

# WESTPEAK RESEARCH ASSOCIATION

## GreenPower Motor Company Inc. (GPM)

Transit Company – Electric Bus Manufacturer

### The Green Light for GreenPower

March 30, 2022

*GreenPower Motor Company Inc. ("GreenPower Motor" or "GreenPower Motor" or "the Company" or "GPM") designs, builds, and distributes battery electric buses for all sectors of the passenger transportation industry. Their inventory is high-floor and low-floor all electric medium and heavy-duty vehicles, including transit buses, school buses, cargo vans, cabs, and shuttles. They employ a clean-sheet design, manufacturing all-electric vehicles that are purpose built to be battery powered with zero emissions.*

#### Thesis

The commercial use of its vehicle lines and the volume of its factories retires many risks that EV peers are faced with; Compared to other electric vehicle competitors who are still in the development and volume growth stages, GreenPower's ability to overcome the initial large barriers to entry allows them to benefit from economies of scale of CAPEX and R&D. Lastly, Greenpower customers' spending fluctuates less with economic trends given that they are funded by government clean energy vehicle subsidies. As these subsidies, along with government regulations increasing the use of EV'S, are predicted to grow, GPM's demand is expected to grow as well.

#### Drivers

Projected market growth in GreenPower's respective transit vehicle and emission free segments are driven by post pandemic economic recovery. An increase in government and state subsidies for such vehicles will also allow for GreenPower to maximize manufacturing capacity and begin to capitalize on higher demand.

#### Valuation

We arrive at a target price of \$9.02 per share. This implies an upside of 29.0%. We reached this valuation by conducting a DCF analysis, using the perpetual growth and the exit multiple methods and a WACC of 6.4%. Given our determined price GreenPower Motor is currently undervalued, so we issue a BUY rating on this equity.

Analyst: Lisa Lu, BCom. '24  
contact@westpeakresearch.com

#### Equity Research Canada/US

Price Target	CAD\$9.00
Rating	Buy
Share Price (Mar. 30 Close)	CAD\$ 6.99
Total Return	29.0%

#### Key Statistics

52 Week H/L	\$25.89/4.91
Market Capitalization	\$155.976M
Average Daily Trading Volume	46,854
Net Debt	\$0.6M
Enterprise Value	\$356.14M
Net Debt/EBITDA	\$-0.21M
Diluted Shares Outstanding	22.31M
Free Float	75.5%
Dividend Yield	0%

#### WestPeak's Forecast

	2020A	2021A	2022E
Revenue	\$13.5M	\$11.9M	\$23.18M
EBITDA	-\$2.6M	-\$5.6M	-\$7.6M
Net Income	-\$5.1M	-\$7.8M	-\$7.8M
EPS	-\$0.05	-\$0.43	-\$0.36
P/E	-38.1x	-23.5x	-23.7x
EV/EBITDA	-73.8x	-62.7x	-58.1x

#### 1-Year Price Performance



## Business Overview/Fundamentals

### Company Overview

GreenPower Motor was founded in 2010 with a vision to offer affordable battery-electric buses and trucks, while still delivering upon durability and easy deployment. GreenPower offers commercial vehicles for schools, public transit, and more. The battery electric buses claim to match almost any route their fossil fuel burning competitors do, but with a quieter and more efficient ride. GPM is the original equipment manufacturer of Class4-8 commercial bus vehicles for products ranging from a 25-foot Min-eBus to a 45-foot double decker bus. GPM's corporate headquarters are in Vancouver, Canada and its administration office is in Rancho Cucamonga, CA. They utilize several contract manufacturers from China, Hong Kong, Taiwan, and Malaysia to produce major components with final assembly taking place in Porterville, California.

### Vehicle Lines

#### E.V. Star

The Greenpower EV Star minibus is a purpose built, zero-emission vehicle with a range up to 150 miles and customizable layouts. It can seat up to 19 passengers, with the EV Star Plus and its wider body seating up to 24. Both models are used in paratransit, employee shuttles, and vanpool services and have a battery capacity of 118 kWh with a life expectancy of 10 years. The EV Star is the only class 4 electric vehicle that meets Buy America Compliance and is Altoona Tested. Additionally, the EV Star CarGo and the EV Star CarGo Plus are both zero emission commercial delivery options. The original van has a capacity of 570 cubic feet and a payload of 6,000 pounds, and the Plus has a payload of 5,000 pounds and 833 cubic feet of storage with an optional lift gate. Finally, the EV Star cab and chassis (EV Star C.C.) offer original equipment manufacturers to use their own body, being able to configure with a range of options to serve markets such as last mile delivery and refuse trucks. The cab and chassis are the most suitable vehicle for any fleet, with a carrying capacity of 6,000 pounds and a range of 150 miles in a single charge.



*E.V. Star*



*E.V. Star Plus*



*E.V. Star Cargo*



*E.V. Star Cargo Plus*



*E.V. Star C.C.*

#### E.V. Transit Bus Line

The EV bus line that launched in 2014 features multiple models, including the 30-ft EV250, the 40-ft EV350, and the double decker EV550. These electric buses do not carry heavy battery storage nor battery charging systems on the bus roof, leading to a low center of gravity for steering and an enhanced user experience. This design also offers ease during maintenance given its low positioned stainless-steel battery trays that can be accessed without taking out panels or use of elaborate removal systems to maintain the battery boxes. The EV250 is an electric transit bus designed with a monocoque body and

stainless steel chassis. The state-of-the-art power systems include a Prestolite traction motor and advanced battery systems, giving the bus a range of over 200 miles on a single charge. The EV350 features a similar build and features, however its advanced battery system is more operational and can better meet the demands on transitory expectations. Lastly, the EV550 is a 45-ft low floor double decker bus that can hold 100+ passengers and standees. The monocoque body and stainless-steel chassis is designed to allow transit and tourist operators move a significant number of people in comfort and safety.



