

GREENPOWER MOTOR COMPANY INC.
CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended March 31, 2024, 2023 and 2022 (Expressed in US
dollars)

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Consolidated Financial Statements
(Expressed in US Dollars)

For the Years Ended March 31, 2024, 2023, and 2022

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Report of Independent Registered Public Accounting Firm

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

Opinion on the Consolidated Financial Statements

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

Going Concern Uncertainty

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

Basis for Opinion

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

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



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

BDO Canada LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2022.

Vancouver, Canada

June 28, 2024



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Report of Independent Registered Public Accounting Firm (Withdrawal Pending)

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 statement of financial position of GreenPower Motor Company Inc. and subsidiaries (the “Company”) as of March 31, 2022, the related consolidated statements of operations and comprehensive loss, changes in equity (deficit) and cash flows for the years ended March 31, 2022 and 2021, 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, 2022 and 2021, and the results of its operations and its cash flows for the years ended March 31, 2022 and 2021, and in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter Regarding Going Concern Uncertainty

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

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”) (Withdrawal Pending) 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

June 30, 2022

GREENPOWER MOTOR COMPANY INC.

Consolidated Statements of Financial Position

As of March 31, 2024 and 2023

(Expressed in US Dollars)

	March 31, 2024	March 31, 2023
Assets		
Current		
Cash (Note 4)	\$ 1,150,891	\$ 600,402
Accounts receivable, net of allowances (Note 5)	2,831,942	10,406,906
Current portion of finance lease receivables (Note 6)	111,529	1,051,873
Promissory note receivable (Note 7)	-	159,171
Inventory (Note 8)	32,010,631	41,609,234
Prepays and deposits	748,362	328,584
	<u>36,853,355</u>	<u>54,156,170</u>
Non-current		
Finance lease receivables (Note 6)	1,046,855	1,918,483
Right of use assets (Note 9)	4,124,563	4,845,738
Property and equipment (Note 11, Note 22)	2,763,525	2,604,791
Restricted deposit (Note 10)	414,985	-
Other assets	1	1
	<u>\$ 45,203,284</u>	<u>\$ 63,525,183</u>
Liabilities		
Current		
Line of credit (Note 12)	\$ 7,463,206	\$ 6,612,232
Term loan facility (Note 13)	2,267,897	-
Accounts payable and accrued liabilities (Note 19)	2,977,251	7,316,267
Current portion of deferred revenue (Note 16)	7,066,145	8,059,769
Loans payable to related parties (Note 19)	-	3,287,645
Current portion of lease liabilities (Note 9)	630,207	669,040
Current portion of warranty liability (Note 20)	750,806	535,484
Current portion of deferred benefit of government assistance (Note 22)	-	18,374
Current portion of contingent liability (Note 22)	136,078	-
Current portion of term loan (Note 22)	-	1,467
	<u>21,291,590</u>	<u>26,500,278</u>
Non-current		
Deferred revenue (Note 16)	2,876,240	1,938,840
Lease liabilities (Note 9)	4,006,004	4,570,811
Contingent liability (Note 22)	1,255,668	-
Loans payable to related parties (Note 19)	2,432,180	-
Other liabilities	25,699	34,265
Term loan (Note 22)	-	608,751
Deferred benefit of government assistance (Note 22)	-	667,967
Warranty liability (Note 20)	1,749,084	1,542,265
	<u>33,636,465</u>	<u>35,863,177</u>
Equity		
Share capital (Note 14)	76,393,993	75,528,238
Reserves	14,305,642	13,066,183
Accumulated other comprehensive loss	(111,896)	(141,443)
Accumulated deficit	(79,020,920)	(60,790,972)
	<u>11,566,819</u>	<u>27,662,006</u>
	<u>\$ 45,203,284</u>	<u>\$ 63,525,183</u>

Nature and Continuance of Operations and Going Concern - Note 1

Events After the Reporting Period - Note 26

Approved on behalf of the Board on June 28, 2024

/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, 2024, 2023, and 2022

(Expressed in US Dollars)

	March 31, 2024	March 31, 2023	March 31, 2022
Revenue (Note 23)	\$ 39,271,839	\$ 39,695,890	\$ 17,236,773
Cost of Sales (Note 8)	33,914,237	32,445,836	13,360,068
Gross Profit	5,357,602	7,250,054	3,876,705
Sales, general and administrative costs			
Salaries and administration (Note 19)	8,814,561	7,394,085	5,807,744
Depreciation (Notes 9 and 11)	1,858,458	1,219,223	661,958
Product development costs	1,811,472	2,090,338	1,381,101
Office expense	1,607,459	920,468	419,398
Insurance	1,716,157	1,801,665	1,244,505
Professional fees	1,925,938	1,477,094	1,207,920
Sales and marketing	661,426	818,289	686,544
Share-based payments (Notes 15 and 19)	1,502,112	3,645,893	5,771,475
Transportation costs	212,263	324,773	231,472
Travel, accommodation, meals and entertainment	599,169	748,299	641,500
Allowance for credit losses (Notes 5, 7, and 17)	1,450,962	95,153	8,940
Total sales, general and administrative costs	22,159,977	20,535,280	18,062,557
Loss from operations before interest, accretion and foreign exchange	(16,802,375)	(13,285,226)	(14,185,852)
Interest and accretion	(1,554,858)	(1,549,769)	(515,668)
Other Income (Note 19, Note 11)	306,288	72,867	364,296
Foreign exchange gain (loss)	131,416	(30,897)	(65,117)
Loss from operations for the year	(17,919,529)	(14,793,025)	(14,402,341)
Other item			
Write down of assets (Notes 2.g., 6 and 22)	(423,267)	(250,832)	(607,579)
Loss for the year	(18,342,796)	(15,043,857)	(15,009,920)
Other comprehensive income / (loss)			
Cumulative translation reserve	29,547	(13,007)	(39,413)
Total comprehensive loss for the year	\$ (18,313,249)	\$ (15,056,864)	\$ (15,049,333)
Loss per common share, basic and diluted	\$ (0.74)	\$ (0.64)	\$ (0.69)
Weighted average number of common shares outstanding, basic and diluted	24,950,961	23,522,755	21,877,488

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

GREENPOWER MOTOR COMPANY INC.

Consolidated Statements of Changes in Equity For the Years ended March 31, 2024, 2023 and 2022

(Expressed in US Dollars)

	Share Capital		Reserves	Accumulated other comprehensive income (loss)	Accumulated Deficit	Total
	Number of Common shares	Amount				
Balance, March 31, 2021	20,892,560	\$ 61,189,736	\$ 6,677,123	\$ (89,023)	\$ (31,625,388)	\$ 36,152,448
Share issuance costs	-	(27,329)	-	-	-	(27,329)
Shares issued for exercise of warrants	1,925,656	7,305,834	(994,161)	-	-	6,311,673
Shares issued for exercise of options	329,822	2,365,880	(1,139,621)	-	-	1,226,259
Fair value of stock options forfeited	-	-	(276,000)	-	276,000	-
Share-based payments	-	-	5,771,475	-	-	5,771,475
Cumulative translation reserve	-	-	-	(39,413)	-	(39,413)
Net loss for the year	-	-	-	-	(15,009,920)	(15,009,920)
Balance, March 31, 2022	23,148,038	\$ 70,834,121	\$ 10,038,816	\$ (128,436)	\$ (46,359,308)	\$ 34,385,193
Share issuance costs	-	(216,803)	-	-	-	(216,803)
Shares issued for cash	1,565,268	4,895,826	-	-	-	4,895,826
Shares issued for exercise of options	3,322	15,094	(6,333)	-	-	8,761
Fair value of stock options forfeited	-	-	(612,193)	-	612,193	-
Share-based payments	-	-	3,645,893	-	-	3,645,893
Cumulative translation reserve	-	-	-	(13,007)	-	(13,007)
Net loss for the year	-	-	-	-	(15,043,857)	(15,043,857)
Balance, March 31, 2023	24,716,628	\$ 75,528,238	\$ 13,066,183	\$ (141,443)	\$ (60,790,972)	\$ 27,662,006
Share issuance costs	-	(14,904)	-	-	-	(14,904)
Shares issued for cash	188,819	520,892	-	-	-	520,892
Shares issued for exercise of options	85,715	359,767	(149,805)	-	-	209,962
Fair value of stock options forfeited	-	-	(112,848)	-	112,848	-
Share-based payments	-	-	1,502,112	-	-	1,502,112
Cumulative translation reserve	-	-	-	29,547	-	29,547
Net loss for the year	-	-	-	-	(18,342,796)	(18,342,796)
Balance, March 31, 2024	24,991,162	\$ 76,393,993	\$ 14,305,642	\$ (111,896)	\$ (79,020,920)	\$ 11,566,819

