

## The Jig Is Up - Investigative Research Reveals GreenPower Motor Electric Vehicles Are Not “Made In America” But Are “Made In China” - \$1.50 Price Target

- We have investigative research on GreenPower’s (GP) “maufacturing facility” which shows it is simply a warehouse that stores buses imported from China and resells them in California.
- GreenPower’s import records show that the EV Star is actually a re-logoed version of Chinese manufacturer Weichai’s Eurise electric minibus.
- Revenues are significantly limited: Since GreenPower isn’t Buy America Compliant, it can’t receive federal subsidies. It can only receive state subsidies in California, but not in any other states such as New York.
- We have reported to the SEC GreenPower’s material misstatements regarding its fake manufacturing business and Gavin Newsom and the California Energy Commission about GreenPower’s business misrepresentation.
- A better positioned competitor that’s Buy America compliant, Phoenix Motorcars, recently got acquired for only \$27M, implying 90% downside for GP stock.
- GreenPower’s CEO has a shady history with penny stocks and stock manipulation schemes.

### Summary

GreenPower Motor (Nasdaq: GP) is described on its [Yahoo Finance profile](#) as:

*GreenPower Motor Company Inc. develops, manufactures, and distributes electric vehicles for commercial markets in the United States and Canada.*

The basic business model and bull case is clearly highlighted above: GreenPower advertises itself to be an American manufacturer of electric vehicles, that is “made in America”. Since the company promoted its California manufacturing facility the company’s valuation is up 12x as investors are guided to believe that GreenPower has real manufacturing capabilities.

However, our research shows that GreenPower isn’t really an electric bus manufacturer, but is a reseller, importing electric vehicle (“EV”) buses from China. We have photographic evidence from inside GreenPower’s facility and comparison photos on what is actually bought in China and compared to what is sold in America - the only difference is the logo.

All shareholder must ask themselves, what’s the purpose of buying and reselling something from china, anyone can do that, If you don’t believe us, just look at Shopify or Ali Baba! Also, GreenPower vehicles aren’t ‘Buy America’ compliant which means that they will not be eligible for subsidies in most of the United States, with the exception of

California - this shuts down and minimizes their potential total addressable market size. As previously [written by Mariner Research](#), GreenPower is heavily reliant on the California HVIP (Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project) and as subsidies in California are shrinking, and they are not eligible for other states, this spells trouble for GreenPower.

The electric vehicle space is increasingly competitive, and we see no long-term value in GreenPower for shareholders or customers. GreenPower is a vehicle importer with an unknown brand, no intellectual property, and does a minimal amount of assembly operations on its own. Valuing GP at 1x revenues plus net cash, we assign it a price target of \$1.50.

### **GreenPower Motor's Checkered History**

GreenPower is all over the map. Formed in 2014 by a [reverse merger](#) with Oakmont Minerals Corp., a blank check company with some minor claims on Utah manganese prospects, its headquarters are in Vancouver, British Columbia while its operations are in California. Production is in Porterville and sales & marketing are in Rancho Cucamonga.

For many years, GreenPower remained almost unnoticed by investors, trudging along with a below \$30M market capitalization for most of its history as a public company. Things changed suddenly in June 2020 as management and its investment bankers prepared to take advantage of peak investor enthusiasm for all things EV related. As such, management entered the advanced stages of marketing GreenPower for a Nasdaq public offering.

When GreenPower first started trading on the OTC exchange in 2015, it stayed in a range of \$1-4 per share up until it started trading on the Nasdaq. It had 15.5M shares outstanding between January-July 2020. Much of that time it was trading below \$1 per share, which gave it a market cap of around \$15M. The stock is up 1000%+ since June 1 and it [uplisted to the Nasdaq](#) on August 28.

In its [latest 20-F filing](#), GreenPower stated that on 9/30/20 it had 19M shares outstanding. Its fully diluted share count is about 24M.

### **Our Research Shows That GreenPower Motors Isn't Really An Electric Bus Manufacturer, But is An Importer/Reseller**

While GreenPower presents itself as an electric bus manufacturer, we found the company doesn't manufacture anything. Furthermore, GreenPower's buses aren't "made in America". The reality is, GreenPower imports its already manufactured buses from China and resells them! The company is misleading investors.

A [2018 interview](#) with GreenPower CEO Fraser Atkinson shows:



[Source](#): YouTube Video

On 11/30/18, GreenPower [released a PR](#) with the title:

## GREENPOWER ANNOUNCES THAT ITS CALIFORNIA MANUFACTURING FACILITY IS READY FOR PRODUCTION

In the PR, Brendan Riley, President of GreenPower, is quoted:

“This manufacturing facility will allow us to deliver EV Stars built with the efficiency and quality that comes Made in America.”

We find Mr. Riley to have a lot of audacity to use the words “Made in America” when he knows GreenPower’s buses are made in China.

On 11/13/20, Atkinson was [interviewed](#) on Fox Business News which showed:



[Source](#): Fox Business News

Notice above, it says GreenPower Motors *makes* the vehicles, which is false.

### **We Reported GreenPower Motor's Misleading Statement To The SEC**

We reported GreenPower to the SEC under their Whistleblower Program. As stated on the SEC website [here](#):

“Whistleblowers also have helped focus us on false and misleading statements in offering memoranda or marketing materials, enabling us to act quickly and stop these investment frauds from attracting more investors.”

GreenPower recently attracted investors to its IPO when it got uplisted to the Nasdaq.

In its [IPO prospectus](#), filed on 9/1/20, it states:

*“GreenPower integrates global suppliers for key components, such as Siemens or TM4 for the 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.”*

Our research has found the above statement to be misleading. GreenPower doesn't really integrate those components. Our source visited GreenPower's facility in Porterville, and what he uncovered is alarming. He asked the facility's manager where do they integrate these specific components. The manager answered “oh that's all done in China”. However, GreenPower doesn't have any facilities in China.

We emailed GreenPower at [info@greenpowerbus.com](mailto:info@greenpowerbus.com) some questions about this statement. We also called all of the executives individually and left messages. These executives' numbers are shown from the company's [October 2020 Investor Presentation](#):

## CONTACT US

**Fraser Atkinson, CEO**  
(604) 220-8048

**Brendan Riley, President**  
(510) 910-3377

**Michael Sieffert, CFO**  
(604) 563-4144

**Mike Cole, Investor Relations**  
(949) 444-1341

[Source](#): GreenPower October Presentation

Not one of the above executives returned our call, and our email wasn't answered either.