EV250



EV350



EV550

### B.E.A.S.T. Type-D School Bus

This type-D school bus is marketed under the trade name Battery Electric Automotive School Transportation, or the BEAST. This purpose-built, zero noise pollution vehicle for the school bus industry utilizes a Monocoque chassis which provides increase strength and significant weight advantage in comparison to other school buses. Its 40-ft 90 passenger design features standardized features including air-ride suspension, ABS disk brakes, and pass-through storage, but still offers tracked flooring allowing the end user to customize wheelchair positions. With the 193.5-kWh battery system the BEAST can range up to 150 miles on one single charge.



The BEAST

### A.V. Star

The newly revealed AV Star is the nation's first zero-emission, Buy America, ADA compliant vehicle of its kind to be fully autonomous. It possesses the same reliable chassis as the EV Star and was developed to meet the demand for the autonomous shuttle offerings for the transportation sector. This vehicle is currently only available for test rides and demonstrations.



A.V. Star

The fleet of battery electric commercial vehicles offer operators significant benefits. One of which include a low total cost of ownership compared to traditional gas- or diesel-powered vehicles as there are lower maintenance costs and a reduction in expenses. There is a lighter carbon footprint due to the decrease in vehicle emissions, and it also supports the transition to zero emission vehicles in all sectors.

Industry Analysis

GreenPower Motor operated within the emission free transit space and produces multiple models of high-floor and low-floor electric vehicles.

Transit Vehicles

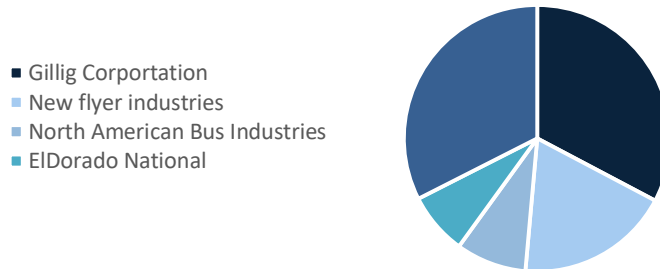
Transit vehicles include buses, rapid transit vehicles, street railway cars, water vehicles, and other types of public transportation vehicle or individual unit. Small transit vehicles, which are vehicles less than 30 feet in length, can be further broken down into vans, cutaways, and small buses The US transit manufacturing market specifically is a small market with volatile demand. Between the years of 1995-2014, annual spending on buses by US transit agencies has swung between extremes of \$1.4 billion and \$3.1 billion (in 2014 dollars). However, with the recent pandemic and supply chain disruptions causing delays in 44% of manufacturing companies and 20% of transportation and warehousing, the supply for this market can be expected to drastically fall. Additionally, with the implementation of trade tariffs on Chinese imported goods to the U.S., this will increase the price of components needed for vehicle manufacture and increase prices of the final product.

Buses are the powerhouse behind the public transit system in the U.S. and Canada. Buses provide the same number of rides annually as all other public transit modes combines, with over 5.3 billion unlinked transit trips taken via bus in 2014. The agencies that provide bus services have also broadened, with settings in rural areas and small towns, small cities, large cities and their suburbs.

Mode	Passenger Trips (millions)	Percent	Passenger Miles (millions)	Percent
All buses	5,370	50%	22,614	38%
Commuter Rail	490	5%	11,718	20%
Demand Response	233	2%	2,267	4%
Heavy and Light Rail	4411	41%	20,829	35%
Other	247	2%	2,216	4%
Total	10,751	100%	59,644	100%

According to an analysis conducted in 2014 by the National Transit Database, 68% of total transit bus production was accounted for by four large U.S. manufacturers who produced 3,171 buses. These four manufacturers were: Gillig Corporation, New Flyer Industries, North American Bus Industries, and Eldorado National. The most common fuel types are diesel, compressed natural gas, gasoline, hybrid diesel, and liquefied petroleum gas. Together they make up about 99% of fuel.

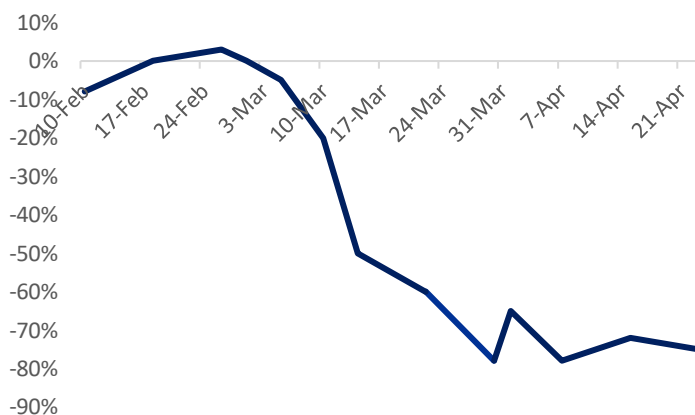
Transit Bus Production by Manufacturer (2013)



## Transportation Sector

Transport is a key sector in the global economy. By enabling the mobility and connectivity of people and goods, transport sustains the activity of many other sectors across the economy, creating jobs, adding economic value, and promoting social inclusion. As such, the transport sector is a key player in advancing the 2030 Agenda for Sustainable Development. In the United States, transport accounted for 9 per cent of GDP in 2015 and employed about 13 million people, or 9 per cent of the labour force, in 2016.

Transit Demand Decline



The transportation sector is still recovering after COVID-19 caused a significant reduction in public transportation demand. Almost 50% of Americans have said they are used public transit less frequently or not at all during 2020, and there was a 70-90% decrease in transit demand exhibited globally. Many have laid off staff and left public transit providers to reduce capacity and frequency. In addition to a decrease in demand for transit vehicles, the uncertainty of the future of the pandemic is expected to negatively impact the financial ability for manufacturer clients to purchase vehicles and manufacturer suppliers to deliver products.

