OLA ELECTRIC

SHAREHOLDERS' LETTER

Q2 FY26 | NOV 06, 2025

Headline KPIs

₹690 Cr	52,666	30.7%	0.3%	-18.1%
Consolidated Revenue	E2W Deliveries	Auto Gross Margin	Auto EBITDA Margin	Consolidated EBITDA Margin

Highlights

- **Achieved Auto EBITDA[1] profitability** for the first time, supported by a 30.7% gross margin (up 510 bps QoQ) and a ~52% reduction in operating expenses vs Q3 FY25.
- **Auto business turned cash-generative**, with underlying cash flow from operations of ₹15 cr (reported -₹40 cr after one-time festive inventory build-up).
- **Launched HyperService**, opening genuine-parts access to customers and third-party garages — improving service reach and customer experience, lowering warranty costs, and unlocking a high-margin parts business (50%+ gross margin potential).
- **Ola Gigafactory commissioned 2.5 GWh capacity**, scaling to 5.9 GWh by Mar 2026; India's first giga-scale cell plant now in steady production ramp. First 4680 vehicles delivered.
- **Expanded into Energy with Ola शक्ति**, India's first residential BESS with in-house 4680 cells; positioned to drive new revenue streams and grow gigafactory utilisation.

Financial results and operational commentary

Dear Shareholders,

This quarter was a defining one for us. Our Auto business turned EBITDA positive for the first time, a milestone that reflects the strength of our vertical integration and focus on fundamentals.

The Electric 2W industry growth has slowed down over the past quarters (refer Graph 1). In the recently concluded festive season, sales were flat year on year. We see this as a healthy transition phase before the next wave of mainstream adoption, driven by value-conscious consumers recognising the superior performance and lower cost of EV ownership. In this context, our focus has been clear — consolidate costs and achieve profitability, streamline operations and strengthen fundamentals, and prepare for the next phase of growth across both auto and energy.

While the market has been flat, competition has intensified. Many OEMs have chosen to pursue short-term market share through aggressive discounting and elevated channel incentives, at the cost of profitability. We have taken the opposite approach — focusing on improving our cost structure, deepening product quality and reliability, and driving margin expansion. This positions us to grow in a margin accretive way and gain profitable share as the market returns to growth.

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[1] *Auto EBITDA is taken from Total Income and is 0.3%. Operating EBITDA, taken from Revenue from Operations is -6.8%*

Key Financial Metrics

(Unaudited)

Key Operating Metrics	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Deliveries (units)	98,619	84,029	51,375	68,192	52,666
Premium	*42,074*	*29,283*	*15,764*	*17,249*	*13,418*
Mass	*56,545*	*54,746*	*35,611*	*50,943*	*39,248*
Cells Produced (units)				11,744	38,080

Automotive Segment (in ₹cr)	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Revenue from Operations	1,214	1,045	611	826	688
Gross Margin	225	194	84	212	211
Gross Margin (%)	*18.5%*	*18.6%*	*13.8%*	*25.6%*	*30.7%*
Operating Expenses	480	533	638	308	258
Operating EBITDA	-255	-339	-554	-96	-47
EBITDA	-162	-231	-457	-46	2
EBITDA Margin (%)	*-12.4%*	*-20.0%*	*-64.5%*	*-5.3%*	*0.3%*
PAT	-347	-423	-705	-261	-233
CFO	-530	-694	-181	-27	-40
FCF	-609	-823	-455	-107	-108

Cell Segment (in ₹cr)	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Revenue from Operations	1	3	4	3	4
Gross Margin	0	2	3	2	2
Gross Margin (%)	*0.0%*	*66.7%*	*79.3%*	*65.2%*	*50.0%*
Operating Expenses	18	34	32	45	52
Operating EBITDA	-18	-32	-29	-43	-50
EBITDA	-8	-8	-3	-19	-27
EBITDA margin (%)	*-72.7%*	*-29.6%*	*-10.0%*	*-70.4%*	*-100.0%*
PAT	-49	-52	-53	-69	-79
CFO	-26	-36	-16	-32	-62
FCF	-154	-132	-76	-91	-143