We asked the following questions:

1. Where does GreenPower do this integration?
2. Which models use the mentioned components from Siemens, TM4, Knorr, ZF, Parker, and I/O?

We believe this is a false and misleading statement to investors, and a securities law violation. We reported it to the SEC.

### **Investigative Research Shows Both of GreenPower's Warehouses Don't Have Manufacturing and Do Minimal Assembly**

In GreenPower's [recent 20-F](#), it states:

"We maintain two leased properties in the City of Porterville that are used for assembly and manufacturing."

Our source went to both properties in September of this year. He found neither one to be a "manufacturing" facility. He took photo evidence that we show in this report.

The plant manager at the Poplar facility said that the smaller property, at 2011 Wildcat Way in Porterville, California is mostly used as desk space, plus a small amount of storage. It has no production whatsoever. No assembly occurs there nor are any vehicles stored there.

GreenPower's bigger property located at 90 W. Poplar, Porterville, California is a 50,000 sq. foot facility. It's simply a warehouse to store already built EV buses imported from China. GreenPower then resells these imported buses at a much higher markup. This at best makes GreenPower a middle man, which means any view on valuation deserves a lower multiple.

There's no heavy machinery whatsoever at this facility. There is a hydraulic jack to lift up the buses, hand-held tools, and a cage. That's it. Our source also didn't see any assembly line capabilities. We also interviewed a government transit official who inspected GreenPower's Porterville facilities for CalACT. He confirmed no assembly line capabilities were visible.

The EV Star is GreenPower's flagship product. It's a minibus that GreenPower first sold in 2018, and has sold by far the most to its customers. It's the first bus you see on [GreenPower's website](#).

GreenPower's import records show that the EV Star is actually a re-logoed version of Chinese manufacturer Weichai's Eurise electric minibus. Images below:



Images Sources: [Weichai Website](#) and [Creative Bus Sales Website](#)

As shown in the side by side images above, the only noticeable difference between the two buses is the logo in the front. Everything else is substantially the same.

Here are other images comparing the 2:

**Eurise:**



[Source:](#) Alibaba

**EV Star:**



[Source](#): GreenPower's Twitter Page

Again, the two images above show an almost exact match between the Eurise and the EV Star. The only differences are the logos and the vent on the roof of the Eurise. That vent is optional for the Eurise when it's manufactured, GreenPower chose their version to not have it.

The Eurise electric minibus is available to anyone who wishes to import them. There is no need to buy it through GreenPower and pay a huge markup. It's available on Weichai's website for \$55K-\$70K USD, depending on vehicle length. The 6-meter version shown [here](#) for \$55K, or the 7.5 meter version shown [here](#) for \$70K. This doesn't include bulk discounts, which can make the price even lower. The Eurise Alibaba listing is [here](#), image shown below:



320km electric minibus 20 seat mini van in hot sale



1 - 19 Units	>=20 Units
<b>\$68,000.00</b>	<b>\$65,000.00</b>

Model:

Samples: \$68,000.00 /Unit 1 Unit (Min. Order) [Buy Samples](#)

Lead Time:	Quantity(Units)	1 - 1	2 - 10	>10
	Est. Time(days)	15	30	Negotiable

Customization: [Graphic customization \(Min. Order: 1 Units\)](#)  
[Color \(Min. Order: 1 Units\)](#) [More](#) ∨

[Source](#): Alibaba

### GreenPower's Facility Pictures

GreenPower imports vehicles to its Porterville warehouse in substantially complete condition and installs only the seats and in some cases a wheelchair ramp. Sometimes, such as with the VIP version of the EV Star, the seats come already installed.

The following are pictures our source took in the warehouse:



Above are EV Star seats ready to be installed in the imported EV Stars in the background.



Looking to the right of the chairs are school buses. Notice there's no machinery at all.



Above is a wheelchair ramp being installed in an EV Star.






The two pictures above are EV Stars ready to ship. The picture directly above in the back shows the hydraulic jack, the only piece of machinery in the warehouse.

**Import Records Show GreenPower's EV Star is Really Weichai's Eurise Electric Minibus**

Shown below are GreenPower's import records from Weichai. The encircled imports are directly from Weichai.