Longer term investment programs will be needed to reprioritize the decreased revenue. However, with 50 percent of ride-share users stating that they will return to their pre-pandemic service in 2022, the sector can be experiencing a slow return the adjustment to endemic life. However, 41% of remote employees surveyed in both January and August of 2021 said that they would like to stay fully remote, meaning

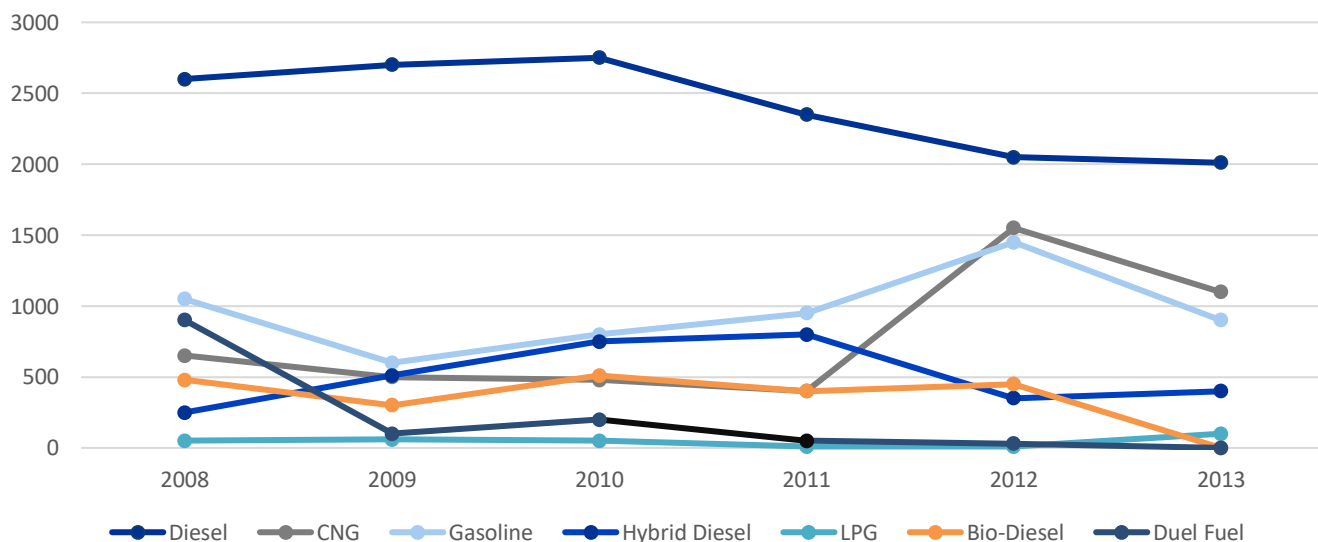
the effects of the pandemic may create long term demand shortages to the transportation industry. Additionally, nearly 90% of employers report that “employee perceptions of mass transit are still an obstacle to returning to the office due largely to concerns about personal safety”, meaning that the health and safety factor is a barrier preventing the transportation industry to return to regular volumes.

## Zero Emission Vehicles

Zero emission vehicles include battery electric vehicles, plug-in hybrid electric vehicles, and hydrogen fuel cell vehicles. These vehicles depend on hydroelectricity or hydrogen that is locally made. Their increased utilization will lead to reduced carbon emissions and allow for a shift in spending locally made fuels, allowing for more investment to be kept within.

In 2020, the global electric vehicle stock hit the \$10 million mark, a 43% increase from 2019. China having the largest fleet with 4.5 million electric cars, with Europe having the largest annual increase reaching 3.2 million vehicles. The market’s growth momentum is expected to be sustained through the decade. This can be due to stricter European emissions standards that favour the manufacture and sale zero-emission vehicles or the more advanced state of the battery electric vehicle market in China. Finally, this may also be due to changing consumer preferences that favour electric vehicles over traditional gas or diesel vehicles.

Fuel Type Production



The significant growth of EVs leading up to 2030 will present major opportunities and challenges for traditional original equipment manufacturers (OEMs), new-entrant OEMs, captive finance companies and dealerships. Traditional OEMs will find insights in this report that can help them re-prioritise their customers and strategies in a volatile competitive landscape.



In British Columbia, zero emission vehicles make transportation choices more affordable while also reducing greenhouse gas emissions. British Columbia has been a world leader in the development of batteries, motors, controllers, and chargers within the clean tech and hydrogen fuel sectors. Electric vehicles that display the official EV indicator are allowed in high occupancy vehicle (HOV) lanes in British Columbia regardless the number of passengers in the car.



In 2020, British Columbia added \$31 million in funding to double rebates given to businesses who are adopting medium to heavy duty commercial zero emission vehicles. They offered even stronger support to the tourism industry with higher rebates for tourism businesses who were hit hard due to the COVID-19 pandemic. B.C. is now one of the largest EV charging networks and the first have hydrogen fueling stations in Canada.

## Catalysts

### Government Subsidies Will Increase Demand

The \$1.2 trillion Infrastructure Bill, in addition to other government subsidies, creates momentous opportunity for growth for GreenPower however it is not yet recognized by the market. Of the \$1.2 trillion funding signed by U.S. President Joe Biden in November of 2021, about half provides continuing funding for existing programs and roughly \$550 billion is for new infrastructure funding. Within that \$550 billion, GreenPower can tap into approximately \$46.7 billion of that, with \$39.2 billion coming from public transit, and \$7.5 billion from school buses and ferries. In addition to the U.S. Infrastructure Bill, there have been many government funding programs that will catalyze sales within the transit bus market, with industry executives stating there will be a strong imbalance in favor of demand over supply. Approximately \$148 billion in subsidies through six major programs will be driving this: the Canadian Green Recovery Funding at \$17.6 billion, the Canadian Transit Funding Program at \$14.9 billion, and the Canadian Infrastructure Bank at \$1.5 billion, and the U.S. Infrastructure and Investment and Jobs act at \$107 billion. The Canadian programs vary from focusing on fighting climate change to offering more support for public transit systems. The Bipartisan Infrastructure Deal hopes to mitigate several weaknesses within the U.S. infrastructure makeup, but most importantly will give \$39 billion of new investments to modernize transit, in a both cleaner and more accessible way. All these opportunities ultimately will monetarily incentivise consumers to purchase GreenPower vehicles, as these grants make GPM vehicles cheaper than the traditional gas or diesel alternative. This growth and potential to exponentially increase the consumer base has not been accurately recognized by the market and was not resulted in a higher share price. This catalyst of future growth in demand is reflected in the projections in Appendix 1, driving revenue to increase.