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

GREENPOWER MOTOR COMPANY INC.
Consolidated Statements of Cash Flows
For the Years Ended March 31, 2024, 2023 and 2022

(Expressed in US Dollars)

	March 31, 2024	March 31, 2023	March 31, 2022
Cash flows from (used in) operating activities			
Loss for the year	\$ (18,342,796)	\$ (15,043,857)	\$ (15,009,920)
Items not affecting cash			
Allowance for credit losses	1,450,962	95,153	8,940
Depreciation	1,854,728	1,219,223	661,958
Share-based payments	1,502,112	3,645,893	5,771,475
Accretion and accrued interest	723,199	826,584	(7,034)
Amortization of deferred financing fees	-	-	416,738
Write down of assets	423,267	250,832	607,579
Other income	(306,288)	(72,867)	(365,278)
Write down of inventory	1,078,854	192,000	153,798
Foreign exchange (gain) / loss	(131,416)	30,897	65,117
	(11,747,378)	(8,856,142)	(7,696,627)
Changes in non-cash working capital items:			
Accounts receivable	6,255,091	(7,377,311)	1,480,669
Inventory	8,752,609	(9,132,692)	(21,018,276)
Prepays and deposits	(419,778)	172,935	(73,373)
Finance lease receivables	132,138	425,383	287,947
Accounts payable and accrued liabilities	(4,339,016)	5,816,192	192,973
Deferred revenue	(337,484)	3,158,930	6,389,707
Warranty liability	571,570	1,034,766	93,232
	(1,132,248)	(14,757,939)	(20,343,748)
Cash flows from (used in) investing activities			
Proceeds from disposal of property and equipment, net of fees	-	874,184	-
Restricted deposits	(400,000)	-	-
Purchase of property and equipment	(361,533)	(355,993)	(536,093)
Lion truck body business combination	-	(215,000)	-
	(761,533)	303,191	(536,093)
Cash flows from (used in) financing activities			
Repayment of loans payable to related parties	(449,400)	-	-
Loans from related parties	-	3,043,734	-
Proceeds from (repayment of) line of credit	850,974	845,853	5,766,379
Proceeds from term loan facility	2,235,375	-	-
Proceeds from promissory note	30,111	15,055	-
Principal payments on promissory note	-	-	(346,166)
Payments on lease liabilities	(1,050,611)	(394,580)	(266,042)
Proceeds from issuance of common shares	520,892	4,895,826	-
Repayment of other liabilities	(8,566)	(8,566)	-
Equity offering costs	(14,904)	(216,803)	(27,329)
Proceeds from exercise of stock options	209,962	8,761	1,226,259
Proceeds from exercise of warrants	-	-	6,311,673
	2,323,833	8,189,280	12,664,774
Foreign exchange on cash	120,437	(22,452)	(104,559)
Net increase (decrease) in cash	550,489	(6,287,920)	(8,319,626)
Cash, beginning of year	600,402	6,888,322	15,207,948
Cash, end of year	\$ 1,150,891	\$ 600,402	\$ 6,888,322

Supplemental Cash Flow Disclosure Note 25

(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, 2024, 2023 and 2022
(Expressed in US Dollars)

1. Nature and Continuance of Operations and Going Concern

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

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

The consolidated financial statements were approved by the Board of Directors on June 28, 2024.

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

The Company’s operations are dependent upon its ability to raise capital and generate cash flows. As at March 31, 2024, the Company had a cash balance of \$1,150,891, working capital, defined as current assets less current liabilities, of \$15,561,765, accumulated deficit of (\$79,020,920), shareholders’ equity of \$11,566,819, and the Company recorded a loss of (\$18,342,796) for the year ended March 31, 2024. These consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The continuation of the Company as a going concern is dependent on future cash flows from operations including the successful sale and manufacture of electric buses to achieve a profitable level of operations and obtaining necessary financing to fund ongoing operations. The Company’s ability to achieve its business objectives is subject to material uncertainty which casts substantial doubt upon the Company’s ability to continue as a going concern. Management plans to address this material uncertainty by selling vehicles in inventory, collecting accounts receivable, accessing funds available from its operating line of credit and term loan facility with Export Development Canada (“EDC”) and, from time to time, and by seeking potential new sources of financing.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2024, 2023 and 2022
(Expressed in US Dollars)

2. Material Accounting Policy Information

(a) Basis of presentation

Statement of Compliance with IFRS

These annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and the 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:

Name of Subsidiary	Country of Incorporation	Ownership 31-Mar-24	Ownership 31-Mar-23	Principal Activity
GP GreenPower Industries Inc.	Canada	100%	100%	Holding company
GreenPower Motor Company, Inc.	United States	100%	100%	Electric bus manufacturing and distribution
0939181 BC Ltd.	Canada	100%	100%	Electric bus sales and leasing
San Joaquin Valley Equipment Leasing, Inc.	United States	100%	100%	Electric bus leasing
0999314 BC Ltd.	Canada	100%	100%	Inactive
Electric Vehicle Logistics Inc.	United States	100%	100%	Vehicle Transportation
GreenPower Manufacturing WV Inc.	United States	100%	100%	Electric bus manufacturing and distribution
GP Truck Body Inc.	United States	100%	N/A	Truck body manufacturing
Lion Truck Body Incorporated	United States	100%	100%	Truck body manufacturing
Gerui New Energy Vehicle (Nanjing) Co., Ltd.	China	100%	100%	Electric bus manufacturing and distribution
EA Green-Power Private Ltd.	India	100%	100%	Electric bus manufacturing and distribution

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

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2024, 2023 and 2022
(Expressed in US Dollars)

2. Material Accounting Policy Information (continued)

(c) Financial instruments

Classification

IFRS 9 requires a company to classify its financial instruments based on the way they are measured, into one of three categories: Amortized Cost, 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”).

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

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized through the Consolidated Statements of Operations. The Company did not have any liabilities classified as FVTPL as at March 31, 2024 and March 31, 2023.

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, 2024 and March 31, 2023.

Measurement

GreenPower initially measures its financial instruments at fair value and subsequently at amortized cost using the effective interest method. Transaction costs are included in the initial fair value measurement of the financial instruments, and the Company incorporates the expected credit loss in financial assets on a forward-looking basis. 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.

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. As at March 31, 2024 the Company recognized net allowance for credit losses of \$1,319,873 against its accounts receivable, (2023 – net \$94,791) (Note 5). The Company recognized an allowance for credit losses of \$131,089 on its promissory note receivable during the year ended March 31, 2024 (2023 – nil).

Lifetime expected losses will be recognized on financial assets for which there is a significant increase in credit risk after initial recognition. During the year ended March 31, 2024 the Company recognized an impairment of \$nil on accounts receivables (2023 - \$nil). During the year ended March 31, 2024 the Company recognized an impairment of \$423,267 on its finance lease receivables (2023 - \$nil).

GREENPOWER MOTOR COMPANY INC.
Notes to the Consolidated Financial Statements
For the Years Ended March 31, 2024, 2023 and 2022
(Expressed in US Dollars)

2. Material Accounting Policy Information (continued)

(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, 2024 and March 31, 2023 the Company had no cash equivalents.

(e) Revenue recognition

The majority of the Company's contracts have a single performance obligation, which is the delivery of goods, including electric vehicles, vehicle parts, and completed truck bodies. The Company recognizes revenue from these contracts with customers when a customer obtains control of the goods or services, and the Company satisfies its performance obligation to customers in exchange for consideration the Company expects to receive, net of discounts and taxes. Revenue for these contracts is allocated to the single performance obligation, which is the transfer of the asset, including vehicles, vehicle parts, and completed truck bodies. Payment terms vary by customer, and the range of payment terms can vary between requiring up front deposits, payment on receipt, or net terms of 30 days or longer in exceptional circumstances.

The Company has also recognized revenue from a contract under which the Company was reimbursed for certain costs incurred on a project over time. This revenue was recognized over the period earned, in accordance with the terms of the Contract. The Company has also earned vehicle transportation revenue, which is recognized when the transportation is completed. The Company is a lessor under certain lease contracts involving GreenPower all-electric vehicles. The recognition of lease revenue is discussed in note 2. (p).