	<a href="http://ImportGenius.com">ImportGenius.com</a> <a href="mailto:info@importgenius.com">info@importgenius.com</a> Toll Free: 855-573-9976 International: +1 480-745-3396			
PRODUCT DESCRIPTION	CONSIGNEE	SHIPPER	ARRIVAL DATE	GROSS WEIGHT (LBS)
BUS	GREEN POWER MOTOR COMPANY INC.	GEMILANG COACHWORK SDN. BHD	10/06/2020	7840
6 PCS FRONT INTERIOR CEILING 5 PCS INT	GREEN POWER MOTOR COMPANY, INC.	WEICHAI(YANGZHOU) YAXING NEW	09/06/2020	404
BUS	GREEN POWER MOTOR COMPANY INC.	GEMILANG COACHWORK SDN. BHD	08/15/2020	3920
14 UNITS INCOMPLETE VEHICLE VIN NO.	GREEN POWER MOTOR COMPANY INC	WEICHAI YANGZHOU YAXING NEW ENERG	07/18/2020	61,320
PARTS AND ACCESSORIES OF MOTOR VEI	GREEN POWER MOTOR COMPANY, INC.	WEICHAI(YANGZHOU)YAXING NEW ENERGY	06/19/2020	33,360
6 UNITS INCOMPLETE VEHICLE VIN NO. 1	GREEN POWER MOTOR COMPANY INC	WEICHAI YANGZHOU YAXING NEW ENERG	06/15/2020	26,280
2 UNITS INCOMPLETE VEHICLE VIN NO. 1	GREEN POWER MOTOR COMPANY INC	WEICHAI YANGZHOU YAXING NEW ENERG	05/08/2020	8,760
MID ELECTRIC BUS	GREEN POWER MOTOR COMPANY INC.	WEICHAI(YANGZHOU) YAXING NEW ENERGY	02/16/2020	52,560
10 UNITS MID ELECTRIC BUS VIN NO. 1G9C	GREEN POWER MOTOR COMPANY INC	WEICHAI YANGZHOU YAXING NEW ENERG	11/29/2019	43,800
4 UNITS MID ELECTRIC BUS VIN NO. 1G9C	GREEN POWER MOTOR COMPANY INC	WEICHAI YANGZHOU YAXING NEW ENERG	11/14/2019	17,520
16 UNITS MID ELECTRIC BUS VIN NO. 1G9	GREEN POWER MOTOR COMPANY INC	WEICHAI YANGZHOU YAXING NEW ENERG	09/28/2019	70,080
8 UNITS MID ELECTRIC BUS VIN NO. 1G9C	GREEN POWER MOTOR COMPANY INC	WEICHAI YANGZHOU YAXING NEW ENERG	09/15/2019	35,040
AUTO SPARE PARTS	GREEN POWER MOTOR COMPANY INC	XIAMEN FENGTAI BUS COACH INTERNATIO	07/23/2019	401
1 UNITS ELECTRIC TRANSIT BUS EV350 VII	GREEN POWER MOTOR COMPANY INC	XIAMEN FENGTAI BUS AND COACH INTERN	07/10/2019	14800
15 UNITS MID ELECTRIC BUS VIN NO. 1G9	GREEN POWER MOTOR COMPANY INC	WEICHAI YANGZHOU YAXING NEW ENERG	07/10/2019	65,700
15 UNITS MID ELECTRIC BUS 15PACKAGES	GREEN POWER MOTOR COMPANY INC	WEICHAI YANGZHOU YAXING NEW ENERG	06/14/2019	66,075
ELECTRIC TRANSIT BUS : EV350 VIN NO:1	GREEN POWER MOTOR COMPANY INC.	YU CHENG AUTO INDUSTRIAL CO., LTD.	04/21/2019	29600
BUS ELECTRIC TRANSIT BUS : EV350 VIN :	GREEN POWER MOTOR COMPANY INC.	FLEETSOL SDN BHD	01/02/2019	44370000
MID ELECTRIC BUS	GREEN POWER MOTOR COMPANY INC.	WEICHAI(YANGZHOU) YAXING NEW ENERGY	12/21/2018	36,000
EV-STAR EV-STAR	GREEN POWER MOTOR COMPANY, INC.	WEICHAI (YANGZHOU) YAXING NEW	08/24/2018	8,760
ELECTRIC TRANSIT BUS - EV350 VIN NO-	GREEN POWER MOTOR COMPANY INC.	XIAMEN FENGTAI BUS AND COACH	06/24/2018	44983
BUS GLASS	GREEN POWER MOTOR COMPANY	YANTAI YONGQITE I&E CO.,LTD.	06/24/2018	1470
ALUMINUM ALLOY STEEL RING	GREEN POWER MOTOR COMPANY	XIAMEN FENGTAI BUS AND COACH INTERN	02/18/2018	350
ELECTRIC TRANSIT BUS-EV350 VIN NO. 1C	GREEN POWER MOTOR COMPANY INC.	XIAMEN FENGTAI BUS AND COACH	01/28/2018	29720
TRANSIT BUS- EV250 VIN NO. 1G9TF2ACC	GREEN POWER MOTOR COMPANY INC	XIAMEN FENGTAI BUS AND COACH	06/24/2017	10882
TRANSIT BUS	GREEN POWER MOTOR COMPANY INC.	XIAMEN FENGTAI BUS AND OACH INT. CO	08/18/2016	19776

Source: [importgenius.com](http://importgenius.com)

The above import records show that GreenPower received its electric buses directly from China, not from a US manufacturer or component supplier.

In the following section, we will highlight why this is important. Other than this being a misleading statement, they are also violating federal subsidiary rules. This will further impact their potential market revenue size moving forward.

### 96% of GreenPower's Vehicle Deliveries Are the EV Star, and Most Go To One Customer - Green Commuter

GreenPower is focused primarily on selling the EV Star, a light electric van, with a secondary focus on electric school buses.

GreenPower's [F-1 filing](#), from 8/25/20, shows the company's focus on the EV Star:

The following chart illustrates Greenpower's cumulative vehicle deliveries to the end of June 2020:



[Source:](#) GreenPower F-1 Filing

96% of GreenPower's vehicles delivered over the past 15 months were the EV Star.

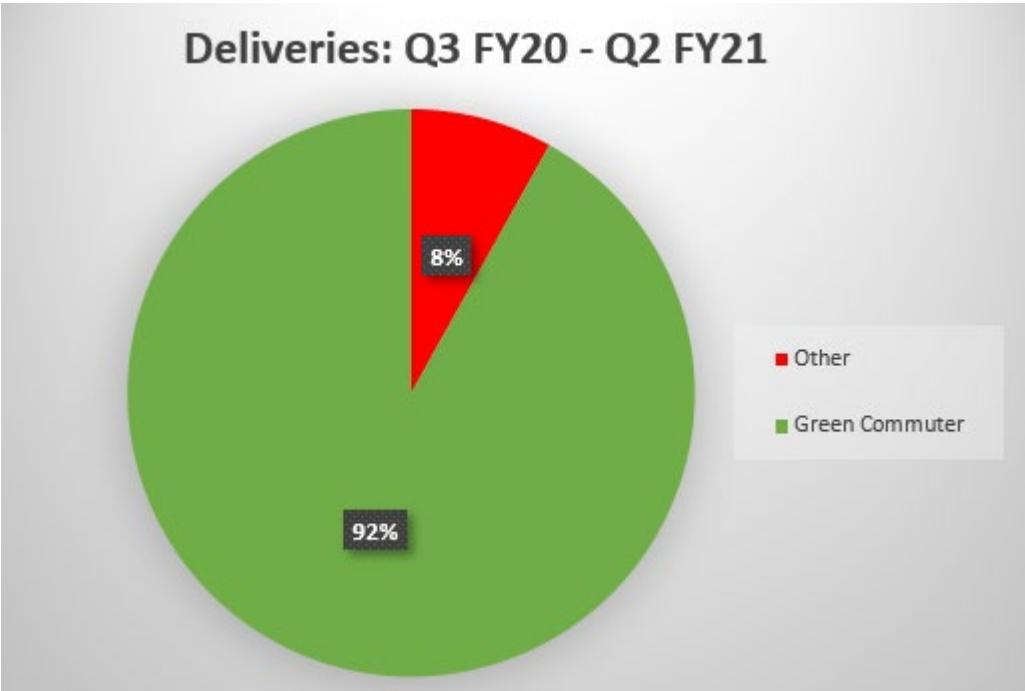
The following shows the number of EV Stars delivered by GreenPower compared to the total number of vehicles delivered between 7/1/19 and 9/30/20.

