\$ 36,009	\$ 208,013
Right of use asset acquired	\$ 172,404	\$ 767,326	\$ -
Assets transferred (to) from Inventory to (from) Property and equipment	\$ 212,890	\$ 70,899	\$ (594,481)

The following changes in liabilities arose from financing activities during the year ended March 31, 2020:

	31-Mar-19	Cash flows		Non cash changes				31-Mar-20
		Advances	Repayment	Conversion	Accretion	Recognize		
						Lease Liabilities	F/X Changes	
Loans payable to related parties	\$1,498,907	\$1,823,771	\$ (453,428)	\$ -	\$ -	\$ -	\$ (168,625)	\$2,700,625
Promissory note payable	461,135	-	(56,939)	-	-	-	-	404,196
Note payable	268,946	-	(276,258)	-	-	-	17,886	10,574
Convertible debentures	2,737,054	-	-	(23,673)	548,882	-	(267,127)	2,995,136
Lease liabilities	718,288	-	(231,574)	-	-	172,404	-	659,118
	\$5,684,330	\$1,823,771	\$ (1,018,199)	\$ (23,673)	\$548,882	\$ 172,404	\$ (417,866)	\$6,769,649

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

	31-Mar-18	Cash flows		Non cash changes					31-Mar-19
		Advances	Repayment	Conversion	Accretion	Reclassification	Recognize		
							Lease Liabilities	F/X Changes	
Loans payable to related parties	\$ 756,241	\$1,000,427	\$ (222,334)	\$ -	\$ -	\$ -	\$ -	\$ (35,427)	\$1,498,907
Promissory note payable	516,909	-	(55,774)	-	-	-	-	-	461,135
Note payable	-	-	(231,994)	-	-	500,940	-	-	268,946
Convertible debentures	2,892,416	-	(27,760)	(67,062)	469,725	(500,940)	-	(29,325)	2,737,054
Lease liabilities	-	-	(49,038)	-	-	-	767,326	-	718,288
	\$4,165,566	\$1,000,427	\$ (586,900)	\$ (67,062)	\$469,725	\$ -	\$ 767,326	\$ (64,752)	\$5,684,330

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

	31-Mar-17	Cash flows		Non cash changes					31-Mar-18
		Advances	Repayment	Conversion	Accretion	Reclassification	Warrants Issued	FV of Equity	
Promissory note payable	571,538	-	(54,629)	-	-	-	-	-	516,909
Convertible debentures	505,690	4,423,278	-	(36,245)	275,523	-	(1,821,599)	(454,231)	2,892,416
	\$1,249,554	\$4,961,493	\$ (92,713)	\$ (36,245)	\$275,523	\$ 83,784	\$ (1,821,599)	\$ (454,231)	\$4,165,566

**GREENPOWER MOTOR COMPANY INC.**  
**Notes to the Consolidated Financial Statements**  
**For the Years Ended March 31, 2020, 2019 and 2018**  
(Expressed in US Dollars)

---

**25. Events After the Reporting Period**

On April 29, 2020 the Company received \$361,900 under the U.S. Small Business Administration's Paycheck Protection Program and entered into a two-year promissory note with East West Bank for this financing, which accrues interest at 1.0% per annum. The Company may be eligible to convert all or a portion of the funds received under this financing into a grant based on payments made for eligible purposes including payroll, rent and mortgage interest.

On June 18, 2020 the Company issued 250,000 common shares pursuant to the conversion of a CAD\$100,000 convertible debenture (issued on October 12, 2017) which was converted at a price of CAD\$0.40 per share.

On June 29, 2020 the Company received a \$100,000 loan from a company that is beneficially owned by the CEO and Chairman of the Company have a maturity date that is the earlier of (i) the date that the GreenPower completes an equity financing of more than Five Million Dollars (\$5,000,000) (ii) from receipt of proceeds on the sale of buses in excess of Ten Million Dollars (\$10,000,000) or (iii) April 15, 2021, and bears interest at a rate of 12.0% per annum. The Company has agreed to grant the lender a general security assignment on the assets of GreenPower Motor Company Inc., which will be subordinated to the BMO Bank of Montreal.

On July 3, 2020 the Company announced that it will no longer be proceeding with its previously announced request to the TSX Venture Exchange for a temporary reduction of the conversion price of its convertible debentures for a thirty-day period.

On July 3, 2020 the Company granted 360,000 incentive stock options to employees and 100,000 stock options to an Investor Relations consultant, all of which are exercisable at a price of CAD\$0.70 per share. For the consultant, the stock options have a term of two years and vest 25% after each of 3 months, 6 months, 9 months and 12 months. For employees, the incentive stock options have a term of five years, and 25% vest 4 months after the grant date, 25% vest one year after the grant date, 25% two years after the grant date and 25% three years after the grant date.

On July 7, 2020 the Company issued 112,500 common shares pursuant to the conversion of a CAD\$45,000 convertible debenture (issued on October 12, 2017) which was converted at a price of CAD\$0.40 per share.

On July 8, 2020 the Company issued 750,000 common shares pursuant to the exercise of 750,000 warrants at a price of CAD\$0.50 per share, for gross proceeds of CAD\$375,000.