### The Rollout of the Autonomous Vehicle

Back in early November, the company unveiled a partnership with Perrone Robotics, a maker of autonomous vehicle tech, to develop an autonomous delivery truck based on GreenPower's AV Star line of electric vans. The companies plan demonstrations and test rides at an event in early January. Given that the AV Star is one of the industry's first fully automated transportation vehicles, the release of this product into the market will trigger large demand and awareness towards GreenPower. Given that the EV Star shuttle bus received one of the highest scores ever in the Federal

Transportation Administration's (FTA) "bus breaker" test, it can be assumed that this autonomous vehicle can mitigate many risks that come with self driving vehicles, including test maintainability, safety, performance, noise, and emissions.

## Requirement for Greening the Transport Sector

A structural transformation of the transport sector is predicted to drive our mission to become more environmentally stable. This will not only better the quality of life and attempt to mitigate the effects of climate change, but will also create 15 million jobs worldwide. This continual transition to cleaner vehicles along with the snowballing effect of more job opportunity and economic flourishing can be expected in the coming years.

## Management Team

### Fraser Atkinson – CEO and Chairman

Mr. Atkinson was one of the founders of GreenPower. Before being appointed CEO in June 2019, he served as Executive Chairman and Director of the company since February 2011. Mr. Atkinson has been director and officer of several public companies and is currently a director of Equus Total Return, listed as EQS on the NYSE. He also owns several businesses within the precast concrete manufacturing industry. Previously, Mr. Atkinson was a partner at KPMG, LLP for over 14 years where he engaged in financing and initial public offerings. Mr. Atkinson graduated in 1980 with a Bachelor of Commerce from the University of British and received his CPA in 1982.



### Brendan Riley - President and Director

Mr. Riley has over 28 years of experience in business development, sales strategy, and operations. Previous to serving as President and Director of GreenPower, Mr. Riley was the first employee of BYD Motors where he served VP of North American Fleet Sales. He was responsible of building the business units from group up and is a crucial component of negotiating the purchase and setup of two manufacturing facilities for BYD. He then was instrumental in negotiating EV manufacturing facilities for GreenPower Motor Company. Mr. Riley served two terms as the President of the Southern California Chapter of the AVS for Science and Technology.



### Michael Sieffert - CFO



Prior to getting appointed as Chief Financial Officer and Secretary of GreenPower in December 2018, Mr. Sieffert worked at Seaspan Corporation in senior finance positions. Between 2006 and 2011, Mr. Sieffert worked at Deloitte's Financial Advisory Services practice and assisted clients within the transportation and manufacturing sectors on corporate finance and valuation mandates. Previously, Michael Sieffert was a buy side equity analyst at HSBC Investments Canada. He has significant experience within the capital markets and a broad range of corporate finance activities, including investor relations, M&A, and treasury. Mr. Sieffert holds a Bachelor of Arts degree and a Master of Business Administration degree, both from the University of British Columbia and is a CFA charter holder.



### Ryne Shetterly – VP Sales and Marketing

Mr. Shetterly brings almost a decade of experience in the transportation industry to GreenPower. He formerly lead a projection in the zero emissions sector where he oversaw all sales activity, policy related issues, and served as a point man for public relations matters. He holds a degree in Business Economics, an MBA, and has recently completed a public relations and brand management program at UCLA.



### YanYan Zhang – VP Program management

Yanyan Zhang joins GreenPower as project manager who aligns planning and development with deliverables and strategic business initiatives. She has a master's degree in Industrial Systems Engineering from USC and began her career in the electric vehicle industry at BYD. She successfully managed over 10 international vehicle manufacturing projects with clients like LA Metro and Denver RTD.



## ESG

Transportation is a major contributor to the emission of greenhouse gases (GHGs) responsible for climate change and contributes to air pollution, acid rain, eutrophication, crop and forest damage, natural resource depletion, habitat fragmentation and waste generation. The transport sector also poses significant risks to human health through road injury, air and noise pollution, and traffic congestion. Given that the transportation industry contributes at least 25% of all emissions, GreenPower is addressing a fundamental global concern by providing a clean and emission free alternative. This will play a serious part in the "environmental" aspect of ESG.

## Shareholder Base

GreenPower Motor's shareholder base consists of a mix of primary and secondary holders. There are currently 14,490,546 shares outstanding, representing 70% free float. David Richardson who has a director position in the company holds the

largest percentage of shares at 11.3%, with CEO Fraser Atkinson in second with 11.2%. This suggests that insiders have a personal stake in the company.