Consolidated (in ₹cr)	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Revenue from Operations	1,214	1,045	611	828	690
Gross Margin	225	194	84	214	213
Gross Margin (%)	*18.5%*	*18.6%*	*13.7%*	*25.8%*	*30.9%*
Operating Expenses	604	654	779	451	416
Operating EBITDA	-379	-460	-695	-237	-203
EBITDA	-279	-333	-578	-169	-137
EBITDA margin (%)	*-21.2%*	*-28.4%*	*-79.4%*	*-18.9%*	*-18.1%*
PAT	-495	-564	-870	-428	-418
CFO	-658	-817	-291	-143	-200
FCF	-865	-1042	-625	-282	-350

Quarterly numbers are subject to limited review by the Auditors

Strong Margin Expansion and Cost Control

This quarter's results validate that approach. Our gross margin expanded sequentially by 510 bps to 30.7%, higher than most ICE 2W companies! This has been achieved with minimal contribution of 2% from PLI (ref graph 4) and we remain on track for a GM of close to 40% by end of FY26.

Our Auto segment delivered its first positive EBITDA margin at 0.3%. We achieved this by reducing Auto opex from ₹308 cr to ₹258 cr QoQ. and Consolidated Opex also reduced from ₹451 cr to ₹416 cr. QoQ. Auto opex will continue to reduce incrementally and will be around ₹225 cr by Q1 FY27. Cell segment opex will increase incrementally with the ramp up and corporate opex will reduce significantly. Consolidated, we are expecting to reduce opex to about ₹350 cr - 375 cr by Q1 FY27 through further operational consolidation and efficiencies through technology.

Even on cash flow, it has been a strong quarter for our auto business. While the reported CFO was –₹40 cr, it was primarily due to a one-time festive inventory build up of ₹55 cr. Adjusting for this, our underlying CFO was ₹15 cr, demonstrating that our auto business is now cash generative.

Key Focus Areas for Growth

With this foundation in place, we are now focused on scaling profitably. Our current product portfolio, built on the Gen 3 platform, offers strong unit economics and customer acceptance. Both the S1 scooters and Roadster motorcycles continue to receive strong feedback on reliability and performance. Roadster sales continue to grow QoQ. Q2 Roadster sales were 4x of Q1, scaled to a peak of 450 units in a day during the festive period, and now represent about 15% of overall sales.

Our R&D lead continues to grow and will deliver further product differentiation and margin expansion in the near future. We achieved India's first government certified ferrite motor in October 2025, eliminating dependency on rare-earth imports while delivering performance equivalent to conventional motors at lower cost. Our in-house ADAS platform along with in-house ABS launches with MoveOS 6 in early FY27, bringing car-like safety features to the two-wheeler segment including collision warning, blind spot monitoring, adaptive cruise control, and theft detection powered by onboard cameras. Our AI Voice Assistant, supporting 11 Indian languages, transforms rider interaction with hands-free commands for navigation, charging guidance, and diagnostics.

Through HyperService our objective is to improve customer experience, and simultaneously lower cost of service, reduce warranty expenditure and unlock a significant parts revenue opportunity. We are opening up our ecosystem to third-party garages — both large organised workshops and independent mechanics — allowing customers to access tiered service options through authorised partners. In parallel, we are opening up our parts catalogue to customers and independent entities, enabling faster service and wider availability of genuine components.

Today, parts revenue contributes roughly 2.5% of revenue from operations, versus an industry average of 10–15%. This is a clear avenue for growth and a high-margin business with gross margins above 50%. Because our distribution is direct, we can maintain lower customer prices while earning higher margins than the industry average. We should see this revenue and margin benefit accrue over the next few months.

Our customer proposition rests on three pillars — best-in-class products, superior value, and a seamless ownership experience. Satisfaction levels have strengthened with our Gen 3 lineup, which continues to lead on both performance and value perception. With HyperService, we are now elevating the ownership experience itself — expanding access, lowering costs, and building long-term trust to deliver a truly holistic value proposition to our customers.

Together, a profitable cost structure and business model, a proven and growing Gen 3 product lineup, technology leadership, and an expanding HyperService network position us strongly for the next cycle of growth and market-share gains as the EV industry re-accelerates.