	<u>June</u> <u>FQ1 20</u>	<u>Sept</u> <u>FQ2 20</u>	<u>Dec</u> <u>FQ3 20</u>	<u>March</u> <u>FQ4 20</u>	<u>June</u> <u>FQ1 21</u>	<u>Sept</u> <u>FQ2 21</u>	<u>Total</u>
EV Stars		24	33	0	18	20	71
Total		27	35	0	18	21	74
							96%

Source: sedar.com

### GreenPower Customer Concentration Deliveries

Over 90% of GreenPower's bus deliveries have been to Green Commuter. As shown in this chart:



Source: GreenPower PRs

GreenPower’s major commercial relationship is with Green Commuter, a Southern California-based vanpool operator run by its CEO, Gustavo Ochiuzzo. [Ochiuzzo’s LinkedIn profile](#) shows he has previously owned and operated small landscaping businesses. As shown below:



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**Gustavo Occhiuzzo**  
CEO Green Commuter

## Experience



### CEO

Green Commuter

Jun 2014 – Present · 6 yrs 6 mos

929 Colorado Bl, Santa Monica

Green Commuter is the first vanpool and car sharing company in the nation to offer all-electric vehicles exclusively to individuals, universities, and public and private employers.



### President

BMC Landscape Management, Inc

Aug 2010 – Jul 2015 · 5 yrs

250 N westlake Bl #230, Westlake Village California

In 2010, Acquired BMC Landscape Management with partner Dave Richards and became President and General Manager of the company.

BMC Landscape Management is a provider of landscape services to Commercial and Governmental Institutions, has been in business since 1967 and currently employs 25 people.



### Owner

Pan American Landscaping

Feb 2001 – Oct 2014 · 13 yrs 9 mos

Sherman Oaks, CA

Founded company as a general landscape maintenance service provider. Developed company to include specialties such as tree trimming, planting, brush clearance, sod installation. Presently possess a C27-C61-D49 Landscape and tree trimming license. In 2011, I became a Certified Treecare Safety Specialist, certification provided by the TreeCare Industry Association.



### Owner

Pan American Brush Clearance

Feb 2003 – Aug 2014 · 11 yrs 7 mos

Sherman Oaks, CA

Founded Pan American Brush clearance in 2003. Prepared all commercial and government bid packages. During the peak season, managed 40+ employees. Worked directly with LA County and City of Los Angeles personnel when Pan American Brush Clearance were awarded a contract. Sold

[Source: LinkedIn](#)



With only \$750K total in funding, Green Commuter appears to be a small company whose expertise is in applying for government subsidies.

Green Commuter is dependent on the California HVIP (Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project) subsidy program, under which it can claim [\\$90K towards the purchase](#) of each EV Star. Right now, the California HVIP is closed, so no one can make use of the subsidy program until it reopens.

School buses haven't sold well for GreenPower. LA Unified School District, the second largest public school district in the United States, stopped after the [purchase](#) of just one GreenPower bus on 12/4/17.

"(LA Unified) will really be a signature account or customer for us", Atkinson had predicted in a [promotional interview](#) on Capital Ideas TV (at time 6:54). Atkinson's prediction was dead wrong. GreenPower hasn't sold any school buses to LA Unified after this 2018 interview.

### **We Wrote to The California Energy Commission (CEC) Warning Them That GreenPower Imports The Buses from China**

On 11/13/20, GreenPower [announced](#) that it received six orders to sell electric school buses to a California school district. All six were fully paid for by government entities, five were funded by the California Clean Energy Jobs Act (CEC) Prop 39.

We wrote to governor Gavin Newsom and the California Energy Commission, telling them that GreenPower is an importer, and funding their buses won't support American manufacturing jobs. The following is the letter we sent to them:

"GreenPower Motor recently issued a press release stating that five of its electric school buses will be funded through the California Clean Energy Jobs Act (CEC) Prop 39.

This [final report](#) describing the Proposition 39 Clean Energy Jobs Act, states:

"In brief, we believe the program has been a success across multiple categories: energy savings, job creation, job training, and improvements to classroom environments."

"Objectives of the California Clean Energy Jobs Act

- a) Create good-paying energy efficiency and clean energy jobs in California.
- d) Achieve the maximum amount of job creation and energy benefits with available funds."

Does the California Energy Commission realize that GreenPower Motor doesn't manufacture the buses themselves? They simply import the buses from China, and sell them in California at an over 100% markup. This does very little to create California jobs, it creates jobs in China. I don't think California tax payers would approve of this use of their tax dollars.

Our source confirmed this in GreenPower's warehouse, and it is true. There isn't any heavy machinery in their warehouse. All they do is sometimes install seats and wheelchair ramps in the buses. The source asked the warehouse manager where they integrate the parts, and he responded "oh, that's all done in China". We have pictures that the source took in the warehouse, as well as side by side images of GreenPower's bus and the Chinese company bus, they are exactly the same except for the GreenPower logo.

If you would like me to send you our research and the pictures of the inside of GreenPower's warehouse, I'd be happy to."

We also sent a letter to the California HVIP. If this letter fails to gain traction, we plan to send this story to California news publications. We sent a letter alerting California's Attorney General, Xavier Becerra with the same message.

### **Since GreenPower's Buses Are Manufactured Overseas, Therefore They Aren't Buy America Compliant**

GreenPower has never sold a Buy America compliant vehicle. The Buy America Act is a government subsidy program that pays for goods that the public uses. Buses fall into this category. [This government report](#) from August 2018 explains specifically how the Buy America requirements affect the electric bus market. It states:

"...requires that transit buses acquired with federal public transportation funding undergo final assembly in the United States and that at least 65% of the cost be manufactured domestically. This threshold rises to 70% for buses delivered in FY2020 or later."

