GreenPower Motor Company Inc.
Management's Discussion and Analysis
For the three month period ended June 30, 2018
Discussion dated: August 28, 2018

Introduction

This Management's Discussion and Analysis ("MD&A") is dated August 28, 2018 unless otherwise indicated and should be read in conjunction with the unaudited consolidated condensed interim financial statements of GreenPower Motor Company Inc. ("GreenPower", "the Company", "we", "our" or "us") for the three month period ended June 30, 2018 and 2017 and the related notes. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in US dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the three month period ended June 30, 2018 are not necessarily indicative of the results that may be expected for any future period. The consolidated condensed interim financial statements are prepared in compliance with International Financial Reporting Standards.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company or from **www.sedar.com**.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in the following MD&A constitute forward-looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Description of Business

GreenPower Motor Company Inc. develops electric-powered vehicles for commercial markets. GreenPower offers a range of electric powered buses deploying electric drive and battery technologies with a lightweight chassis and low floor or high floor body. GreenPower's bus is based on a flexible clean sheet design and utilizes a custom battery management system and a proprietary Flex Power system for the drive motors. GreenPower integrates global suppliers for key components such as Siemens for the two drive motors, Knorr for the brakes, ZF for the axles and Parker for the dash and control systems. This OEM platform allows GreenPower to meet the specifications of various operators while providing standard parts for ease of maintenance and accessibility for warranty requirements. For further information go to www.greenpowerbus.com.

GreenPower's suite of products includes a range of all-electric low floor transit style buses from 9 meters (30 feet) to 13.5 meters (45 feet), all-electric high floor school bus or shuttle bus configurations, a 13.5 meter (45 feet) all-electric double decker, and an all-electric min-eBus.

Operations

During the three month period ended June 30, 2018:

At June 30, 2018 GreenPower had a total of 22 vehicles in various stages of production including six EV350's, six Synapse 72 school buses and ten EV Stars.

GreenPower completed and delivered an additional three forty foot low floor transit style buses for Porterville bringing the total number of buses completed and delivered to five out of an order of ten buses. The next three EV350 buses for Porterville are substantially completed with the remaining two well into production.

GreenPower continued production on six Synapse 72 school buses. The rolling chassis had been substantially completed for the first three and the remaining three were well into production.

Finally, GreenPower is producing 10 EV Star Min-eBuses with the first two expected to be completed in September.

Highlights for the quarter included:

- The Company entered into an exclusive factory representative agreement with Creative Bus Sales, the U.S.'s largest bus dealer for sales, parts and service with 19 physical locations, a 75-person sales team and 200+ service and support staff.
- Received order from Creative Bus Sales for 100 buses.
- Secured the first sale of the EV Star all-electric Mini-eBus to the Port of Oakland as an employee shuttle for on-property transportation.
- Received order for two EV Star All-Electric Mini–eBuses from the University of California San Francisco, San Francisco's second-largest employer.
- Sold three EV350 forty foot low floor transit style buses during the quarter.
- Synapse 72 school bus demonstrations at 14 different school districts
- Demonstrated the Synapse Shuttle with the Los Angeles Sheriff's Department
- Demonstrations with the EV350 forty foot bus and the all-electric double decker bus
- Obtained a revolving operating demand loan for US $2,000,000 from BMO Bank of Montreal to be used to primarily finance production costs for GreenPower's buses.
- Attended CALACT Spring 2018 conference and the EV350 forty foot transit bus was driven from Porterville to Long Beach using only 50% of its battery power.
- Attended the Advanced Clean Technology (ACT) Expo, CASTA in Colorado Springs, Prop 39 school bus replacement program as well as Creative Bus sales training
- The shareholders approved the shareholder rights plan.
- At the quarter-end the Company had positive working capital of $1.9 million.

As at June 30, 2018, the Company had:

- Three EV350's, an EV school bus and charging stations classified as equipment on the balance sheet totaling $1,415,639.

- Work in process inventory and production supplies representing EV350's, an EV250, EVStar's, and Synapse 72 school buses totaling $2,651,162 and;

- Finished goods inventory representing charging stations and an EV250 totaling $496,161.