When the period between the receipt of consideration and revenue recognition is greater than one year, the Company determines whether the financing component is significant to the contract. Where a contract is determined to have a significant financing component, the transaction price is adjusted to reflect the financing. The discount rate used in adjusting the promised amount of consideration is the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception. This rate is not subsequently adjusted for any other changes over the contract term.

(f) Warranty

GreenPower provides its customers with a warranty on its vehicles which typically have a term of five years. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest past cost information may differ from future claims. The warranty expense provision is booked as a percentage of revenue, which creates a Warranty liability from which actual disbursements are deducted as incurred. GreenPower had a warranty liability balance to cover future warranty expenditures of \$2,499,890 as at March 31, 2024 (2023 - \$2,077,749) (Note 20).

(g) Impairment of long-lived assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying

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2. Material Accounting Policy Information (continued)

(g) Impairment of long-lived assets (continued)

amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the Consolidated Statements of Operations for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. GreenPower recorded a writedown of assets of \$423,237 during the year ended March 31, 2024 that was recorded on finance lease receivables, a writedown of \$250,832 during the year ended March 31, 2023 that was booked against goodwill, and a writedown of \$607,579 during the year ended March 31, 2022 that was booked against property and equipment, accounts receivable, and a promissory note receivable.

(h) Foreign currency translation

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

<u>Entity</u>	<u>Functional Currency</u>
GreenPower Motor Company Inc. (parent)	U.S. Dollar
GP GreenPower Industries Inc.	Canadian Dollar
GreenPower Motor Company, Inc.	U.S. Dollar
0939181 BC Ltd.	Canadian Dollar
San Joaquin Valley Equipment Leasing, Inc.	U.S. Dollar
0999314 B.C. Ltd.	Canadian Dollar
Electric Vehicle Logistics Inc.	U.S. Dollar
GreenPower Manufacturing WV Inc.	U.S. Dollar
GP Truck Body Inc.	U.S. Dollar
Lion Truck Body Incorporated	U.S. Dollar
EA GreenPower Private Ltd.	U.S. Dollar
Gerui New Energy Vehicle (Nanjing) Co. Ltd.	RMB

Translation to functional currency

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

Translation to presentation currency

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

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

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2. Material Accounting Policy Information (continued)

(i) Inventory

Vehicle inventory is recorded at the lower of average cost and net realizable value with cost determined by vehicle model in accordance with standard input costs which are reviewed and updated over time based on actual costs. Parts inventory is valued at the lower of cost and net realizable value. WIP inventory is valued based on actual costs to bring the WIP to its current state of completion. The Company's inventory consists of work in process (including electric vehicles and truck bodies), parts, and finished goods. In determining net realizable value for new vehicles, the Company considers the cost, the average age of the vehicles, and recent sales of the same or similar models from inventory. For used vehicles, the Company considers the value of new inventory and compares this to the age and condition of used inventory, as well as sales (including leases) of same or similar used inventory, where available. When a vehicle in inventory is used for demonstration purposes it is transferred to property and equipment at the lesser of net book value and net realizable value (Note 11).

(j) Property, plant, and equipment

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

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

(k) Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive. GreenPower's loss per common share, basic and diluted, for the year ended March 31, 2024 was \$(0.74), (2023 - \$(0.64), 2022 - \$(0.69)), and excludes stock options (Note 15) from the calculation of diluted EPS for each period, as their effect would be anti-dilutive.

(l) Share capital

Common shares are classified as equity. Finder's fees and other related share issue costs, such as legal, regulatory, and printing, on the issue of the Company's shares are charged directly to share capital, net of any tax effects.

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2. Material Accounting Policy Information (continued)

(m) Share-based payment transactions

The Company grants share-based awards to certain officers, employees, directors and other eligible persons. The fair value of the equity-settled awards is determined at the date of the grant. The movement in cumulative expense is recognized in the Consolidated Statements of Operations with a corresponding entry against the related equity settled share-based payments reserve account over the vesting period. No expense is recognized for awards that do not ultimately vest. If the awards expire unexercised, the related amount remains in share-option reserve.

(n) Government grants and vouchers

Government vouchers are recognized in revenue when there is reasonable assurance that the voucher will be received and the Company will comply with all required conditions. Those vouchers without specified future performance conditions are recognized in income when the voucher proceeds are receivable. A grant that imposes specified future performance conditions is recognized in income when those conditions are met. Government grants in the form of forgivable loans, or other forms of government grants or assistance, are evaluated in accordance with IAS 20 and are recognized when there is reasonable assurance that the Company will meet the terms of the government grant or assistance.

(o) Provisions and contingent liabilities

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

(p) Leases

Definition of a lease

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

As a lessee

The Company recognizes a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, based on the initial amount of the lease liability. The assets are depreciated to the earlier of the end of the useful life of the right of use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, at the Company's incremental borrowing rate.

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2. Material Accounting Policy Information (continued)

(p) Leases (continued)

As a lessor

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

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

Amounts due from lessees under finance leases are recorded as finance lease receivables at the amount of the Company's net investment in the leases. Finance lease income is recognized as revenue by allocating the lease income to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term, included in Revenue in the consolidated statements of operations and comprehensive loss.

(q) Goodwill and Impairment

The Company is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. The Company did not record any goodwill during the year ended March 31, 2024. During the year ended March 31 2023, GreenPower acquired Lion Truck Body Inc., and recorded goodwill of \$250,832 on the acquisition (Note 22). This goodwill was tested at year-end, and was not supported by the estimated future cash flows of the business, and management concluded that the \$250,832 of goodwill from the acquisition was impaired and was therefore written off.

(r) Adoption of accounting standards

Certain new accounting standards have been published by the IASB that are effective for annual reporting periods beginning on or after January 1, 2023. These changes were reviewed by management and did not cause a change to the Company's financial statements.

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2. Material Accounting Policy Information (continued)

(s) Future accounting pronouncements

Certain new accounting standards have been published by the IASB that are not mandatory for the March 31, 2024 reporting period, as summarized in the following table:

Mandatorily effective for periods beginning on or after January 1, 2024	Mandatorily effective for periods beginning on or after January 1, 2025
IAS 1 – Presentation of Financial Statements (Non current liabilities with covenants)	IAS 21 – The effect of changes in Foreign Exchange Rates (effective Jan 1, 2025)
IAS 1 – Presentation of Financial Statements (classification of liabilities as current or non current)	IFRS 18 – Presentation and Disclosure in Financial Statements (effective Jan 1, 2027)
IAS 7 Statement of Cash Flows and IFRS 7 – Financial Instruments (Supplier finance arrangement disclosure requirements)	IFRS 19 – Subsidiaries without Public Disclosures (effective Jan 1, 2027)
IFRS 16 – Leases (liability in a sale and leaseback)	

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. Critical accounting estimates and judgements

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 circumstance

Critical accounting judgements

- i. The determination of the functional currency of the Company and of each entity within the consolidated Company (Note 2. h.).
- ii. The Company's ability to achieve its business objectives is subject to material uncertainty which casts substantial doubt upon the Company's ability to continue as a going concern (Note 1).
- iii. The determination that amounts representing the term loan that would be assumed from the acquisition of Lion Truck Body, which is subject to the seller obtaining the required consents for the assumption, should be classified as a contingent liability as at March 31, 2024 (Note 22).
- iv. The determination that loans payable to related parties outstanding as at March 31, 2024 is a non-current liability (Note 19).

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3. Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions

- a. The determination of the discount rates used to discount finance lease receivables (Note 6) and lease liabilities (Note 9)
- b. The estimated accrual rate for the warranty provision on the sale of all-electric vehicles (Note 20)
- c. The classification of leases as either financial leases or operating leases (Note 6, Note 2 p.).
- d. The determination that the Company is not involved in any legal matters that require a provision (Note 24)
- e. The determination of an allowance for doubtful accounts on the Company's trade receivables (Note 5)
- f. The valuation of tangible assets and financial liabilities acquired in the Lion Truck Body (LTB) Inc. transaction and the determination that \$250,832 in goodwill from the acquisition of Lion Truck Body Inc. was impaired as at March 31, 2023, and was written off (Note 22)
- g. The estimate of the useful life of equipment (Note 2.j, Note 11)
- h. The estimate of the net realizable value of inventory (Note 8)
- i. Estimates underlying the recognition of proceeds from government vouchers and grants (Note 2. n.)
- j. Estimates underlying the determination of the carrying value of the West Virginia lease liability and right of use asset (Note 9)
- k. Estimates underlying the calculation of deferred income tax assets and deferred income tax recovery (Note 21)
- l. The determination of overheads to be allocated to inventory and charged to cost of sales (Note 8)

4. Cash

As at March 31, 2024 the Company has a cash balance of \$1,150,891 (2023 - \$600,402). Both of these amounts were on deposit at major financial institutions in the United States. The Company has no cash equivalents as at March 31, 2024 or at March 31, 2023.