In GreenPower's [October 2020 Investor Presentation](#), it says several times that the company is Buy America compliant. On page 6 it states:

# WHAT DOES FTA ALTOONA CERTIFICATION AND BUY AMERICA COMPLIANCE MEAN?

7  
TESTS

Passed all 7 lengthy and rigorous FTA Altoona tests. Buyers rely heavily on Altoona reports when making purchasing decisions



The EV Star is Buy America Act Compliant

80%

The FTA will subsidize up to 80% of the purchase price for vehicles that are Buy America Act Compliant and Altoona Tested by eligible transit properties

1<sup>ST</sup>

First in its class to be both Altoona Certified and Buy America Compliant



On page 9 it states:

THE EV STAR IS THE ONLY CLASS 4 ELECTRIC VEHICLE THAT MEETS THESE STANDARDS!

- ✓ Altoona Tested
- ✓ Buy America Compliant

[Source:](#) GreenPower Oct 2020 Investor Presentation

Above it explicitly states that the EV Star is Buy America compliant, even though GreenPower has never sold a Buy America compliant one, but simply a re-logoed Eurise.

Then later in the presentation, on page 16, it says something different. It states:

- Federal Transit Incentives – As the only Class 4 EV that has passed Altoona Testing and can be built with Buy America Compliance, GreenPower's EV Star is eligible for incentives equaling 80% of the purchase price for transit buyers

[Source:](#) GreenPower Oct 2020 Investor Presentation

Notice the above words “can be built” but not “is built” with Buy America Compliance. GreenPower’s warehouse manager told our source that the EV Star isn’t built right now with Buy America compliance, but it has the potential to be at a much higher cost. He said that the difference between their Buy America compliant and non-compliant vehicles, is the labor cost of putting it together themselves, and some additional small parts. GreenPower would have to hire many more employees to help assemble the Buy America compliant buses in bulk.

On GreenPower’s fiscal Q121 [earnings call](#) on 8/31/20, Atkinson stated:

“In the case of the Buy America EV Star or the Buy America compliant that takes longer than the sort of the just the regular EV Star passenger vehicles. So that would be at least two quarters out from when we get into the production.”

Atkinson is saying in the above statement that right now, GreenPower’s buses aren’t Buy America compliant. However, he hopes in the future, in “at least two quarters”, they will be. We believe GreenPower will assemble a token number of Buy America compliant vehicles, perhaps 5-10, just to say they did in a PR and for promotional purposes. However, we believe that GreenPower’s buses will never be Buy America compliant on a large scale, given that it would be much more costly to build and have a crazy high price tag. GreenPower already has a hard time selling its buses at its current price tag.

### **Three Of Internally The Same Bus, Three Vastly Different Prices**

The following are three of the same EV minibuses with the same design, but vastly different prices:

The Eurise: Price = \$55K-\$70K



[Photo source: criscar.com](http://criscar.com)

The EV Star without Buy America compliance: Price = \$170K



[Photo source: greenpowerbus.com](http://greenpowerbus.com)

The EV Star with Buy America compliance: Price = **\$280K!!**



[Photo source: greenpowerbus.com](http://greenpowerbus.com)

All three of the electric buses above are the same, aside from the different decals of the EV Star. But the prices are much different, since GreenPower buys the Eurise and marks it

up over 100%. We got the price of \$280K from a transit official that was also a prospective customer of GreenPower for the Morongo Basin Transit Authority (MBTA). \$280K was the price he said they were offered for a Buy America compliant EV Star.

### **We Interviewed A Transit Official That Rejected GreenPower's Non Buy America Compliant EV Star**

We spoke with a transit official who said that they look for Buy America compliant buses, and 70% of the cost of the vehicle needs to be from an American plant. He reviewed GreenPower's warehouse, and saw the same thing our source saw. He said:

"What I saw from the plant was essentially the bulk of their activities were pre-delivery activities for the non-Buy America bus, I saw several dozen there. We want major components for Buy America compliance. We would want them commissioning the power train, installing the battery, installing the switch gear, and the seats installed there."

The official approved the EV Star as an eligible vehicle by CalACT, as GreenPower stated in a [PR](#) on 9/25/20. However, the EV Star is only approved if it's built in a way that's Buy America compliant. So far, GreenPower has never delivered a Buy America compliant vehicle, so this type of EV Star currently doesn't exist.

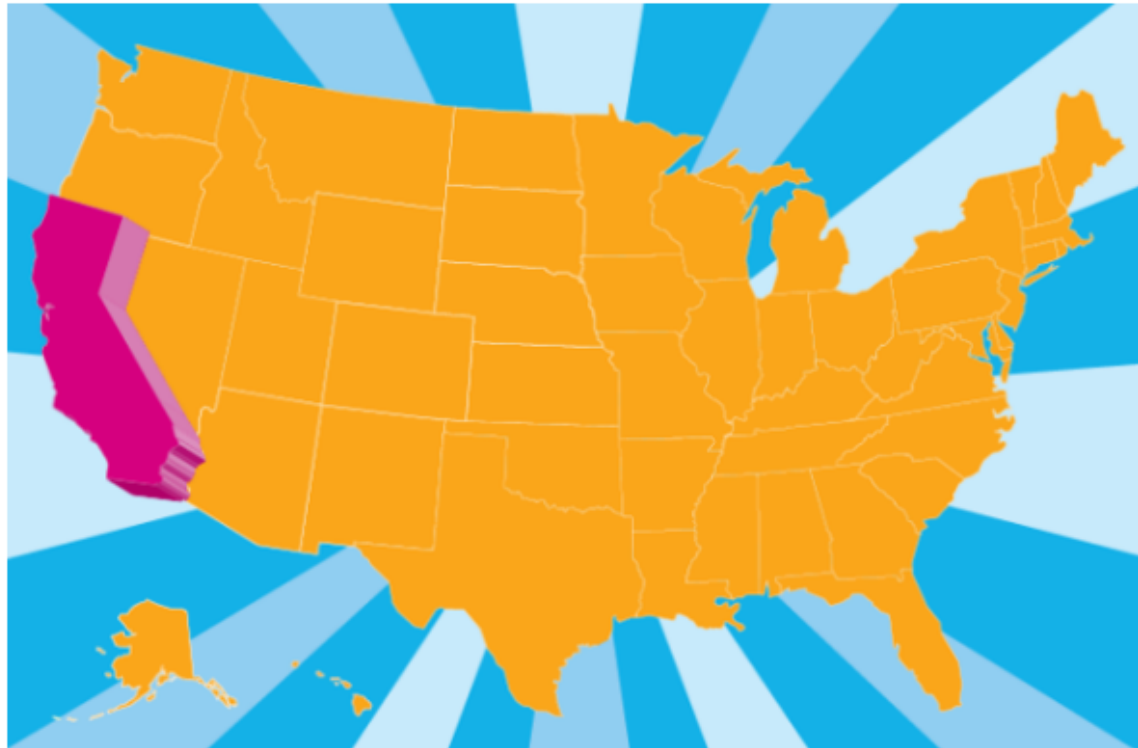
For the MBTA, he said they ended up going with the Ford EV vehicles from Lightning eMotors. Ford blesses the Lightning bus with the eQVM certification. That puts the trust of Ford behind it with the Ford warranty.