Trends

The Company does not know of any trends, commitments, events, or uncertainty that are expected to have a material effect on the Company's business, financial condition, or results of operations other than as disclosed herein under "Risk Factors" and the paragraph below.

Results of Operations

For the three month period ended June 30, 2018

For the three month period ended June 30, 2018 the Company recorded revenues of $2,480,412 and cost of revenues of $1,612,229 generating a gross profit of $868,183 or 35% of revenues. The revenue was generated from the sale of three EV 350's. Operating costs consists of administrative fees of $476,696 relating to salaries, project management, accounting, and administrative services; transportation costs of $54,861 which relate to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $66,712 related to travel for project management, demonstration of company products, and trade shows; product development costs of $163,622; sales and marketing costs of $126,374; interest and accretion on the convertible debentures and promissory note of $242,474; professional fees of $81,176 consisting of legal and audit fees; as well as $92,806 of non-cash share-based compensation expense and depreciation of $114,690. The remaining operating costs for the period amounted to $77,951 in general corporate expenses resulting in a consolidated net loss of $629,179. Non-cash expenses consisting of depreciation, share-based compensation, and accretion totaled $296,103 in the three month period.

The consolidated total comprehensive loss for the three month period was impacted by $5,872 of other comprehensive income as a result of the translation of the entities with a different functional currency than presentation currency.

For the three month period ended June 30, 2017

The Company had a consolidated net loss of $1,328,938 for the three months ended June 30, 2017, including revenues of $28,765 which related to income generated from the lease of the EV550. Operating costs for the period amounted to $1,356,986 and consists of administrative fees of $267,139 relating to salaries, project management, accounting, and administrative services; transportation costs of $72,067 which related to the use of trucks, trailers, contractors as well as other operational costs needed to transport company products around North America; travel, accommodation, meals and entertainment costs of $112,254 related to travel for project management, demonstration of company products, and trade shows; product development costs of $97,854; sales and marketing costs of $103,904; interest and accretion on the convertible debentures and promissory note of $55,349; professional fees of $33,754 consisting of legal and audit fees; as well as $487,241 of share-based compensation expense and depreciation of $121,257. The remaining operating costs of the period amounted to approximately $6,167 in general corporate expenses.

The consolidated total comprehensive loss for the period was impacted by $717 of other comprehensive loss as a result of the translation of the entities with a different functional currency than presentation currency.

Consolidated Condensed Interim Statements of Operations and Comprehensive Income (loss) for the three months ended June 30, 2018
(Unaudited – Prepared by Management)

		June 30, 2018
Revenue	$	2,480,412
Cost of Sales		1,612,229
Gross Profit		868,183
Expenses		
Administrative fees		476,696
Depreciation		114,690
Foreign exchange loss (gain)		(873)
Interest and accretion		242,474
Office		53,287
Product development costs		163,622
Professional fees		81,176
Rent and maintenance		25,537
Sales and marketing		126,374
Share-based payments		92,806
Transportation costs		54,861
Travel, accommodation, meals and entertainment		66,712
		1,497,362
Net income (loss) before income taxes		(629,179)
Income tax recovery		-
Net Income (Loss) for the period		(629,179)
Other comprehensive income		
Cumulative translation reserve		(5,872)
Total comprehensive gain (loss) for the period	$	(635,051)
Net Income (Loss) for the period		(629,179)
Product development costs		163,622
Depreciation		114,690
Interest and accretion		242,474
Share-based payments		92,806
Adjusted EBITDA (1)	$	(15,587)

(1)Non IFRS Financial Measures: "Adjusted EBITDA" reflects net income or loss before interest, taxes, share-based payments, depreciation and amortization. Adjusted EBITDA is a measure used by analysts and investors as an indicator of operating cash flow since it excludes the impact of movements in working capital items, non-cash charges and financing costs. Therefore, Adjusted EBITDA gives the investor information as to the cash generated from the operations of a business. However, Adjusted EBITDA is not a measure of financial performance under IFRS and should not be considered a substitute for other financial measures of performance. Adjusted EBITDA as calculated by GreenPower may not be comparable to Adjusted EBITDA as calculated and reported by other companies. The most comparable IFRS measure is net income.