5. Accounts Receivable

The Company has evaluated the carrying value of accounts receivable as at March 31, 2024 in accordance with IFRS 9 and has determined that net allowance against accounts receivable of \$1,319,873 as at March 31, 2024 (2023 – net - \$94,791) is warranted. As at March 31, 2024 the Company had an accounts receivable net of allowances balance of \$2,831,942 (2023 - \$10,406,906). 2 customers (2023 – 2 customers) each represented more than 10% of this balance, and these customers in aggregate represented 30% (2023 - 67%) of the balance.

	March 31, 2024	March 31, 2023
Allowance for doubtful accounts, beginning of year	\$ 139,370	\$ 44,579
plus: new allowance recognized	1,459,243	139,370
less: allowance collected	(139,370)	(44,579)
Allowance for doubtful accounts, end of year	\$ 1,459,243	\$ 139,370

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6. Finance Lease Receivables

GreenPower's wholly owned subsidiaries San Joaquin Valley Equipment Leasing Inc. ("SJVEL") and 0939181 BC Ltd. lease vehicles to several customers, and as at March 31, 2024 the Company had a total of 8 (2023 – 45) vehicles on lease that were determined to be finance leases, and the Company had a total of 4 (2023 – 1) vehicles on lease that were determined to be operating leases. For operating leases, lease payments are recognized in revenue when earned. During the year-ended March 31, 2024, finance leases for two vehicles reached their maturity date and the lessee did not exercise its option to purchase the vehicles and they were returned to the Company, and the customer entered into finance leases for two new vehicles. During the year-ended March 31, 2023 finance leases for three vehicles reached their maturity date and the lessee purchased two of the vehicles and the third vehicle was repossessed during the year ended March 31, 2024.

During the year ended March 31, 2024, GreenPower provided a notice of default to a lessee of 37 vehicles, and the defaults were not cured so the leases were terminated and the vehicles were repossessed. In addition GreenPower booked an impairment of \$423,267 on finance lease receivables during the year ended March 31, 2024 (2023 - \$nil), due to delinquent payments on finance leases for five vehicles. Subsequent to the year ended March 31, 2024 GreenPower repossessed 6 other vehicles that were under lease due to non -payment, and GreenPower cancelled the leases (Note 26).

For the year ended March 31, 2024, selling profit on finance leases was \$53,924 (2023 - \$nil, 2022 - \$725,814).

The following table illustrates Finance Lease Receivables as at March 31, 2024 and as at March 31, 2023:

	March 31, 2024		March 31, 2023	
Finance lease receivable, beginning of year	\$	2,970,356	\$	3,395,739
Investment recognized		148,158		-
Investment derecognized		(1,334,921)		-
Impairment recognized		(423,267)		-
Lease payments received		(351,434)		(695,825)
Interest income recognized		149,492		270,442
Finance lease receivable, end of year	\$	1,158,384	\$	2,970,356
Current portion of Finance Lease Receivable	\$	111,529	\$	1,051,873
Long Term Portion of Finance Lease Receivable	\$	1,046,855	\$	1,918,483

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6. Finance lease receivables (continued)

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

		31-Mar-24
Year 1	\$	363,774
Year 2		363,774
Year 3		367,579
Year 4		346,200
Year 5		605,152
less: amount representing interest income		(888,095)
Finance Lease Receivable	\$	1,158,384
Current Portion of Finance Lease Receivable	\$	111,529
Long Term Portion of Finance Lease Receivable	\$	1,046,855

Subsequent to the year ended March 31, 2024, the Company repossessed 5 EV 250s under finance leases and one EV 350 on an operating lease due to the lessee's default under the leases. The carrying value of finance lease receivables for the 5 EV 250's that were repossessed in May 2024 was \$971,226 as at March 31, 2024.

7. Promissory Note Receivable

On February 1, 2023, the Company entered into a promissory note with a customer for a principal amount of \$173,072 to be repaid in twelve fixed monthly payments of \$15,055, with an implied interest rate of 8.0%. The principal amount of the promissory note was transferred from accounts receivable. During the year ended March 31, 2024 the Company recognized an allowance of \$131,089 on the Promissory note, in accordance with IFRS 9, due to delinquent payments on the promissory note. The carrying value of the promissory note receivable as at March 31, 2024 is \$nil, (2023-\$159,171).

8. Inventory

The following is a listing of inventory as at March 31, 2024 and 2023:

	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Parts	\$ 3,855,668	\$ 4,025,826
Work in Process	14,341,949	5,711,648
Finished Goods	13,813,014	31,871,760
Total	<u>\$ 32,010,631</u>	<u>\$ 41,609,234</u>

During the year ended March 31, 2024, management wrote down the value of inventory by \$1,078,854 (2023 - \$192,000; 2022 - \$153,798), and this amount is included in Cost of Sales. During the year ended March 31, 2024, \$31,179,514 of inventory was included in Cost of Sales (2023 - \$31,438,059, 2022 - \$13,360,068).

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9. Right of Use Assets and Lease Liabilities

The Company has recorded Right of Use Assets and Lease Liabilities in its consolidated statement of financial position related to properties for which the Company has entered into lease agreements that expire in more than one year at the inception of the leases. Rental payments on the Right of Use Assets are discounted using 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, 2024 the Company incurred interest expense of \$377,026 (2023 - \$229,743; 2022 - \$18,321) on the Lease Liabilities, recognized depreciation expense of \$785,306 (2023 - \$571,793; 2022 - \$233,500) on the Right of Use Assets and made total rental payments of \$1,050,611 (2023 - \$394,580; 2022 - \$284,363).

GreenPower entered into a Contract of Lease-Purchase with the South Charleston Development Authority for a property located in South Charleston, West Virginia during the year ended March 31, 2023. The terms of the lease required no cash up front and monthly lease payments that start May 1, 2023. GreenPower is eligible for up to \$1,300,000 forgiveness on the lease, calculated on a pro-rata basis for the employment up to 200 employees by December 31, 2024. GreenPower is also eligible for additional forgiveness of \$500,000 for every 100 employees above the first 200. Title to the property will be transferred to GreenPower once total lease payments and the amount of the forgiveness reach \$6.7 million. The lease liability recorded for this lease has not been reduced to reflect contingently forgivable amounts due to the uncertainty of the attainment of employment levels required to realize these lease liability reduction benefits.

The following table summarizes remaining payments on GreenPower's Lease Liabilities (undiscounted) as at March 31, 2024:

1 year	\$	957,685
thereafter		5,555,463
less amount representing interest expense		(1,876,937)
Lease liability		4,636,211
Current Portion of Lease Liabilities		630,207
Long Term Portion of Lease Liabilities	\$	4,006,004

Payments on leases that were classified as short-term leases for the year ended March 31, 2024 totaled \$91,312 (2023 - \$236,480, 2022 - \$132,500). Payments on short term leases are recognized in office expense, and remaining payments on short term leases as at March 31, 2024 total \$12,326.

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

Right of Use Assets, March 31, 2023	\$	4,845,738
Depreciation		(785,306)
Transfer to deposit		(5,000)
Additions during the period		69,131
Right of Use Assets, March 31, 2024	\$	4,124,563

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10. Restricted deposit

On June 23, 2023 the Company agreed to pledge a \$400,000 term deposit as security for an irrevocable standby letter of credit issued by a commercial bank to an insurance company that is providing the Company with a surety bond to support the Company's importation of goods to the United States. The term deposit has a term of one year and earns interest at a fixed rate of 4.9%. The surety bond was issued on June 28, 2023, has a term of one year and is automatically renewable for successive one-year terms unless cancelled by the bank with 45 days' notice or cancelled by the surety bond provider. The Company expects that the restricted deposit will be held as security for the standby letter of credit for a period of greater than one year.