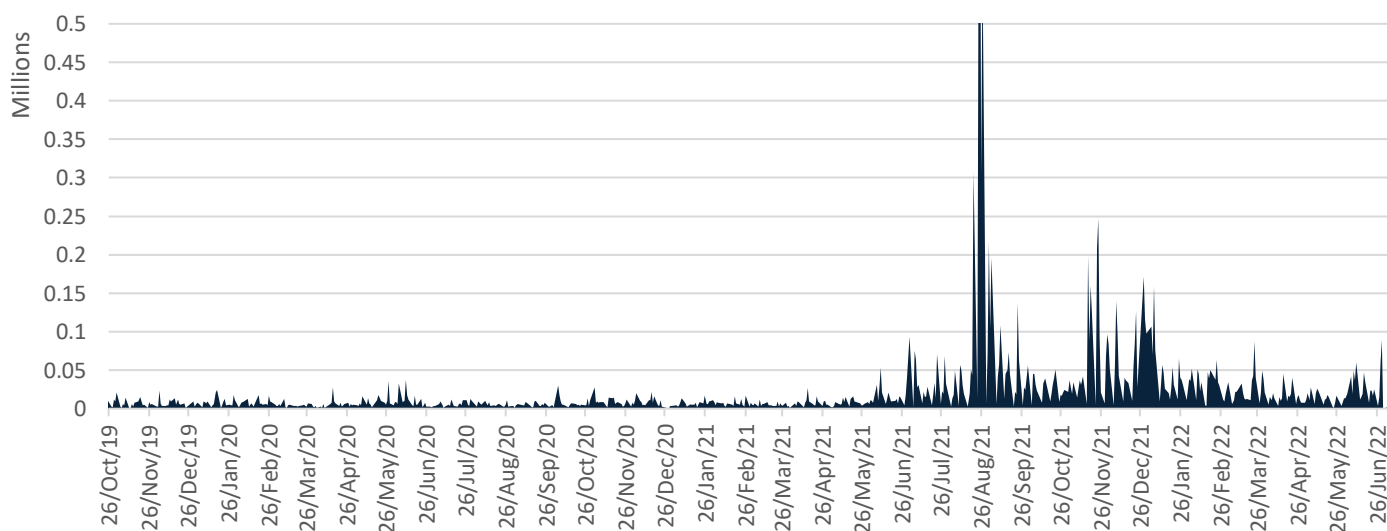
#### Top 10 Largest Shareholders (Source: Bloomberg)

Investor Name	Equities	% of Outstanding
David Richardson	2,501,668	11.3%
Fraser Atkinson	2,479,335	11.2%
Invesco Capital Management LLC	1,850,711	8.33%
BNP Paribas Asset Management UK Ltd.	1,787,336	8.05%
BNP Paribas Asset Management USA Ltd.	1,581,217	7.76%
Fidelity Investments Canada ULC	1,581,217	7.12%
Fidelity Management & Research Co. LLC	1,546,072	6.96%
Malcome F. Clay	507,419	2.28%
Kingsway Financial Services Inc.	366,071	1.65%
BG Fund Management Luxembourg SA	289,500	1.30%
<b>Top 10 Shareholders</b>	<b>14,490,546</b>	<b>70%</b>

## Liquidity

As of January 5 2022, GreenPower Motor's year-to-date daily average traded volume was 97,914 and a volume weighted average price of \$9.99 per share. The year-to-date amount traded was approximately 107,226. There is sufficient liquidity to meet their growth objectives over the long term.

#### Trading Volume



## Valuation

---

## Discounted Cash Flow Analysis (DCF) Assumption

### Revenue Forecast

Our revenue forecasts are driven by for key variables: Increase in government subsidies, increase in post-pandemic transportation demand, and the growth of the electric vehicle sector. Historically, GreenPower Motor have maintained the same net income composition. However, with the growing market and growing demand, we predict there to be an increase in revenue by 220% by the end of this financial year. This will allow them to return to pre-covid sales and meet demand. Since GreenPower Motor is a newer company with negative net earnings for the past few years, they have reached a point where much of their CAPEX will not take up much of their cash and can begin experiencing positive revenues.

### Cost of Goods Sold (COGS)

The cost of goods sold as a percentage of revenue has historically ranged between 65% and 73%. We forecast a conservative 70% for the fiscal year, and an eventual perpetual 40% of revenues rate. Because GreenPower operates in the automobile manufacturing industry and has not yet benefitted from economies of scale due to its current early stage, high COGS is to be expected.

### Sales, General, and Administrative Expenses (SG&A)

We project an SG&A of 50% of revenues, which is a much lower rate than its 55% to 90% historical. We believe that as the company begins to establish itself, SG&A will take up a lesser portion of its revenues.

### Capital Expenditures (CAPEX)

While Greenpower's CAPEX has experienced large historical fluctuations, we assume it would continue as 20% of beginning plant property and equipment (PP&E).

### Weighted Average Cost of Capital (WACC)

The weighted average cot of capital is calculated to be 6.4%. This is calculated using a risk free rate of 1.4% on the yield-to-maturity of the 5 year U.S. Treasury Bill, a beta of 1.44 as listed on Bloomberg, and an expected market return of 4.9%. we also used a pre tax cost of debt of 0.8%.

### Perpetuity Growth Rate

A perpetuity growth rate of 2% was used for future projections past 5 years, which we believe to be a sustainable estimate. This method provided us with an implied share price of \$9.47 and an upside of 35.5%. This method was given a 50% weight of the determined share price.

### Terminal Multiple

A terminal EV/EBTDA multiple of 20.0x was used for future projections past 5 years. The implied share price was \$8.56, and the total return is 22.5%. This implied price was given a 50% weight of the determined share price.

---

## Comparable Companies Analysis

We decided to not use any Comparable Companies Analysis to value GreenPower Motor. Because the company is still in its early stages of develop and has yet to make positive net income, a P/E and EV/EBITDA Multiples would not contain accurate information for valuing the company.

## Recommendation – Buy

We believe that GreenPower Motor is undervalued by the market. Their stock has been significantly volatile during FY2021, however we believe that its upcoming recovery will increase their stock price. Our implied share price weightings are a 100% weighting on the DCF Analysis, using the perpetual growth method and the exit multiple method.