### **GreenPower Can Only Receive Subsidies from California**

GreenPower is limited to only selling in California since California's state subsidy program doesn't require Buy America standards. It is the only state in the US that doesn't require it. This is illustrated in the image below:

The orange-colored states require Buy America Act compliance to give electric vehicle subsidies.

The pink-colored state doesn't require Buy America Act compliance to give electric vehicle subsidies.



California could switch course and start requiring Buy America Act compliance with Electric vehicle purchases. That would be devastating for GreenPower.

[This article](#) regarding Buy American standards states:

“In 2015, the Sacramento City Unified School District took heat for buying canned peaches, pears and applesauce from China. The district quickly reversed course and used American suppliers once the food ran out.”

California government and school districts could take heat for buying GreenPower buses since it's the same as buying from China.

On the front page of GreenPower's [website](#), it mentions the CARES Act, as shown below:

## CARES ACT

ADDS \$25 BILLION OF FUNDING FOR PUBLIC TRANSPORT

[LEARN MORE](#)

Source: [greenpowerbus.com](http://greenpowerbus.com)

However, this is of no help to GreenPower. The [CARES Act](#) gives transit agencies more flexibility and greater reimbursement during COVID. CARES Act funds are administered by the Federal Transit Administration (FTA). All federal funding for electric buses requires Buy America compliance. Therefore, GreenPower can't receive any federal funding, like from the FTA. None of GreenPower's buses have ever been purchased with federal funding.

### GreenPower's Recent Announced Sale of Six School Buses Isn't What It Seems

On 11/13/20, GreenPower [announced](#) the sale of six electric school buses, the BEAST model, to the Thermalito Union Elementary School District. This PR is misleading as further research shows that this sale isn't final yet. There's also more to the story that hasn't been told.

First, GreenPower submitted this bus and didn't pass the [California Energy Commission's \(CEC\) technical evaluation](#). The BEAST is a Type-D school bus, as shown on GreenPower's [website](#):

**THE BEAST TYPE-D ELECTRIC SCHOOL BUS**

Utilizing GreenPower's high-floor platform, clean-sheet design and monocoque body, the Synapse is North America's first purpose-built, all-electric school bus, and the only all-electric, Type-D school bus on the market.

[THE BEAST SPECIFICATIONS](#)

Source: [greenpowerbus.com](http://greenpowerbus.com)

This bus got rejected by the CEC, as shown below:

Did Not Pass					
6	GreenPower Motor Company, Inc.	Type D with and without Chair Lift	67.1%	N/A	Did Not Pass

[Source](http://energy.ca.gov): [energy.ca.gov](http://energy.ca.gov)

This GreenPower sale isn't approved by the CEC yet. The PR only says that the Thermalito School District approves the purchase, but not that the CEC has approved it.

We are actively writing to and questioning the CEC if they are going to use taxpayer money on a bus that both didn't pass the technical evaluation, and isn't Buy America compliant. We hope they do the right thing and reject the sale.

**Most of GreenPower's Competitors Are Buy America Compliant**

The electric vehicle space is increasingly competitive. Not only are many of GreenPower's competitors cheaper, but they are also Buy America compliant. It's almost impossible for GreenPower to compete with that double whammy. The following are GreenPower's competitors which all happen to be Buy America compliant:

[Lion Electric](#) – Lion Electric's (stock symbol NGA) buses, A, C and D, are the most popular EV buses among California school districts and received high praise from the CEC. The following are all the Proposed Awardees from the [CEC's Vehicle Technology program](#), as well as the buses that passed but not recommended awardees, and those that didn't pass. Most of the awardees are Lion Electric buses.

**California Energy Commission**  
**Clean Transportation Program**  
 (previously the Alternative and Renewable Fuel and Vehicle Technology Program)  
**Notice of Proposed Awards for**  
**Solicitation GFO-18-604**  
**Establish Bulk Purchase Pricing for Electric School Buses**  
**June 3, 2019**



Proposal Number	Applicant	Type of Bus	Score	Bid	Recommendation
<b>Proposed Awardees</b>					
1	The Lion Electric Co.	Type A without Chair Lift	83.0%	\$269,488.38	Awardee
3	A-Z Bus Sales, Inc.- California (Micro Bird)	Type A with Chair Lift	80.9%	\$291,523.55	Awardee
1	The Lion Electric Co.	Type C without Chair Lift	83.0%	\$319,283.38	Awardee
1	The Lion Electric Co.	Type C with Chair Lift	83.0%	\$327,726.88	Awardee
1	The Lion Electric Co.	Type D without Chair Lift	83.0%	\$330,108.38	Awardee
1	The Lion Electric Co.	Type D with Chair Lift	83.0%	\$337,469.38	Awardee

Proposal Number	Applicant	Type of Bus	Score	Bid	Recommendation
<b>Passed But Not Recommended For Award</b>					
1	The Lion Electric Co.	Type A with Chair Lift	83.0%	N/A	Finalist
3	A-Z Bus Sales, Inc.- California	Type A without Chair Lift Type C with and without Chair Lift Type D with and without Chair Lift	80.9%	N/A	Finalist
4	Creative Bus Sales, Inc.	Type A with and without Chair Lift	78.8%	N/A	Finalist
<b>Did Not Pass</b>					
6	GreenPower Motor Company, Inc.	Type D with and without Chair Lift	67.1%	N/A	Did Not Pass
5	Creative Bus Sales, Inc.	Type C with and without Chair Lift	66.6%	N/A	Did Not Pass
2	Thomas Built Buses	Type C with and without Chair Lift	58.8%	N/A	Did Not Pass

[Source: energy.ca.gov](http://energy.ca.gov)

### [Phoenix Motorcars](#)

Manufactures and sells a wide range of vehicles including shuttles, trucks, and school buses. In September, 2020, it [partnered](#) with EasyMile to sell to Houston Metro the EZ Zeus, which is a Buy America-compliant EV minibus. Phoenix Motorcars was [acquired](#) by SPI Energy (SPI) for \$27M on 11/13/20. We don't believe GreenPower is worth any more than Phoenix.