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11. Property and Equipment

The following is a summary of activities for the years ended March 31, 2024, and March 31, 2023:

	Computers	Furniture	Automobiles	Demonstration Electric Vehicles	Leased Asset	Tools and Equipment	Land	Leasehold Improvements	Total
Cost									
Balance, March 31, 2022	\$ 242,854	\$ 100,811	\$ 589,420	\$ 2,727,455	\$ 672,151	\$ 1,377,357	\$ 801,317	\$ 163,979	\$ 6,675,344
Additions	75,406	22,894	49,845	14,678	-	185,954	-	7,215	355,992
Acquired in Acquisition	214	71	75,500	-	-	136,118	-	56,349	268,252
Asset sold	-	-	-	-	-	-	(801,317)	-	(801,317)
Balance, March 31, 2023	\$ 242,854	\$ 100,811	\$ 589,420	\$ 2,727,455	\$ 672,151	\$ 1,377,357	\$ -	\$ 163,979	\$ 5,874,027
Transfers from inventory	-	-	-	874,278	-	-	-	-	874,278
Additions	-	-	-	-	-	334,575	-	26,958	361,533
Balance, March 31, 2024	\$ 242,854	\$ 100,811	\$ 589,420	\$ 3,601,733	\$ 672,151	\$ 1,711,932	\$ -	\$ 190,937	\$ 7,109,838
Depreciation									
Balance, March 31, 2022	77,799	35,412	82,901	931,347	667,342	769,356	-	43,625	\$ 2,607,782
Depreciation	64,820	12,912	67,441	282,957	4,809	194,875	-	34,338	662,152
Foreign exchange translation	-	-	-	(698)	-	-	-	-	(698)
Balance, March 31, 2023	\$ 142,619	\$ 48,324	\$ 150,342	\$ 1,213,606	\$ 672,151	\$ 964,231	\$ -	\$ 77,963	\$ 3,269,236
Depreciation	62,128	10,931	70,900	581,355	-	305,692	-	42,146	1,073,152
Foreign exchange translation	-	-	-	3,925	-	-	-	-	3,925
Balance, March 31, 2024	\$ 204,747	\$ 59,255	\$ 221,242	\$ 1,798,886	\$ 672,151	\$ 1,269,923	\$ -	\$ 120,109	\$ 4,346,313
Carrying amounts									
As at, March 31, 2023	\$ 100,235	\$ 52,487	\$ 439,078	\$ 1,513,849	\$ -	\$ 413,126	\$ -	\$ 86,016	\$ 2,604,791
As at, March 31, 2024	\$ 38,107	\$ 41,556	\$ 368,178	\$ 1,802,847	\$ -	\$ 442,009	\$ -	\$ 70,828	\$ 2,763,525

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11. Property and Equipment (continued)

During the year ended March 31, 2024, the Company transferred vehicles from inventory with a carrying value of \$874,278 to Property and Equipment. The transferred vehicles are comprised of four EV Stars, one Nano BEAST, one BEAST and one EV 550.

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

12. Line of Credit

The Company's primary bank account denominated in US dollars is linked to its Line of Credit such that funds deposited to the bank account reduce the outstanding balance on the Line of Credit. As at March 31, 2024 the Company's Line of Credit had a credit limit of up to \$8,000,000 (2023 - \$8,000,000). The Line of Credit bears interest at the bank's US Base Rate (March 31, 2024 – 9.0%, March 31, 2023 – 8.0%) plus a margin of 2.0% (2023 – 1.5%).

The Line of Credit is secured by a general floating charge on the Company's assets and the assets of one of its subsidiaries, and one of the Company's subsidiaries has provided a corporate guarantee. Two directors of the Company have provided personal guarantees for a total of \$5,020,000. The Line of Credit contains customary business covenants such as maintenance of security, maintenance of corporate existence, and other covenants typical for a corporate operating line of credit, and the Line of Credit has one financial covenant, to maintain a current ratio, defined as current assets over current liabilities, of greater than 1.2:1, for which the Company is in compliance as at March 31, 2024 and March 31, 2023. In addition, the availability of the credit limit over \$5,000,000 is subject to margin requirements of a percentage of finished goods inventory and accounts receivable. As of March 31, 2024, the Company had a drawn balance of \$7,463,206 (2023 - \$6,612,232) on the Line of Credit.

13. Term loan facility

During February 2024, the Company entered into a \$5,000,000 revolving loan facility (the "Loan") with Export Development Canada ("EDC"). The Loan is used to finance working capital investments to deliver all-electric vehicles to customers under purchase orders approved by EDC. The Loan allows advances over a 24-month period, has a term of 36 months, and bears interest at a floating rate of US Prime + 5% per annum. The Company has granted EDC a first and second ranking security interest over property of the Company and certain subsidiaries, and the Company and certain subsidiaries have provided Guarantees to EDC. The Company and FWP Holdings LLC entered into a postponement and subordination agreement with the term loan facility lender under which the parties agreed that the loans from FWP Holdings LLC would be subordinate to the lender's security interests and that no payment will be made on the loans from FWP Holdings LLC before the full repayment of the term loan facility (Note 19).

The term loan facility has two financial covenants. The first covenant is reported quarterly, and is to maintain a current ratio, defined as current assets over current liabilities, of greater than 1.2 to 1.0. The Company is in compliance with this covenant as at March 31, 2024.

The second covenant commences at the 2026 fiscal year end, will be reported quarterly, and is to maintain a debt service coverage ratio of 1.25 to 1.0. The debt service coverage ratio is defined as EBITDA for the trailing four quarters, divided by the sum of debt payments, capital lease payments, and interest expense, each for the trailing four quarters.

As at March 31, 2024 the balance outstanding on the term loan facility, including fees and accrued interest, was \$2,267,897 (March 31, 2023 - \$nil).

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14. 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, 2024, the Company issued a total of 274,534 common shares, including 188,819 shares issued under the At the Market Offering (ATM), and 85,715 shares from the exercise of options.

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

During the year ended March 31, 2022, the Company issued a total of 2,255,478 common shares, including 1,925,656 shares from the exercise of warrants, and 329,822 shares from the exercise of options.

At the Market Offering

In September 2022, the Company filed a prospectus supplement to its short form base shelf prospectus, pursuant to which the Company may, at its discretion and from time to time, sell common shares of the Company for aggregate gross proceeds of up to US\$20,000,000. The base shelf prospectus was filed in October 2021, and was effective for a period of 25 months until November 2023. The Company filed a new base shelf prospectus in January 2024.

The sale of common shares under the prospectus supplement was made through ATM distributions on the NASDAQ stock exchange. During the year ended March 31, 2024, the Company sold 188,819 common shares under the ATM program for gross proceeds of \$520,892 before transaction fees. The ATM expired in November 2023 due to the expiry of the base shelf prospectus.

The Company incurred approximately \$14,904 in professional fees and other direct expenses in connection with the ATM, which was included in share issuance costs for the year ended March 31, 2024 (2023 - \$216,803; 2022 - \$nil).

Offering subsequent to year-end

On May 9, 2024 the Company completed an underwritten offering of 1,500,000 common shares and warrants to purchase 1,575,000 common shares for gross proceeds of \$2,325,750 before deducting underwriting discounts and offering expenses. The warrants have an exercise price of \$1.82 per share and expire three years from the date of issuance.

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15. Stock Options

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

2023 Plan

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

2022 Plan

Effective April 19, 2022 GreenPower adopted the 2022 Equity Incentive Plan (the “2022 Plan”), which was further ratified and re-approved by shareholders at our AGM on March 27, 2024, and which replaced the 2019 Plan. Under the 2022 Plan the Company can grant equity-based incentive awards in the form of stock options (“Options”), restricted share units (“RSUs”), performance share units (“PSUs”) and deferred share units (“DSUs”). RSU’s, DSU’s and PSU’s are collectively referred to as “Performance Based Awards”. The 2022 Plan is a Rolling Plan for Options and a fixed-plan for Performance-Based Awards such that the aggregate number of Shares that: (i) may be issued upon the exercise or settlement of Options granted under the 2022 Plan (and all of the Company’s other Security-Based Compensation Arrangements), shall not exceed 10% of the Company’s issued and outstanding Shares from time to time, and (ii) may be issued in respect of Performance-Based Awards granted under the 2022 Plan (and all of the Company’s other Security-Based Compensation Arrangements) shall not exceed 2,499,116. No performance-based awards have been issued as at March 31, 2024 or as at March 31, 2023. The 2022 Plan is considered an “evergreen” plan, since Options which have been exercised, cancelled, terminated, surrendered, forfeited or expired without being exercised shall be available for subsequent grants under the 2022 Plan and the number of awards available to grant increases as the number of issued and outstanding Shares increases.