Cell business

This quarter and the month of October marked a milestone for our Cell business. Ola Cell is India’s leader in advanced cell manufacturing, with 2.5 GWh of installed capacity installed already and on track to reach 5.9 GWh by March 2026. This makes us India’s first operational facility at gigawatt scale.

India has built one of the largest solar generation capacities in the world, with over 125 GW installed and a target of 280 GW by 2030. As this capacity grows, every solar plant—whether rooftop or grid-scale—will require battery storage to supply power reliably through the day and night. Globally, energy security and localisation of supply chains are driving the same shift: renewable generation must be matched with storage. Battery storage is therefore the next critical layer of the energy system, and our Gigafactory positions us to play a leading role in building that capability for India and the world.

We are also the largest winner under the Government of India's Advanced Chemistry Cell PLI scheme, and expect to start claiming incentives from Q4 FY26 onward, as production volumes scale. These inflows will directly strengthen our Cell segment margins and cashflow.

Integration with Auto: Foundational Demand Base

Our Auto business is now transitioning onto our own cells. The first products using Bharat 4680 cells have started customer deliveries. Over the next 6–9 months, all our automotive products will migrate to Ola's in-house cells, creating a baseline demand of 2–3 GWh annually for the Cell business. This captive volume provides strong visibility for scale utilisation, while ensuring our vehicles benefit from higher range, lower cost, and tighter control over supply.

Ola शक्ति — Our Entry into Energy Storage

In Oct '25, we launched Ola शक्ति, our residential Battery Energy Storage System (BESS) using our Bharat 4680 cell. Ola शक्ति delivers 2x the life and higher efficiency than traditional lead-acid systems, integrates seamlessly with rooftop solar, and provides 5–10 hours of home backup.

India's rooftop-solar market is growing rapidly, with ~6-8 GW of new residential installations expected in FY26, supported by government incentives. Ola शक्ति complements this trend perfectly, in addition to being a much better solution to power backup than lead acid inverters or diesel generators. We have received strong interest post launch and expect to do ₹100 cr revenue in Q4 FY26 and ₹1,000 cr – ₹1,200 crore in annual revenue in FY27 with 40-50% gross margins from this business.

Our strong product design and engineering capabilities, our vertically integrated gigafactory, and our large auto sales and service network provide us with a very strong competitive advantage vs the traditional inverter players.

Scaling into Commercial and Grid-Scale Storage

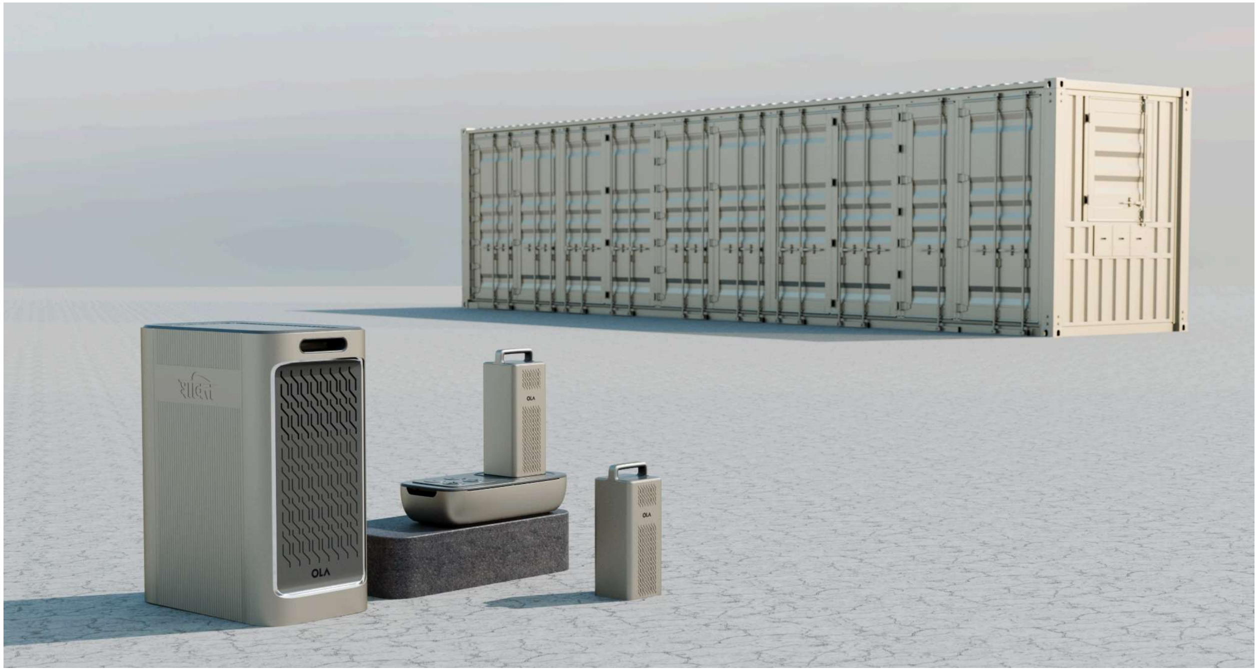
The next step is containerised energy-storage systems for commercial, industrial, and utility-scale use, ranging from 100 kWh to 5 MWh systems. India's grid-scale BESS market has grown rapidly — from ~33 GWh of tendered capacity in CY24 to estimated 51 GWh in CY25, driven by SECI and state DISCOMs. All current deployments rely on imported Chinese systems.