Selected Quarterly Information

A summary of selected information for each of the quarters presented below is as follows:

	Three Months Ended			
	June 30 2018	March 31, 2018	December 31, 2017	September 30, 2017
Financial results				
Revenues	$ 2,480,412	$ 3,435,990	$ 20,453	$ 30,948
Net income (loss) for the period	(629,179)	665,059	(1,081,095)	(1,001,066)
Basic and diluted loss per share(1)	(0.01)	0.01	(0.01)	(0.01)
Balance sheet data				
Working capital	1,892,871	2,180,184	2,056,090	1,158,588
Total assets	8,814,984	7,490,466	6,952,374	6,222,668
Shareholders' equity	1,662,694	2,167,745	1,877,410	1,935,380

(1) Based upon the weighted average number of shares issued and outstanding for the period.

	Three Months Ended			
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Financial results				
Revenues	$ 28,765	$ -	$ -	$ -
Net loss for the period	(1,328,221)	(888,792)	(684,822)	(654,421)
Basic and diluted loss per share(1)	(0.01)	(0.01)	(0.01)	(0.01)
Balance sheet data				
Working capital (deficiency)	901,578	(111)	2,636,798	1,310,830
Total assets	5,392,234	4,519,597	5,014,361	3,990,166
Shareholders' equity	2,174,280	2,177,227	2,841,573	1,511,587

(1) Based upon the weighted average number of shared issued and outstanding for the period.

Liquidity

The Company has a Line of Credit with a senior Canadian chartered bank for a maximum amount of US $2,000,000, bearing interest at the bank's US Base Rate rate plus 1.5% (June 30, 2018 – 6.75%). The Line of Credit is guaranteed by two of the Directors of the Company.

At June 30, 2018, the Company had drawn against its line of credit in the amount of $1,581,950 and had working capital of $1,892,871. The Company manages its capital structure and makes adjustments to it, based on available funds to the Company. The Company will continue to rely on additional financings and the sale of its inventory to further its operations and meet its capital requirements to manufacture EV vehicles, complete the Altoona test, initiate construction of the manufacturing facility, and further develop its sales and marketing, engineering, and technical resources.

Capital Resources

Three month period ended June 30, 2018 and up to the date of this report

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

The following debentures all with an 8% interest rate and a term of four years were issued during the year ended March 31, 2018:

Issue Date	Amount ($CDN)	Converted Amount ($CDN)	Outstanding amount ($CDN)	Conversion Price ($CDN)	Shares on Conversion
May 17, 2017	1,900,000	-	1,900,000	0.65	2,923,077
May 31, 2017	250,000	-	250,000	0.65	384,615
September 25, 2017	1,476,000	-	1,476,000	0.40	3,690,000
October 16, 2017	2,220,000	100,000	2,120,000	0.40	5,300,000

On May 4, 2018, the Company granted:

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

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

Investing Activities

For the three month period ended June 30, 2018

See the Operations and Capital Resources sections above for a summary of the Company activities during the three month period ended June 30, 2018.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Related Party Transactions

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

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017
Salaries, benefits and consulting fees (1)	$ 152,123	$ 122,156
Accommodation (2)	7,524	38,376
Truck and trailer rentals (3)	42,798	35,275
Options (4)	56,156	420,094
Total	$ 258,601	$ 615,091

1) Salaries and benefits and consulting fees incurred with directors and officers are included in Administrative fees on the Consolidated Condensed Interim Statements of Operations.

2) Accommodation expense paid to Stage Coach Landing, Inc., a company that the Chairman of GreenPower is an officer and director. These costs are expensed on the Consolidated Condensed Interim Statements of Operations.

3) Truck and trailer rental fees paid to Maple Leaf Equipment Aircraft and Recovery Inc., a company that the Chairman of GreenPower is an officer and director. These costs are included in Transportation costs on the Consolidated Condensed Interim Statements of Operations.