Stock Option Plans from Prior Periods

On May 14, 2019, the Company replaced the 2016 Plan with a Rolling Stock Option Plan (the “2019 Plan”). Under the terms of the 2019 Plan, the aggregate number of Options that can be granted under the 2019 Plan cannot exceed ten (10%) of the total number of issued and outstanding Shares, calculated on a non-diluted basis. The exercise price of options granted under the 2019 Plan may not be less than the minimum prevailing price permitted by the TSXV policies with a maximum term of 10 years. On March 9, 2016, the shareholders approved the previous stock option plan which initially allowed for the issuance of up to 1,491,541 shares and which was subsequently further increased to allow up to 2,129,999 shares to be issued under the plan (the “2016 Plan”). Prior to the adoption of the 2016 Plan, the Company had adopted an incentive stock option plan (the “Plan”), whereby it could grant options to directors, officers, employees, and consultants of the Company.

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15. Stock options (continued)

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

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

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

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

- 360,000 stock options to officers and directors which vest 25% after 4 months, and then 25% after six months, nine months and twelve months;
- 60,000 stock options to an officer and director which vest 20% after 4 months, 20% after 6 months, 30% after 288 days, and 30% after 12 months;
- 110,000 stock options to employees which vest 25% after 4 months, and then 25% after years 1, 2, and 3;
- 40,000 stock options to employees which vest 50% after 288 days, and then then 25% after years 2, and 3;
- 35,000 stock options to consultants which vest 25% after 4 months, and then 25% after years 1, 2, and 3;

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

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

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15. Stock options (continued)

Subsequent to the end of the reporting period, between April 1, 2024 and June 30, 2024, 55,642 stock options exercisable at a weighted average share price of CDN \$10.09 were forfeited, and on June 28, 2024 the Company issued 20,000 stock options exercisable at CDN \$1.40 per share that expire on June 28, 2029 (Note 26).

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

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

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

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

- 420,000 stock options to officers and directors which vest 25% after 4 months, and then 25% after six months, nine months and twelve months;
- 225,000 stock options to employees which vest 25% after 4 months, and then 25% after years 1, 2, and 3;
- 15,000 stock options to a consultant which vest 25% after 4 months, and then 25% after six months, nine months and twelve months;

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

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15. Stock Options (continued)

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

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

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

Expiry Date		Exercise Price	Balance March 31, 2021	Granted	Exercised	Forfeited or Expired	Balance March 31, 2022
October 27, 2021	CDN	\$ 4.34	71,429	-	(71,429)	-	-
February 2, 2022	CDN	\$ 5.25	65,286	-	(57,144)	(8,142)	-
May 26, 2022	CDN	\$ 5.25	148,214	-	(142,857)	-	5,357
December 18, 2022	CDN	\$ 3.15	25,000	-	(10,714)	-	14,286
May 4, 2023	CDN	\$ 3.50	70,357	-	(1,786)	-	68,571
November 30, 2023	CDN	\$ 3.01	50,000	-	-	-	50,000
February 12, 2024	CDN	\$ 3.50	78,571	-	(5,357)	-	73,214
January 30, 2022	CDN	\$ 2.59	19,643	-	(1,786)	(17,857)	-
January 30, 2025	CDN	\$ 2.59	309,822	-	(26,964)	(1,071)	281,787
July 3, 2022	CDN	\$ 4.90	7,143	-	(7,143)	-	-
February 11, 2025	CDN	\$ 8.32	-	50,000	-	-	50,000
July 3, 2025	CDN	\$ 4.90	49,643	-	(4,642)	(3,214)	41,787
November 19, 2025	US	\$ 20.00	300,000	-	-	-	300,000
December 4, 2025	US	\$ 20.00	20,000	-	-	-	20,000
May 18, 2026	CDN	\$ 19.62	-	173,650	-	(34,000)	139,650
December 10, 2026	CDN	\$ 16.45	-	693,000	-	(35,000)	658,000
Total outstanding			1,215,108	916,650	(329,822)	(99,284)	1,702,652
Total exercisable			882,964				700,957
Weighted Average Exercise Price (CDN\$)			\$9.35	\$16.61	\$4.70	\$13.60	\$12.94
Weighted Average Remaining Life			3.1 years				3.5 years

As at March 31, 2022, there were 612,152 stock options available for issuance under the 2019 plan. During the year ended March 31, 2022, 99,284 options were forfeited or expired.

On May 18, 2021 the Company granted 173,650 options to employees with a term of five years and an exercise price of CDN\$19.62 per share which vest 25% after 4 months, after years 1, 2, and 3.

On December 10, 2021 the Company granted 693,000 options with a term of five years and an exercise price of CDN\$16.45 per share, comprised of:

- 350,000 stock options to officers and directors which vest 25% after 4 months, and then 25% after six months, nine months and twelve months;
- 278,000 stock options to employees which vest 25% after 4 months, and then 25% after years 1, 2, and 3;
- 65,000 stock options to two consultants which vest 25% after 4 months, and then 25% after six months, nine months and twelve months.

On February 11, 2022 the Company granted 50,000 stock options to an employee. The stock options have an exercise price of CDN\$8.32 per share, a term of 3 years, and are exercisable after six months.

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15. Stock Options (continued)

During the year ended March 31, 2022, 329,822 common shares were issued pursuant to the exercise of stock options.

During the year ended March 31, 2022, the Company incurred share-based compensation expense with a measured fair value of \$5,771,475. The fair value of the options granted and vested were recorded as share-based payments on the Consolidated Statements of Operations.

The weighted average share price on the exercise dates for the years ending March 31, 2024, 2023, and 2022 respectively were CDN \$3.85, CDN \$8.06, and CDN \$10.87.

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

For the year ended	March 31, 2024	March 31, 2023	March 31, 2022
Share price on grant date	CDN \$2.72	CDN \$3.66	CDN \$16.61
Exercise price	CDN \$2.72	CDN \$3.66	CDN \$16.61
Risk-free interest rate	3.40%	3.22%	1.23%
Expected life of options	5 years	5 years	4.9 years
Annualized volatility	103%	101%	94%
Forfeiture rate	Nil	Nil	Nil
Dividend rate	N/A	N/A	N/A

16. Deferred Revenue

The Company recorded Deferred Revenue of \$9,942,385 for deposits received from customers for the sale of all-electric vehicles which were not delivered as at March 31, 2024 (March 31, 2023 - \$9,998,609). The following table summarizes changes in deferred revenue during the years ended March 31, 2024 and March 31, 2023:

	March 31, 2024	March 31, 2023
Deferred Revenue, beginning of year	\$ 9,998,609	\$ 6,514,712
Additions to deferred revenue during the year	4,361,857	11,576,344
Deposits returned	(234,415)	(302,298)
Revenue recognized from deferred revenue during the year	(4,183,666)	(7,790,149)
Deferred Revenue, end of year	\$ 9,942,385	\$ 9,998,609
Current portion	\$ 7,066,145	\$ 8,059,769
Long term portion	2,876,240	1,938,840
	\$ 9,942,385	\$ 9,998,609

The Company expects to recognize revenue from amounts held in the current portion of deferred revenue within the next twelve months, based on expected deliveries of vehicles and from completed sales of vehicle parts. The Company expects to recognize revenue from amounts held in the long-term portion of deferred revenue more than twelve months after the reporting date. As at March 31, 2024 the current portion of deferred revenue includes a financing component of \$324,265 (2023 – \$324,967), and during the year ended March 31, 2024, \$36,030 of this deferred revenue was recognized in revenue (2023 – \$83,437).

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17. Financial Instruments

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

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

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

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

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

The fair value of the Company's financial instruments approximates their carrying value, unless otherwise noted.

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

Credit risk

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

Cash consists of cash bank balances held in major financial institutions in Canada and the United States with a high credit quality and therefore the Company is exposed to minimal risk. The Company assesses the credit risk of its account receivable, finance lease receivables and promissory note receivable at each reporting period end and on an annual basis. As at March 31, 2024 the Company recognized net allowance for credit losses of \$1,319,873 (2023 - net - \$94,791) against its accounts receivable (Note 5), and an allowance for credit losses of \$131,089 on its promissory note (Note 7) (2023 – nil), as summarized in the table below:

<u>Allowance for credit losses for the year ended March 31, 2024</u>	
Allowance for doubtful accounts on accounts receivable	\$ 1,459,243
(less allowance collected during the year)	(139,370)
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Net additions to allowance for doubtful accounts on accounts receivable	\$ 1,319,873
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plus net additions to allowance for doubtful accounts on promissory note receivable	131,089
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Allowance for credit losses	\$ 1,450,962
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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 continuation of the Company as a going concern is dependent on future cash flows from operations including the successful sale and manufacture of electric vehicles to achieve a profitable level of operations and obtaining necessary financing to fund ongoing operations. The Company's ability to achieve its business objectives is subject to material uncertainty which casts substantial doubt upon the Company's ability to continue as a going concern (Note 1). The Company will continue to rely on additional financings to further its operations and meet its capital requirements.