By Q1FY26, we will launch our container BESS product with our own cells, offering India's first fully domestic solution. With strong cost competitiveness, localisation, and technology control, we expect to capture a meaningful share of this rapidly expanding market.

To meet this demand, we are planning to expand our total cell-manufacturing capacity to 20 GWh by the second half of FY27. This will fully integrate supply across our Auto and Energy businesses.

Through the combination of advanced chemistry development, captive automotive demand, and early entry into stationary storage, Ola Cell is building India's most complete and scalable energy-technology platform — from cell to pack, from vehicle to grid.

Ola शक्ति Portfolio



Outlook and capital allocation

As we look ahead, our business is entering a more balanced and diversified phase. Over the next few quarters, our revenue mix will progressively expand beyond automotive, driven by the ramp-up of our energy products. Gross margins will continue to strengthen with higher Gen 3 volumes, in-house cell integration, and operating costs will be further reduced.

Operating Outlook

For the Auto segment, we expect lower volumes than the Q1 guidance as we continue to focus on margin and cash discipline in a hyper competitive market. For H2 FY26, we target total deliveries of approximately 100,000 units. This moderation in unit volumes will be complemented by new Ola शक्ति volumes beginning in Q4, which will grow and diversify our top line.

On a full-year basis, we now expect FY26 consolidated revenue of around ₹3,000 - ₹3200 cr, reflecting a balanced focus on profitability over volumes. Our bottom line focus should exceed our Q1 guidance. The Auto segment will continue to improve QoQ profitability. We expect to exit Q4 with Auto gross margins around 40% and segment EBITDA of around 5%.

The Cell business will start contributing to revenue from Q4 onward, both through inter-group supply to Auto business and external sales of Ola शक्ति units. As volumes scale, Cell gross margins are expected to stabilise at 30% by early FY27.

Free Cash Flow and Capital Planning

For the Auto business, capex in Q3 and Q4 is estimated at ₹100 cr - ₹150 cr. As working capital stabilises, we should exit FY26 with our Auto business being FCF positive.

For the Cell business, capital expenditure will continue toward completing the 5.9 GWh Gigafactory installation. This program is already underway, with committed outlay largely covered by our project finance with SBI.

We also plan to initiate the next capacity expansion to 20 GWh in H1 FY27, timed with the ramp-up of grid-scale energy products and auto-cell integration. This expansion will be phased and executed with a disciplined balance-sheet approach, leveraging a mix of equity, PLI inflows, and project finance.