### [Motiv Power Systems](#)

Manufactures and sells a variety of EV delivery vans and shuttles.

### [Cummins/Gillig](#)

Gillig is a subsidiary of Cummins. Manufactures and sells EV buses.

### [Proterra](#)

Manufactures and sells EV buses and trucks. Has lots of [VC backing](#).

### [Lightning eMotors](#)

Lightning eMotors' [Transit Passenger Van](#) is sold for \$120K, which is \$50K cheaper than GreenPower's EV Star as well as being Buy America compliant.

Even the city of Porterville, where GreenPower's warehouse is located, [went with Lightning eMotors for their fleet](#) in 2019 instead of GreenPower.

### **GreenPower Has No Intellectual Property**

GreenPower has no intellectual property. In fact, the company even has a risk disclaimer in its [annual report](#), that says it may have to defend itself against *other* companies intellectual property infringement claims. As stated on page 6:

*We may need to defend ourselves against intellectual property infringement claims, which may be time-consuming and could cause us to incur substantial costs.*

[Source](#): GreenPower 20-F

### **GreenPower Has Not Made an EV Star Delivery to Their Claimed “Distributor” for Over A Year**

In a [prospectus](#) filed on 08/28/20, GreenPower makes the following statement:

“In June 2018, our company appointed Creative Bus Sales as our exclusive sales agent. Creative Bus Sales is the largest bus dealer in the United States, with 18 physical locations, a 75-person sales team and more than 200 service and support staff.”

GreenPower claims that Creative Bus Sales is their distributor, however the last EV Stars that were delivered was in [September 2019](#). That’s over one year ago. The order in 2018 was for GreenPower to deliver 100 EV buses to Creative. Today, over two years later, GreenPower has only delivered 20 to Creative Bus Sales. It delivered the 5 EV Stars in September 2019, 5 in [August 2019](#), 8 in [July 30, 2019](#), and 2 in [July 18, 2019](#). They are effectively not distributing GreenPower EV Stars anymore, given how much time has lapsed since their last delivery.

On 11/12/20, GreenPower did [report](#) that in its fiscal Q221, it had delivered one all-electric school bus to Creative Bus Sales, but no EV Stars.

### **GreenPower Buses Are Not Commercially Viable**

GreenPower buses aren’t commercially viable. Nobody aside from Green Commuter is buying these buses at \$170K. Its calculated that for GreenPower to be Buy America compliant, it would sell for a whopping \$280K. When you can purchase Buy America compliant vehicles now for less than the non-Buy America compliant EV Stars for \$170K, it doesn’t make any sense.

What many EV bus manufacturers do now is take a Ford, and electrify the Ford. Customers trust it because everyone knows what a Ford is. Ford gives these companies a warranty as well. They are sold now for \$120K by Lightning eMotor and are Buy America compliant. Phoenix Motorcars does the same thing with the Ford bus and shuttle.

[This PR](#) from GreenPower, released on 9/25/20, states that GreenPower’s EV Star was selected as an eligible vehicle by CalACT. However, it’s a misleading PR because the EV Star is only eligible if its Buy America compliant. Brendan Riley, GreenPower’s President, states in the PR:

“This is where our EV Star being made under Buy America Compliance and having passed Altoona become a significant competitive advantage.”

The EV Star that GreenPower currently is selling isn't Buy America compliant, so it's not currently an eligible vehicle by CalACT.

**Most of GreenPower’s Sales Orders Have Been Abandoned**

None of GreenPower’s sales orders have been fully completed. It currently has only one major customer, Green Commuter. All the rest of its large orders have been abandoned and those customers lost. The following are the orders that GreenPower has had and how they've panned out.

The following are GreenPower’s large bus orders. They have been big headlines that haven't panned out. Beyond these, GreenPower has had some small orders.

**GreenPower Orders**

Customer	Date Announced	Quantity	Actually Sold	Outcome
Adomani	6/2/2016	25	3	Abandoned
Creative Bus Sales	6/5/2018	100	20	Abandoned
Green Commuter	11/6/2018	3	3	Finished
Green Commuter	4/15/2019	100	73	Continued
Green Commuter	7/29/2020	100	0	?
ABC Bus	9/30/2020	100	0	?

[Source:](#) GreenPower News

Going over each of GreenPower’s large customers and orders:

**Adomani** – GreenPower [originally claimed](#) its relationship with Adomani would bring 50 vehicle sales in 2016 and a further 100 in 2017. Turns out, only three units were sold.

**Creative Bus Sales** – This relationship was originally announced as an order for 100 buses, as stated in the following press release:

## GREENPOWER RECEIVES ORDER FOR 100 BUSES

Porterville, CA June 5, 2018 – GreenPower Motor Company Inc. (TSXV: GPV) (OTCQX: GPVRF) (“GreenPower”) announces that it has received an order for 100 buses from Creative Bus Sales, the U.S.’s largest bus dealer for sales, parts and service and GreenPower’s exclusive authorized factory representative.

Brendan Riley, President of GreenPower commented: “This 100 bus order represents our largest order to date. This is further validation of the compelling nature of GreenPower EV products and the acceptance of our product by the market in general!”

[Source](#): GreenPower News

Unfortunately for GreenPower, only 20 of the 100 ordered EV Stars were delivered, the last five delivered in [September 2019](#), as we stated earlier in this report.