The following table summarizes the Company's financial commitments by maturity as at March 31, 2024:

March 31, 2024	Less than 3 months	3 to 12 months	One to five years	Thereafter
Line of credit (Note 1)	\$ 7,463,206	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	2,977,251	-	-	-
Loans payable to related parties	-	-	2,549,120	-
Lease liabilities	261,355	696,329	3,055,463	2,500,000
Term loan facility	-	2,267,897	-	-
Contingent liabilities	-	136,078	166,810	1,088,858
Other liabilities	-	-	25,699	-
	\$ 10,701,812	\$ 3,100,304	\$ 5,797,092	\$ 3,588,858

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

As part of the acquisition of Lion Truck Body Inc. that closed on July 7, 2022, the Company would assume a term loan from the seller subject to the seller obtaining the required consents to allow for the assumption of the term loan with principal outstanding of approximately of approximately \$1.5 million as at July 7, 2022, an interest rate of 3.75%, a maturity in May 2050, and fixed monthly payments. As at March 31, 2024 the seller has not obtained the required consents for the assumption of the loan and GreenPower has classified the potential assumption of this loan as a contingent liability, per IAS 37, as the assumption of the loan by GreenPower is subject to events that are beyond the Company's control and there is considerable uncertainty over the occurrence of these events (Note 22).

Market risks

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange. The Company is exposed to interest rate risk with respect to its line of credit (Note 12) and its term loan facility (Note 13). Assuming the drawn amounts on the line of credit and term loan facility are unchanged, a 1% change in the base rate or prime rate applicable to these two liabilities would result in a change of approximately \$97,000 to comprehensive income/loss.

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

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17. Financial Instruments (continued)

As at March 31, 2024, the Company was exposed to currency risk through the following financial assets and liabilities in CDN Dollars.

	CAD
Cash	\$ 137,887
Accounts Receivable	\$ 66,935
Prepays and deposits	\$ 147,866
Finance Lease Receivable	\$ 65,315
Accounts Payable and Accrued Liabilities	\$ (219,636)
Related Party Loan & Interests Payable	\$ (3,779,798)

The CDN/USD exchange rate as at March 31, 2024 was \$0.738 (March 31, 2023 - \$0.7389). 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 \$358,000 to comprehensive income/loss.

18. Capital Management

The Company's capital management objective is to obtain sufficient capital to develop new business opportunities for the benefit of its shareholders. To meet these objectives, management monitors the Company's ongoing capital requirements on specific business opportunities on a case-by-case basis. The capital structure of the Company consists of cash, a line of credit, a term loan facility, loans from related parties and equity attributable to common shareholders, consisting of issued share capital and deficit.

As at March 31, 2024, the Company had a cash balance of \$1,150,891 working capital, defined as current assets minus current liabilities, of \$15,561,765 accumulated deficit of (\$79,020,920) and shareholders' equity of \$11,566,819. Subsequent to the end of the reporting period, on May 9, 2024 the Company completed an underwritten offering of 1,500,000 common shares and warrants to purchase 1,575,000 common shares for gross proceeds of \$2,325,750 before deducting underwriting discounts and offering expenses. The warrants have an exercise price of \$1.82 per share and expire three years from the date of issuance (Note 26). Subject to market conditions and other factors, the Company may raise additional capital in the future to fund and grow its business for the benefit of shareholders. There has been no change to the Company's approach to financial management during the year ended March 31, 2024.

19. Related Party Transactions

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

	For the Years Ended		
	31-Mar-24	31-Mar-23	31-Mar-22
Salaries and Benefits (1)	\$ 562,160	\$ 580,774	\$ 575,255
Consulting fees (2)	541,623	396,250	396,456
Non-cash Options Vested (3)	874,321	2,100,717	3,242,528
Total	\$ 1,978,104	\$ 3,077,741	\$ 4,214,239

- 1) Salaries and benefits incurred with directors and officers are included in salaries and administration on the Consolidated Statements of Operations and Comprehensive Loss.

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19. Related Party Transactions (continued)

- 2) Consulting fees included in Salaries and administration on the Consolidated Statements of Operations and Comprehensive Loss are paid to the Chairman and CEO for management consulting services, and includes Director's Fees paid to GreenPower's four independent directors.
- 3) Amounts recognized for related party stock-based compensation are included in Share-based payments on the Consolidated Statements of Operations.

Accounts payable and accrued liabilities at March 31, 2024 included \$105,676 (March 31, 2023 – \$208,215) owed to officers, directors, and companies controlled by officers and directors, and shareholders, which is non-interest bearing, unsecured and has no fixed terms of repayment.

During the year ended March 31, 2023, the Company received loans totaling CAD\$3,670,000 and US\$25,000 from FWP Holdings LLC, a company that is beneficially owned by the CEO and Chairman of the Company, and CAD\$250,000 was loaned to the Company from Countryman Investments Ltd., a company beneficially owned by a Director of the Company. The loans bear interest at 12.0% per annum plus such additional bonus interest, if any, as may be agreed to and approved by GreenPower's Board of Directors at a later date.

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

The remaining loans from FWP Holdings LLC matured on March 31, 2023, however the CAD \$3,670,000 principal balance is outstanding as at March 31, 2024. During the year ended March 31, 2024, \$328,829 of interest was expensed on related party loans (2023 - \$238,321, 2022 - \$nil). The Company has agreed to grant FWP Holdings LLC a general security assignment on the assets of GreenPower Motor Company Inc., which will be subordinated to any security assignment of senior lenders. The Company and FWP Holdings LLC entered into a postponement and subordination agreement with the term loan facility lender under which the parties agreed that the loans from FWP Holdings LLC would be subordinate to the lender's security interests and that no payment will be made on the loans from FWP Holdings LLC before the full repayment of the term loan facility (Note 13). As a result, loans from related parties are considered non-current liabilities, and this change is considered a substantial modification pursuant to IFRS 9, which requires that the loan is extinguished and revalued as at the date of the change, which resulted in a non-cash gain of \$306,288 as at March 31, 2024 (2023 – nil).

A director of the Company, David Richardson, and the Company's CEO and Chairman Fraser Atkinson, have each provided personal guarantees of \$2,510,000, or \$5,020,000 in total to support the Company's \$8 million operating line of credit (Note 12).

20. Warranty Liability

The Company provides its customers with a warranty on its vehicles with specific coverage for brake systems, lower-level components, fleet defect provisions and battery-related components. The majority of warranties cover a period of five years, with some variation depending on the contract. Management estimates the related provision for future warranty claims based on historical warranty claim information as well as recent trends that might suggest past cost information may differ from future claims. This assessment relies on estimates and assumptions about expenditures on future warranty claims. Actual warranty disbursements are inherently uncertain, and differences may impact cash expenditures on these claims. It is expected that the Company will incur approximately \$750,000 in warranty costs within the next twelve months, with disbursements for the remaining warranty liability incurred after this date. An accrual for expected future warranty expenditures are recognized in the period when the revenue is recognized from the associated vehicle sale, and is expensed in product development costs in the Company's sales, general

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20. Warranty Liability (continued)

and administrative costs. Assuming revenue in each year remains unchanged, an increase or decrease of 5% to the warranty provision would have a corresponding increase or decrease of product development costs of approximately \$67,000 for the year ended March 31, 2024 (2023 - \$69,000).

	Year ended		Year ended	
	March 31, 2024		March 31, 2023	
Opening balance	\$	2,077,750	\$	1,042,983
Warranty additions		1,343,838		1,375,673
Warranty disbursements		(774,174)		(339,349)
Warranty expiry		(147,108)		-
Foreign exchange translation		(416)		(1,558)
Total	\$	2,499,890	\$	2,077,749
Current portion	\$	750,806	\$	535,484
Long term portion		1,749,084		1,542,265
Total	\$	2,499,890	\$	2,077,749

21. Income Taxes

Income tax expense is recognized based on the combined BC and Federal income tax rate for the full financial year applied to the pre-tax income of the reporting period. The Company's effective tax rate for the years ended March 31, 2024, was 27.0% and for the years ended March 31, 2023 and 2022 was 27.0%.