4) Amounts recognized for related party stock-based compensation are included in Share-based payments on the Consolidated condensed interim Statements of Operations.

Accounts payable and accrued liabilities at June 30, 2018, included $nil (March 31, 2018 - $57,755) owed to officers, directors, companies controlled by directors and officers, and shareholders, which is non-interest bearing, unsecured and has no fixed terms of repayment.

During the period ended June 30, 2018, a company beneficially owned by the Chairman of the Company loaned the Company an additional US $100,000 bringing the aggregate balance at June 30, 2018 to CDN $670,000 and US $100,000 both at a rate of 10% per annum with no fixed terms of repayment.

During the period ended June 30, 2018, there were nil (March 31, 2018 - $38,034) of shareholder loan repayments.

Loans payable to related parties of $947,701 at June 30, 2018 (March 31, 2018 - $756,261) includes the CDN $670,000 and US $100,000 loans with terms described above and other loans payable to directors and officers, companies controlled by directors and officers, and shareholders of the Company, which are unsecured and have no fixed terms of repayment.

The outstanding balance of unconverted convertible debentures at June 30, 2018 (Note 10), includes CDN$3,255,000 owed to directors and companies controlled by directors.

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

Critical Accounting Estimates

The preparation of the financial statements in conformity with IFRS requires management to make estimates 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.

The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the calculation of the fair value of stock options and warrants issued by the Company
- the determination of the useful life of equipment
- the allocation between debt and equity for the convertible debentures
- the calculation for provision for warranty expense
- the Company's ability to continue as a going concern
- the determination of the discount rate to use to discount the promissory note receivable;
- the determination of categories of financial assets and financial liabilities;
- the determination of the functional currency of each entity within the consolidated Company;

Financial Instruments

The Company's financial instruments consist of the bank line of credit, receivables, promissory note receivable, accounts payable and accrued liabilities, loans payable, promissory note and convertible debentures. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

As at June 30, 2018, the Company had working capital of $1,892,871. The Company's continuing operations are dependent upon its ability to raise capital and generate cash flows from operations.

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

<u>Credit risk</u>

The Company's exposure to credit risk is on its cash, receivables, and promissory note receivable. The maximum exposure to credit risk is their carrying amounts in the consolidated condensed interim statement of Financial Statements. Cash consists of cash bank balances held in major Canadian and United States financial institutions with a high credit quality and therefore the Company is exposed to minimal risk. The Company assesses the credit risk of its promissory note receivable counterparty on an annual basis and believes it is exposed to minimal credit risk.

<u>Liquidity risk</u>

The Company ensures that there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash is invested in a bank and is available on demand. The Company will continue to rely on additional financings to further its operations and meet its capital requirements.

The Company obtained an operating line of credit of US $2,000,000 from BMO Bank of Montreal to facilitate the manufacturing of customer orders. At June 30, 2018, the line of credit was drawn in the amount of US

$1,581,950. Subsequent to the reporting period, accounts receivable of $2,224,200 was paid which resulted in a reduction in the line of credit.

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 believes interest rate risk is not material.

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; the Company does not engage in any hedging activities to reduce its foreign currency risk.

At June 30, 2018, the Company was exposed to currency risk through the following monetary assets and liabilities in CDN Dollars.

	CDN$
GST receivable	$137,500
Promissory note receivable	$1,000,000
Accounts payable and accrued liabilities	$(15,618)
Loans payable to related parties	$(670,000)
Convertible debentures	$(3,731,217)

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 $327,910 to other comprehensive income/loss.

Capital Management

The capital structure of the Company consists of cash and equity attributable to the common shareholders, consisting of share capital and deficit.

There has been no change with respect to the overall capital risk management strategy during the three months ended June 30, 2018. The Company is not subject to any externally imposed capital requirement.