**Green Commuter** – GreenPower’s only remaining customer is Green Commuter, a Southern California-based vanpool operator which we described earlier in this report.

**ABC Companies** – On 9/30/20, GreenPower [announced](#) that it has added ABC Bus as an authorized dealer in New York. However, as we’ve stated earlier, GreenPower has not sold a Buy America compliant vehicle. New York will only give subsidies for Buy America compliant vehicles.

### **Fraser Atkinson: GreenPower’s CEO With A Shady History**

We believe investors in GP should take a close look at the company’s Chairman, CEO and largest shareholder, Fraser Atkinson, whose track record points not just to an inability to manage the business to its financial targets but to an alarming disregard for his fiduciary duty to shareholders. He has a decades-long history of working with well-known bad actors in the microcap space.

### **The Versatile Systems Failure**

Atkinson was the CFO and board member of Versatile Systems from 2003 to 2014, when the stock initially rose to high levels but then collapsed to nothing. It was first a penny stock that appeared to have potential and got uplisted, just like GreenPower did. Revenue decreased sequentially year on year as a high-tech sounding product (radio-enabled barcode scanners and related software) failed to find buyers and the company hemorrhaged cash as insiders cashed out. We believe the setup for investors in GreenPower is strikingly similar.

Versatile Systems ultimately collapsed and was delisted but by June 2010 the writing was already on the wall and Versatile stock was down more than 90% from its 2007 IPO peak.

What happens next is a shameful breach of fiduciary duty. Fraser Atkinson spent \$3M of company (ie. shareholder) money – more than the entire cash & equivalents balance – securing Versatile insiders their next gigs.

Versatile [acquired](#) a 9.1% stake in Equus, a tiny and underperforming closed-end fund, and then waged a proxy campaign which successfully sought to replace Equus' management and board with Versatile's, led by CEO John Hardy. Hardy and Atkinson went on to collect six-figure compensation packages sums from Equus for the past decade (Hardy's packages have exceeded \$800K) while Versatile shareholders were wiped out. Equus remains both not only underperforming but barely active, having made 4 investments in its history and done nothing at all since 2015.

### **Atkinson's History of Close Association with Bad actors Spans Decades**

As CFO and director of Versatile, Atkinson raised \$4.2M from its largest investor Laurus Capital Management, a notorious hedge fund run by brothers Eugene and David Grin, whose history of stock manipulation, involvement in pump and dump schemes and overstating returns at their own hedge fund has been chronicled widely, including in [lawsuits](#), as stated:

"The complaint is for damages as a result of an alleged fraud and stock manipulation. The Company is seeking monetary damages in excess of \$200,000,000.

According to Dwight Cantrell, CFO of Endovasc, "Our attorneys report the present suit against...Laurus Master Fund, Ltd.; Laurus Capital Management, LLC;...David Grin; Eugene Grin..."

Their notorious dealing have also been reported in national publications like the [New York Times](#) and [Forbes](#). Atkinson's willingness to work with bad actors has continued at GreenPower Motor Co. where he partnered with electric vehicle retrofitter Adomani to sell electric buses from 2015 to 2019.

Founded by a convicted felon, Adomani was a 2017 Reg A+ IPO that peaked at \$17 per share and now trades at \$0.52. We recommend reading [Mako Research](#) and [our coverage](#) (White Diamond Research) of Adomani in 2017, which chronicles a crazy story of fraud and money laundering. From [our report](#):

"Di Ricco is a disbarred attorney with criminal convictions for aiding and abetting the preparation of false tax returns and obstruction of justice.

Looking back at Di Ricco's convictions, we find his activities were uncovered during a federal investigation of a payola scheme that was part of an organized crime investigation."

Adomani [delivered GreenPower buses](#) as late as December, 2019, two years after the history of fraud behind Adomani's had been publicly exposed, in case Atkinson had any doubt.

Adomani's problems have already been laid bare and insiders have cashed out millions of common shares and dilutive securities. We believe GP stock is poised to follow the same path and expect sustained selling pressure on lockup expiry. GreenPower's lockup expiry is on 2/18/21.

### **GreenPower's Revenue is Declining In A Hot Electric Vehicle Market**

In today's electric vehicle craze, oddly GreenPower's revenues are actually *decreasing*, not increasing.

For the year ended 3/31/20, GreenPower reported \$13.5M in revenue. For the six months ending 9/30/20, GreenPower has reported \$5.1M. That's on track for a 25% year over year decline.

GreenPower is on track to only generate \$10M in revenues for FY2021. At its current market cap of about \$350M, \$10M in revenues would put its Price/Sales at an exuberant 35. Even without all the red flags that we mention in this report, GreenPower's share price would still be a bubble.

### **How Much Is A China Electric Bus Reseller Worth?**

In other words, how much is it worth it to repaint a bus and toss your logo on it? GreenPower's business has no barrier to entry and it has no intellectual property. Anyone can purchase electric buses from China online and then resell them in California. We would value a company like this at 1 times revenue plus net cash. Assuming GreenPower averages \$12M in annual revenue,  $\$12M + \text{net cash } \$25M = \$37M$ . This puts GreenPower's value on par with its competitor, Phoenix Motorcars. Phoenix, based in Ontario, California, was acquired for \$27M which includes \$10M in future earnouts. It was [acquired](#) by SPI Energy (SPI) on 11/13/20. Unlike GreenPower, Phoenix is Buy America compliant.

Including outstanding options, warrants, and convertible debt, GreenPower has a fully diluted share count of 24M shares. This calculates GP's fair value to be  $\$37M/\$24M = \$1.54$  per share.

### **Conclusion**

As our research shows, GreenPower is a reseller of electric minibuses, not a manufacturer. This appears to be a material misrepresentation by the company and multiple government authorities have been notified. Worse, the buses are cheap, from China, and are not Buy America compliant. This prevents GreenPower's potential customers from getting

government subsidies to buy their buses, with the exception of California. We have sent this information along to the relevant government departments.

Giving GreenPower the valuation of annual sales plus net cash only gives it a value of about \$1.50 per share. However, the stock could be worth less than that if the SEC executes disciplinary action or the California Energy Commission stops giving subsidies for GreenPower's vehicles. Then, GreenPower will have nowhere to sell its vehicles to sustain its revenue, which has been consistently tiny anyways.