## Investment Thesis 1 - Subsidies

Given the increase in government subsidies and grants, GreenPower Motor can expect larger amounts of demand as consumers will be more incentivized to take advantage of the cheaper vehicles. Government grants and subsidies often cover up to 100% of the cost, making it cheaper for consumers to purchase this electric alternative. Additionally, because these subsidies are less volatile in turn making the demand less reliant on consumer wealth, GreenPower's revenue will fluctuate less with economic trends. Grants will continue to be rolled out by governments, contributing the extended growth of demand and sales.

## Investment Thesis 2 – Shift of Transportation Towards EV's

With the industrial landscape evolving to become more renewable energy focused, GreenPower is positioned to benefit from this ongoing trend and will continue to grow market share and gain orders. The global electric vehicle stock grew by 43% from 2019 to 2020, and is not looking to slow down. The need for electric alternatives are even more in demand in the transportation industry due to its large amount of annual emissions. With more EV expectations set in place and a transition to green vehicles, GreenPower is looking to benefit from this transition.

## Risks

### Development of Alternative Technologies

Significant developments in alternative technologies such as ethanol, compressed natural gas, or improvements in the internal combustion engine may materially and adversely affect GPM's business and prospects in anticipated ways. Their research and development may fail in adapting to changes in the electric vehicle technology or adopt new technologies, resulting in a loss of competitiveness in vehicles, decreasing revenue, and a loss of market share to rising competitors. Vehicles may not compete effectively with alternative vehicles if they are not able to integrate the latest technologies at a competitive price.

### Environmental and Health and Safety Laws

GPM is subject to numerous statutes, regulations, bylaws, and other legal requirements. These standards relate to the handling and disposal of substances such as hazardous substances, emissions or discharge into soil, and occupational health and safety matters. All vehicles sold must also comply with the vehicle safety standards of each region. In both Canada and the United States, federal regulations certify vehicles that meet or exceed all federally mandated safety regulations. In this regard, Canadian and U.S. motor vehicle safety standards are ultimately the same. Any breach of such laws or failure to meet evolving motor vehicle standards, which vary by location and can arise under any levels of government, will have an adverse effect on the company and its operating results.

## Reduction of Government Incentives

Any reduction or elimination of government subsidies and economic incentives may result in a diminished competitiveness of the emission free vehicle industry. GPM's vehicles are eligible for vouchers from specific government programs; this includes the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program from the California Air Resources Board, and the Specialty-Use Vehicle Incentive Program funded by the Province of British Columbia, Canada. The ability for potential purchasers to receive funding is subject to the risk of programs being available through government funding. To the extent that the program is delayed or not approved, or if any policy changes for a reduced need for such subsidies would result in a steep decline of consumers. A vast majority of GPM's electric vehicle sales have been made in the state of California, partially due to subsidies for electric vehicles from the California state government. Often, these grants have reduced the net cost for customers to the point that the vehicle is less expensive than purchasing a comparable diesel or gas vehicle, with few cases of grants covering the entire vehicle cost. A recent announcement from the State of California stating they will no longer be accepting new applications to the subsidy program until further funding is identified has had a negative impact on new sale prospects for GreenPower buses in the region, and any further reduction or elimination of grants will further harm GPM's financial condition.