Outlook

For the immediate future, the Company intends to:

- facilitate demonstrations of its EV Stars, EV250 and Synapse 72 across the US and Canada
- manufacture the remaining EV350's for the City of Porterville, six Synapse 72 school buses pursuant to customer orders and ten EV Stars
- conduct the Altoona test
- initiate the construction of the manufacturing facility in Porterville, California
- further develop its sales and marketing, engineering and technical resources.

Capitalization and Outstanding Security Data

The total number of common shares issued and outstanding is 93,437,453 as of the date hereof. There are no preferred shares issued and outstanding.

An incentive stock option plan was established for the benefit of directors, officers, employees and consultants of the Company. As of June 30, 2018, there are 9,127,217 options granted and outstanding. The total number of common share warrants outstanding as of the date hereof is 13,448,148.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

> (i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
>
> (ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

Investing in the common shares of the Company involves risk. Prospective investors should carefully consider the risks described below, together with all of the other information included in this MD&A before making an investment decision. If any of the following risks actually occurs, the business, financial condition or results of operations of the Company could be harmed. In such an event, the trading price of the common shares could decline and prospective investors may lose part or all of their investment.

No Operating History

The Company has not paid any dividends and may not produce earnings or pay dividends in the immediate or foreseeable future.

Reliance on Management

The Company is relying solely on the past business success of its directors and officers. The success of the Company is dependent upon the efforts and abilities of its directors, officers and employees. The loss of any of its directors, officers or employees could have a material adverse effect upon the business and prospects of the Company.

Operational Risk

The Company is exposed to many types of operational risks that affect all companies. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and/or systems. Operational risk is present in all of the Company's business activities, and incorporates exposure relating to fiduciary breaches, product liability claims, product recalls, regulatory compliance failures, legal disputes, business disruption, technology failures, business integration, damage to physical assets, employee safety, dependence on suppliers, foreign exchange fluctuations, insurance coverage and rising insurance costs. Such risks also include the risk of misconduct, theft or fraud by employees or others, unauthorized transactions by employees, operational or human error or not having sufficient levels or quality of staffing resources to successfully achieve the Company's strategic or operational objectives.

As a result of the acquisition of land in Porterville described in the Investing Activities section, the Company is subject to the risks normally associated with the construction of a manufacturing facility, including, but not limited to, construction delays, natural disasters, labour disputes, cost overruns, insufficient financing and requirements for governmental permits or approvals.

The occurrence of an event caused by an operational risk that is material could have a material adverse effect on the Company's business, financial condition, liquidity and operating results.

Volatile Operating Results

Our orders with our customers generally require time-consuming customization and specification. We incur significant operating expenses when we are building a bus prior to sale or designing and testing a new bus. If there are delays in the sale of buses to customers, such delays may lead to significant fluctuations in results of operations from quarter to quarter, making it difficult to predict our financial performance on a quarterly basis.

Competition in the industry

The Company competes against a number of existing manufacturers of all-electric buses, traditional diesel buses and other buses with various models based on size, purpose or performance features. The Company competes in the non-diesel or alternative fuel segment of this market. There are existing competitors in the various market segments with the potential for future competitors.

Provision for Warranty Costs

The Company offers warranties on the transit, charter and school buses it sells. 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. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives as well as parts and labour costs. Actual warranty expense will differ from the provisions which are estimated by management based on assumptions

Sales and Marketing

Presently, the initial price of the Company's products are higher than a traditional diesel bus. There are some grants and subsidies that are available to offset these higher prices. Sales of Company products may also be impacted by the current market price of diesel fuel, along with the values placed on avoiding other ancillary costs such as noise and vehicle emissions. The Company's products are based on emerging technologies which seek to provide operators and users with vehicles that are all-electric, emission free, and with reduced noise. Any change in these factors could have an impact on the market adoption of the Company's products.

Current requirements and regulations may change or become more onerous

The Company's products must comply with local regulatory and safety requirements in order to be allowed to operate within the relevant jurisdiction or to qualify for funding. These requirements are subject to change and one regulatory environment is not indicative of another.

Trade Tariffs

The Company manufactures and imports key components from overseas that may be subject to tariffs on importation into the United States.

Further information about the Company and its operations can be obtained from **www.sedar.com**