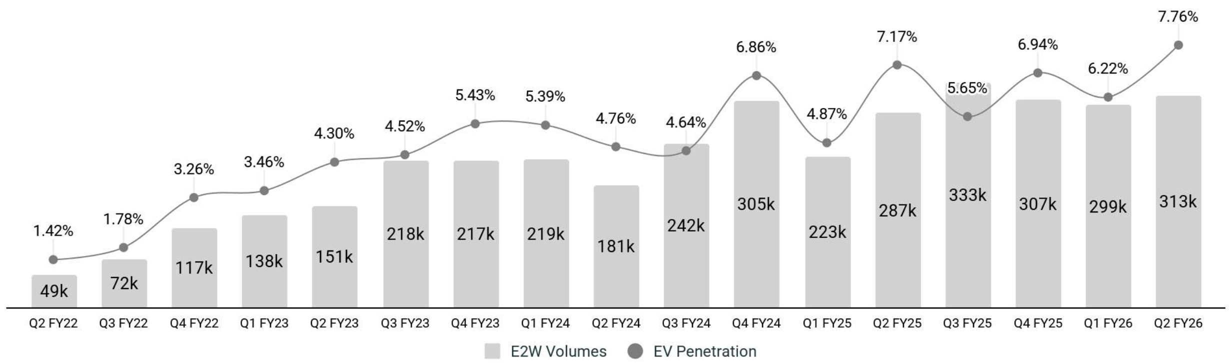
Summary

In summary, FY26 will close as a transition year—one where we establish sustainable profitability in our Auto business and simultaneously activate our next growth vector in Energy. By FY27, our company will have a broader revenue base, higher structural margins, and stronger cash conversion, setting the stage for long-term compounding growth across both auto and energy.

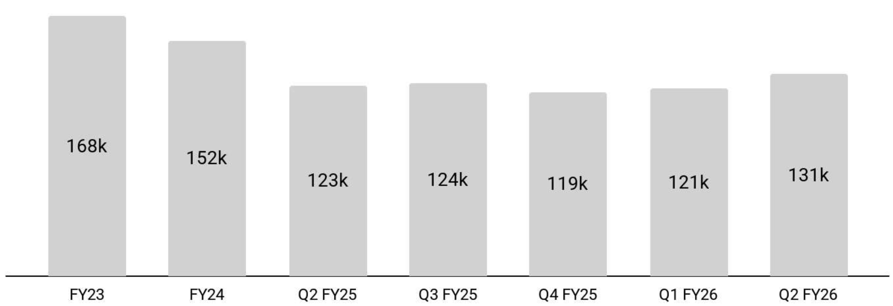
Key Graphs

All numbers in ₹ Cr unless otherwise stated

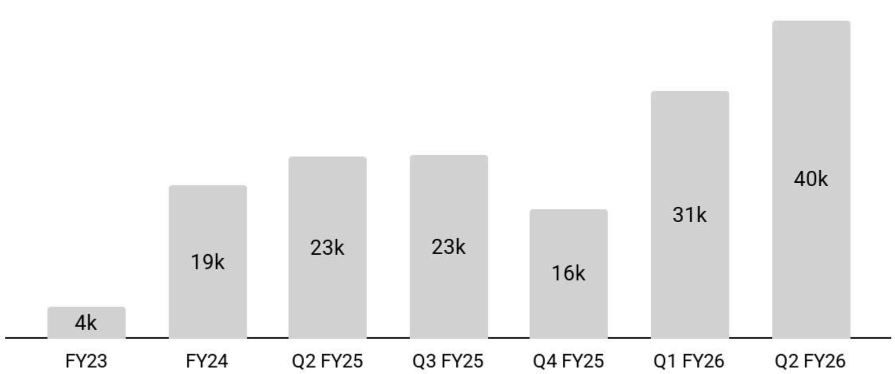
Graph 1: Industry E2W volumes and EV Penetration