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

	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Combined statutory tax rate	27%	27%	27%
Expected income tax expense (recovery)	\$ (4,952,555)	\$ (4,061,841)	\$ (4,052,678)
Items not deductible for tax purposes	413,506	1,276,004	1,671,157
Difference in tax rate in other jurisdictions	(129,075)	(51,259)	(216,059)
Unrecognized deductible temporary differences and loss carryforwards	4,668,124	2,837,096	2,597,580
Deferred income tax expense (recovery)	\$ -	\$ -	\$ -

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21. Income Taxes (continued)

The nature and effect of the temporary differences giving rise to the deferred income tax assets as of March 31, 2024 and March 31, 2023 are summarized below:

Deferred income tax assets	As at	
	March 31, 2024	March 31, 2023
Non-capital loss carry-forwards	\$ 13,408,326	\$ 10,504,646
Capital assets	398,144	184,443
Right of use assets and lease liabilities	143,159	110,287
Warranty provision	687,038	557,217
Deferred revenue	1,097,524	-
Share issue costs	208,406	413,177
Other carryforward balances	697,502	94,199
Unrecognized deferred tax assets	(16,640,100)	(11,863,970)
Net deferred income tax asset	\$ -	\$ -

As at March 31, 2024 and March 31, 2023 the Company has approximately \$20,150,000 and \$15,990,000 respectively, of non-capital losses carry forwards available to reduce Canadian taxable income for future years. As at March 31, 2024 and March 31, 2023 the Company has approximately \$31,200,000 and \$22,640,000 respectively, of net operating losses carry forwards available to reduce future taxable income in the United States. The losses in Canada and United States expire between 2031 and 2044 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.

22. Acquisition of Lion Truck Body and Contingent Liability

On July 7, 2022 GreenPower entered into an asset purchase agreement with Lion Truck Body Inc., a truck body manufacturer located in Torrance, CA, under which Greenpower purchased all of the assets of the business through its wholly owned subsidiary, Lion Truck Body Incorporated. GreenPower accounted for the acquisition of the net assets of Lion Truck Body Inc. as a business combination under IFRS 3.

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

As at March 31, 2023 management determined that the fair value of the term loan as at the acquisition date, assuming a market rate of interest, was approximately \$0.6 million. In addition, management previously determined that the below market rate of interest on the loan represents government assistance and previously accounted for this assistance in accordance with IAS 20, by booking a deferred benefit of government assistance of \$0.7 million at the acquisition date, which was to be recognized in earnings over the term of the loan. Amounts that were previously recognized as a term loan and deferred benefit of government assistance, as well as certain accounts payable and accrued liabilities associated with the loan, were recognized as a contingent liability as at March 31, 2024.

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22. Acquisition of Lion Truck Body and Contingent Liability (continued)

As at the acquisition date, the determination of the fair value of the assumed loan and of the deferred benefit of government assistance required management to make a number of critical assumptions and estimates, such as the incremental borrowing rates as at the acquisition date. These assumptions and estimates had a significant impact on the carrying value of these liabilities, and the determination that there was goodwill paid on the transaction. Based on management's determination of the fair value of consideration transferred and of the net assets acquired, GreenPower recorded goodwill of \$250,832 on the acquisition. The goodwill was tested for impairment as at March 31, 2023 and was written down due to management's determination that the expected future cash flows of the business would be insufficient to support goodwill or intangible assets at the entity. This determination and the estimates and assumptions about future events had a negative impact on the loss for the year ended March 31, 2023.

Since the date of acquisition the impact on revenues for the period ending March 31, 2023 was \$1,897,605. The impact to consolidated earnings over the same period was (\$864,996), which includes the goodwill writedown of \$250,832.

The table below reflects management's determination of the fair value of major categories of assets acquired, liabilities assumed and consideration transferred as at the acquisition date.

Fair value of consideration transferred		
Purchase price	\$	240,000
less: Working capital adjustment		(152,873)
Cash purchase price	\$	87,127
Fair value of net assets acquired		
Accounts receivables	\$	127,852
Inventory		786,688
Equipment		268,252
Right of use asset		448,512
Goodwill		250,832
Accounts payable		(83,562)
Lease liabilities		(433,512)
Deferred benefit of government assistance		(699,327)
Loans		(578,608)
Total	\$	87,127

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23. Segmented Information

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

During the year ended March 31, 2024, the Company was economically dependent on one (2023 – one, 2022 – three) customer(s) who accounted for more than 10% of revenue from continuing operations and in aggregate accounted for approximately 30%, (2023: 59%, 2022: 57%) of sales.

The Company's disaggregated revenue for the years ended March 31, 2024, 2023, and 2022 is summarized in the following table. Proceeds received and/or receivable from government vouchers totaled \$385,643 for the years ended March 31, 2024 (2023 - \$4,614,250, 2022 - \$2,970,387) and was included in vehicle and parts sales in the years ended March 31, 2024 and March 31, 2023 and in vehicle and parts sales and in revenue from operating and finance leases in the year ended March 31, 2022. Included in Vehicle sales for the year ended March 31, 2024 is \$nil (2023 – \$nil, 2022 - \$1,929,800) from the sales of vehicles that were previously on lease where the leases were cancelled and the vehicles subsequently sold.

	For the Years Ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Vehicle and parts sales	\$ 38,879,072	\$ 39,311,659	\$ 13,714,227
Revenue from operating and finance leases	385,643	113,789	3,297,619
Accretion on promissory note	-	-	7,035
Finance income	7,124	270,442	217,892
	\$ 39,271,839	\$ 39,695,890	\$ 17,236,773

The Company's revenues allocated by geography based on the customer's country of domicile for the years ended March 31, 2024, 2023, and 2022, is as follows:

	For the Years Ended		
	March 31, 2024	March 31, 2023	March 31, 2022
United States of America	37,055,314	\$ 39,497,713	\$ 15,972,137
Canada	2,216,525	198,177	1,264,636
Total	\$ 39,271,839	\$ 39,695,890	\$ 17,236,773

The Company's property and equipment allocated by geography for the years ended March 31, 2024, and 2023 is as follows:

	For the Years Ended	
	March 31, 2024	March 31, 2023
United States of America	2,529,937	\$ 2,485,711
Canada	233,588	119,080
Total	\$ 2,763,525	\$ 2,604,791

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24. Litigation and Legal Proceedings

The Company filed a civil claim against the prior CEO and Director of the Company in the Province of British Columbia in 2019, and the prior CEO and Director of the Company has filed a response with a counterclaim for wrongful dismissal in the Province of British Columbia. The prior CEO and Director of the Company also filed a similar claim in the state of California in regards to this matter, and this claim has been stayed pending the outcome of the claim in British Columbia. There has not been a resolution on the British Columbia claim or counterclaim, or the California claim as at March 31, 2024.

In addition, a company owned and controlled by a former employee who provided services to a subsidiary company of GreenPower until August 2013 filed a claim for breach of confidence against GreenPower in July 2020, and this claim has not been resolved as at March 31, 2024.

During April 2023 the Company repossessed 27 EV Stars and 10 EV Star CC's after a lease termination due to non-payment (Note 6). In addition, the Company repossessed 1 EV Star from the same customer due to non-payment. During May 2023 this customer filed a claim in the state of California against the Company and a subsidiary, and this matter has not been resolved as at March 31, 2024. The Company has not booked a provision for the claims or the counterclaim as it does not believe there is a remote or estimable material financial impact as at March 31, 2024.

25. Supplemental Cash Flow Disclosure

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

	For the Years Ended		
	March 31, 2024	March 31, 2023	March 31, 2022
<i>Non-cash investing and financing transactions:</i>			
Right of use asset acquired	\$ 69,129	\$ 4,968,446	\$ -
Accretion income on promissory note receivable	\$ 1,696	\$ -	\$ 7,034
Property and equipment through financing	\$ -	\$ -	\$ 42,831
Assets transferred from Inventory to Property and equipment	\$ 874,278	\$ -	\$ 1,408,813

26. Events After the Reporting Period

Subsequent to the end of the reporting period:

- Between April 1 2024 and June 30, 2024, 55,642 stock options exercisable at a weighted average share price of CDN \$10.09 were forfeited;
- On May 9, 2024 the Company completed an underwritten offering of 1,500,000 common shares and warrants to purchase 1,575,000 common shares for gross proceeds of \$2,325,750 before deducting underwriting discounts and offering expenses. The warrants have an exercise price of \$1.82 per share and expire three years from the date of issuance;
- During May 2024 the Company repossessed 5 EV 250s and one EV 350 that the company had leased to the customer due to the customer's default under the leases.
- On June 28, 2024 the Company issued 20,000 stock options exercisable at CDN \$1.40 per share that expire on June 28, 2029.