Appendix 1: Model Summary

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27
(Figures in mm USD)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
Income Statement											
Revenue	-	3.5	6.1	13.5	11.9	22.1	31.0	40.9	54.3	72.5	97.2
EBITDA	(2.6)	(2.8)	(3.9)	(2.6)	(5.6)	(7.4)	(4.7)	4.1	5.4	7.2	9.7
Net Income	(2.8)	(2.8)	(4.5)	(5.1)	(7.8)	(7.7)	(6.0)	1.9	3.1	4.4	6.2
Earnings Per Share	\$ (0.03)	\$ (0.03)	\$ (0.05)	\$ (0.05)	\$ (0.43)	\$ (0.36)	\$ 0.29	\$ 0.09	\$ 0.14	\$ 0.20	\$ 0.29
Cash Flow Statement											
Capital Expenditures	(0.1)	(0.4)	(0.1)	-	(0.4)	(0.3)	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)
Acquisitions	-	-	(0.0)	-	-	0.0	-	-	-	-	-
Divestitures	-	-	0.3	-	-	-	-	-	-	-	-
Dividend Payment											
Dividend Per Share											
Dividend Payout to Earnings											
Dividend Payout to Core FCF											
Dividend Yield											
Balance Sheet											
Current Assets	1.3	4.6	6.9	8.1	32.9	30.8	29.6	31.1	35.1	40.7	48.6
Non-Current Assets	3.2	2.9	5.0	5.1	6.7	6.3	4.1	3.9	3.9	3.9	3.9
Assets	4.5	7.5	11.9	13.2	39.6	37.1	33.7	35.0	39.0	44.6	52.5
Current Liabilities	1.3	2.4	7.1	7.4	2.1	2.1	4.7	4.1	5.0	6.2	7.9
Non-Current Liabilities	1.0	2.9	4.9	7.0	1.3	1.0	1.0	1.0	1.0	1.0	1.0
Liabilities	2.3	5.3	12.0	14.4	3.5	3.1	5.7	5.1	6.0	7.2	8.9
Shareholders' Equity	2.2	2.2	(0.1)	(1.2)	36.2	34.0	27.9	29.9	33.0	37.4	43.6
Cash	0.1	1.0	0.2	0.5	15.1	24.4	17.6	18.9	19.1	23.3	30.2
Debt	1.0	2.9	4.9	7.0	1.3	1.0	1.0	1.0	1.0	1.0	1.0
Net Debt	1.0	1.9	4.7	6.6	(13.8)	(23.4)	(16.6)	(17.9)	(18.1)	(22.3)	(29.2)
Minority Interests	-	-	-	-	-	-	-	-	-	-	-
Debt/EBITDA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.2 x	0.2 x	0.1 x	0.1 x
Operating Metrics											
Return on Equity (ROE)	-129.2%	-128.0%	5306.4%	438.0%		-22.6%	-21.6%	6.5%	9.3%	11.8%	14.3%
Return on Assets (ROA)	-62.2%	-37.0%	-38.2%	-39.0%		-20.7%	-17.9%	5.5%	7.9%	9.9%	11.8%
Return on Invested Capital (ROIC)	-41.0%	-21.7%	-19.0%	-18.7%		-19.1%	-15.3%	4.8%	6.8%	8.5%	10.1%
Valuation Metrics											
Stock Price (High)	\$ 6.16	\$ 4.48	\$ 4.27	\$ 29.62	\$ 39.21	\$ 33.45	\$ 6.99	\$ 6.99	\$ 6.99	\$ 6.99	\$ 6.99
Stock Price (Low)	\$ 1.79	\$ 2.21	\$ 2.48	\$ 8.34	\$ 2.52	\$ 6.99	\$ 6.99	\$ 6.99	\$ 6.99	\$ 6.99	\$ 6.99
Stock Price (Average)	\$ 3.98	\$ 3.35	\$ 3.38	\$ 18.98	\$ 20.87	\$ 20.22	\$ 6.99	\$ 6.99	\$ 6.99	\$ 6.99	\$ 6.99
Diluted Shares Outstanding (Average)	87.1	92.3	93.5	106.5	18.1	21.6	21.6	21.6	21.6	21.6	21.6
Market Capitalization (Average)	346.3	308.6	315.6	2,022.2	378.0	435.8	150.7	150.7	150.7	150.7	150.7
Enterprise Value (Average)	347.2	310.5	320.3	2,028.7	364.2	412.4	134.0	132.7	132.5	128.4	121.4
P/E	n/a	n/a	n/a	n/a	n/a	n/a	24.2 x	77.8 x	49.1 x	34.1 x	24.2 x
EV/EBITDA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	32.4 x	24.4 x	17.7 x	12.5 x
FCF Yield to Market Capitalization	-1.1%	-1.5%	-2.2%	-0.2%	-4.9%	0.8%	-5.2%	2.1%	1.7%	4.6%	7.0%
FCF Yield to Enterprise Value	-1.1%	-1.5%	-2.2%	-0.2%	-5.0%	0.9%	-5.8%	2.4%	1.9%	5.4%	8.6%
Free Cash Flow											
EBIT	(2.8)	(3.4)	(4.5)	(3.2)	(6.0)	(8.0)	(7.1)	3.9	5.4	7.2	9.7
Tax Expense	-	0.6	-	-	-	-	-	-	-	-	-
D&A	0.2	0.5	0.5	0.6	0.4	0.6	2.4	0.2	0.0	0.0	0.0
Capital Expenditures	(0.1)	(0.4)	(0.1)	-	(0.4)	(0.3)	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)
Changes in NWC	(1.0)	(2.1)	(3.0)	(1.9)	(12.5)	11.4	(2.9)	(0.9)	(2.9)	(0.3)	0.8
Unlevered Free Cash Flow	(3.7)	(4.6)	(7.0)	(4.6)	(18.4)	3.7	(7.8)	3.2	2.5	6.9	10.5
Valuation Summary											
Current Price	\$ 6.99										
Target Price	\$ 9.47										
Total Return	35.5%										
Recommendation	BUY										
DCF Valuation											
Perpetuity Growth Implied Price	\$ 9.47										
Exit Multiple Implied Price	\$ 9.51										



Exhibit 2: Discounted Cash Flow Analysis

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27
(Figures in mm USD)	FY2017	FY2018	FY2019	FY2020	FY2021	Q1-2022	Q2-2022	Q3-2022	Q4-2022	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027
WACC Calculations															
Cost of Equity															
Risk-free rate	1.4%														
Expected market return	4.9%														
Market Risk Premium	3.5%														
Beta	1.44														
Cost of Equity	6.4%														
Cost of Debt															
Pre-tax cost of debt	0.8%														
Debt Adjustment Factor	1.38														
Effective tax rate	-														
Cost of Debt	1.1%														
WACC															
Market value of equity	151.8														
Market value of debt	0.2														
Total Capitalization	152.1														
Cost of equity	6.4%														
Cost of debt	1.1%														
WACC	6.4%														
Free Cash Flow															
EBIT	(2.8)	(3.4)	(4.5)	(3.2)	(6.0)	(2.1)	(3.0)	(1.7)	(1.3)	(8.0)	(7.1)	3.9	5.4	7.2	9.7
Less: Tax expense	-	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Depreciation and amortization	0.2	0.5	0.5	0.6	0.4	0.1	0.1	0.2	0.2	0.6	2.4	0.2	0.0	0.0	0.0
Less: Capital expenditures	(0.1)	(0.4)	(0.1)	-	(0.4)	(0.0)	(0.1)	(0.1)	(0.1)	(0.3)	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)
Less: Change in net working capital	(1.0)	(2.1)	(3.0)	(1.9)	(12.5)	(7.0)	(0.7)	18.7	0.4	11.4	(2.9)	(0.9)	(2.9)	(0.3)	0.8
Unlevered Free Cash Flow	(3.7)	(4.6)	(7.0)	(4.6)	(18.4)	(9.0)	(3.6)	17.1	(0.8)	3.7	(7.8)	3.2	2.5	6.9	10.5
Discount factor						-	-	0.25	0.50	0.50	1.50	2.50	3.50	4.50	5.50
Present Value of Unlevered Free Cash Flow						-	-	16.8	(0.8)	16.0	(7.1)	2.7	2.0	5.3	7.4
Discounted Cash Flow Valuations															
Perpetuity Growth Method															
Perpetuity Growth Rate	2.0%														
PV sum of unlevered FCF	26.4														
Terminal value	171.8														
Enterprise Value	198.1														
Add: Cash	7.9														
Less: Debt	0.2														
Less: Other EV adjustments															
Equity Value	205.7														
Shares outstanding	21.7														
Implied Share Price	\$ 9.47														
Exit Multiple Method															
Terminal EV/EBITDA Multiple	25.0 x														
PV sum of unlevered FCF	26.4														
Terminal value	172.6														
Enterprise Value	199.0														
Add: Cash	7.9														
Less: Debt	0.2														
Less: Other EV adjustments	-														
Equity Value	206.6														
Shares outstanding	21.7														
Implied Share Price	\$ 9.51														
WACC															
Perpetuity Growth Rate	1.00%	\$ 6.65	\$ 7.24	\$ 7.95	\$ 8.80	\$ 9.84									
	1.50%	\$ 7.11	\$ 7.80	\$ 8.63	\$ 9.65	\$ 10.94									
	2.00%	\$ 7.66	\$ 8.47	\$ 9.47	\$ 10.72	\$ 12.35									
	2.50%	\$ 8.31	\$ 9.29	\$ 10.52	\$ 12.11	\$ 14.26									
	3.00%	\$ 9.11	\$ 10.32	\$ 11.88	\$ 13.98	\$ 16.95									
Terminal EV/EBITDA Multiple	8.0 x	\$ 3.95	\$ 4.03	\$ 4.11	\$ 4.19	\$ 4.28									
	9.0 x	\$ 4.25	\$ 4.34	\$ 4.43	\$ 4.52	\$ 4.61									
	10.0 x	\$ 4.55	\$ 4.65	\$ 4.74	\$ 4.84	\$ 4.95									
	11.0 x	\$ 4.86	\$ 4.96	\$ 5.06	\$ 5.17	\$ 5.28									
	12.0 x	\$ 5.16	\$ 5.27	\$ 5.38	\$ 5.50	\$ 5.61									

## Exhibit 3: Comparable Company Analysis

Comparable Company Analysis									
(Figures in mm USD)									
Company	Ticker	Equity Value	Enterprise Value	EV/EBITDA Multiple			P/E Multiple		
				2020A EV/EBITDA LTM	2021A EV/EBITDA LTM	2022E EV/EBITDA LTM	2020A P/E	2021A P/E	2022E P/E
Lightning eMotors, Inc.	NYSE: ZEV	422.6	277.1	NM	NM	NM	(2.1 x)	(1.5 x)	(0.5 x)
The Lion Electric Company	TSX: LEV	2,133.1	1,761.7	NM	32.7 x	NM	(206.4 x)	(378.0 x)	(12.5 x)
NFI Group Inc.	TSX: NFI	1,498.0	2,963.5	23.6 x	1.0 x	26.1 x	7.6 x	20.8 x	(7.7 x)
Vicinity Motor Corp.	TSXV: VMC	143.7	139.1	NM	NM	NM	136.3 x	(19.9 x)	(23.9 x)
Blue Bird Corporation	NASDAQ: BLBD	629.7	898.7	13.7 x	26.9 x	35.1 x	18.3 x	21.9 x	43.8 x
Automobile Corporation of Goa Lir	BSE:505036	98.4	104.1	NM	NM	NM	0.5 x	0.5 x	1.0 x
GreenPower Motor Company In	TSXV:GPV	177.9	168.7	(73.8 x)	(62.7 x)	(58.1 x)	(38.1 x)	(23.5 x)	(23.7 x)
Median				18.7 x	26.9 x	30.6 x	4.1 x	(0.5 x)	(4.1 x)
Mean				18.7 x	20.2 x	30.6 x	(7.6 x)	(59.4 x)	0.0 x
High				23.6 x	32.7 x	35.1 x	136.3 x	21.9 x	43.8 x
Low				13.7 x	1.0 x	26.1 x	(206.4 x)	(378.0 x)	(23.9 x)
				EV/EBITDA Implied Price		P/E Implied Price			
Median				-\$	2.84	-\$	3.58	\$	0.16 \$ 1.38
Mean				-\$	2.03	-\$	3.58	\$	20.19 -\$ 0.01
High				-\$	3.54	-\$	4.17	-\$	7.44 -\$ 14.81
Low				\$	0.30	-\$	2.99	\$	128.61 \$ 8.10

---

## Legal Disclaimer

The content, opinions, estimates, and projections contained in this report are those of WestPeak Research Association (known as “WestPeak” or “WestPeak Research”) and its directors, analysts, and affiliates and are subject to change without notice. The content, opinions, estimates, and projections on this report may not have been updated directly by WestPeak and its directors, analysts, and affiliates and may also have been altered or without your or our knowledge. WestPeak and its directors, analysts, and affiliates, without exception, do not accept any liability for factual, typographical, and grammatical errors, omissions, or content in this report. WestPeak and its directors, analysts, and affiliates do not accept any liability for damages arising from the use of or reliance on any of the content, opinions, estimates, and projections on this report. WestPeak and its directors, analysts, and affiliates endeavor to ensure that the content, opinions, estimates, and projections have been compiled or derived from sources that we believe are reliable and contain information and opinions that are accurate and complete. Information may be available to WestPeak and its directors, analysts, and affiliates that is not reflected in this report. The information in this report is not intended to be used as the primary basis of investment decisions, and because of individual client objectives, should not be construed as advice designed to meet the particular investment needs of any investor. This report is for information purposes only and is not an offer to sell or the solicitation of an offer to buy any security. WestPeak and its directors, analysts, and affiliates may have a personal long or short position in any of the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. The reader should assume that WestPeak and its directors, analysts, and affiliates may have a conflict of interest and should not rely solely on this report in evaluating whether or not to buy or sell securities of issuers discussed herein. The reader, by the viewing of and use of the content, opinions, estimates, and projections contained in this report is assumed by WestPeak and its directors, analysts, and affiliates to have fully read, understood, and unconditionally agreed to all the terms and conditions set forth in this legal disclaimer.

Lisa Lu  
Analyst

WestPeak Research Association  
[contact@westpeakresearch.com](mailto:contact@westpeakresearch.com)