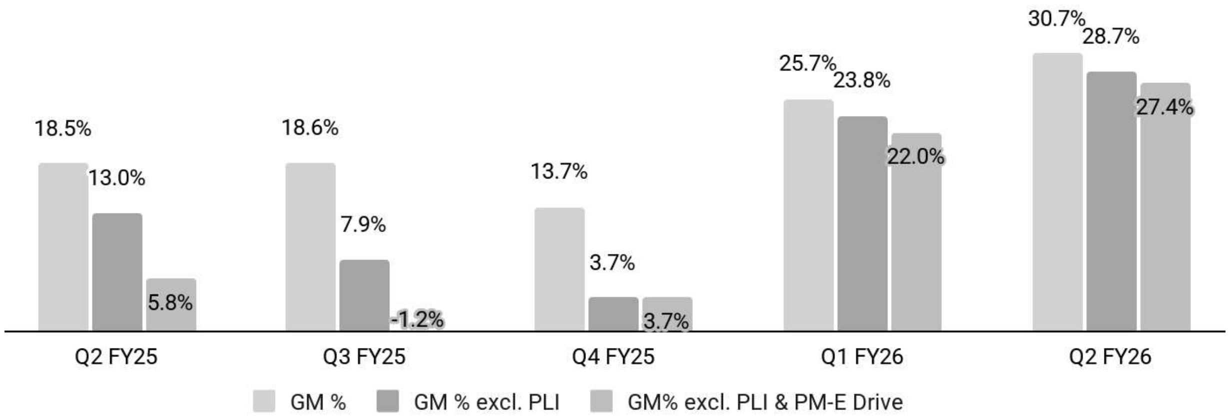
Graph 2: Average Selling Price (ASP) per unit in ₹



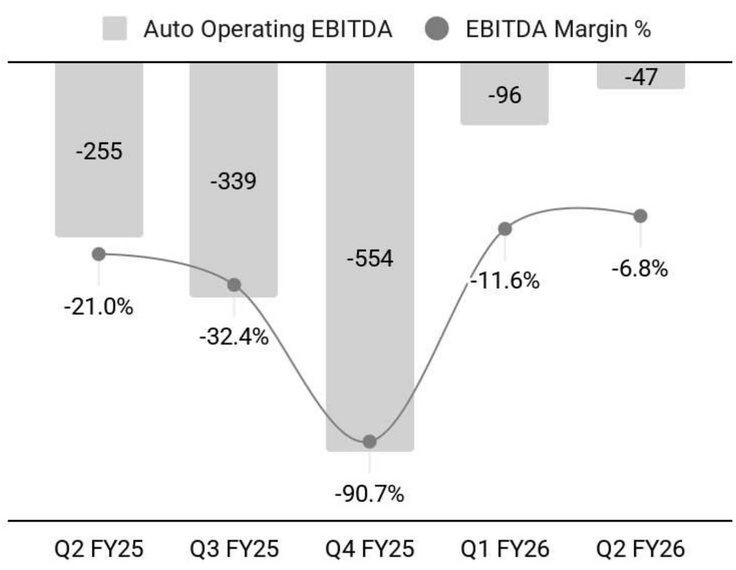
Graph 3: Auto GM per unit in ₹



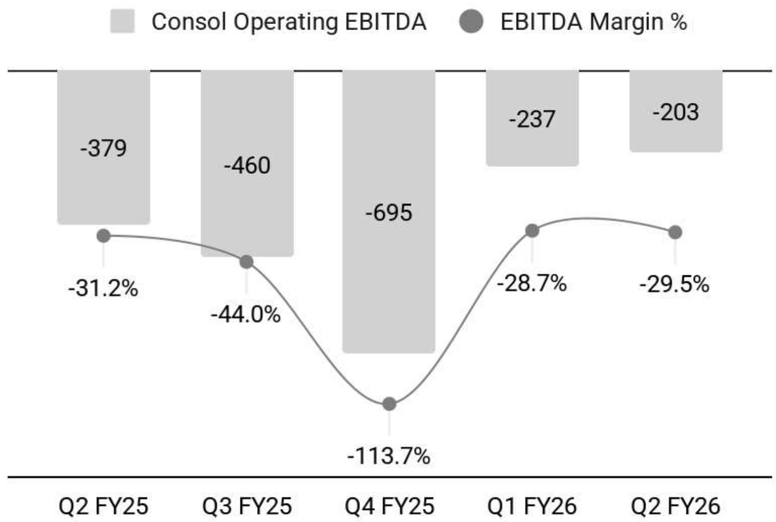
Graph 4: Auto GM - with and without incentives



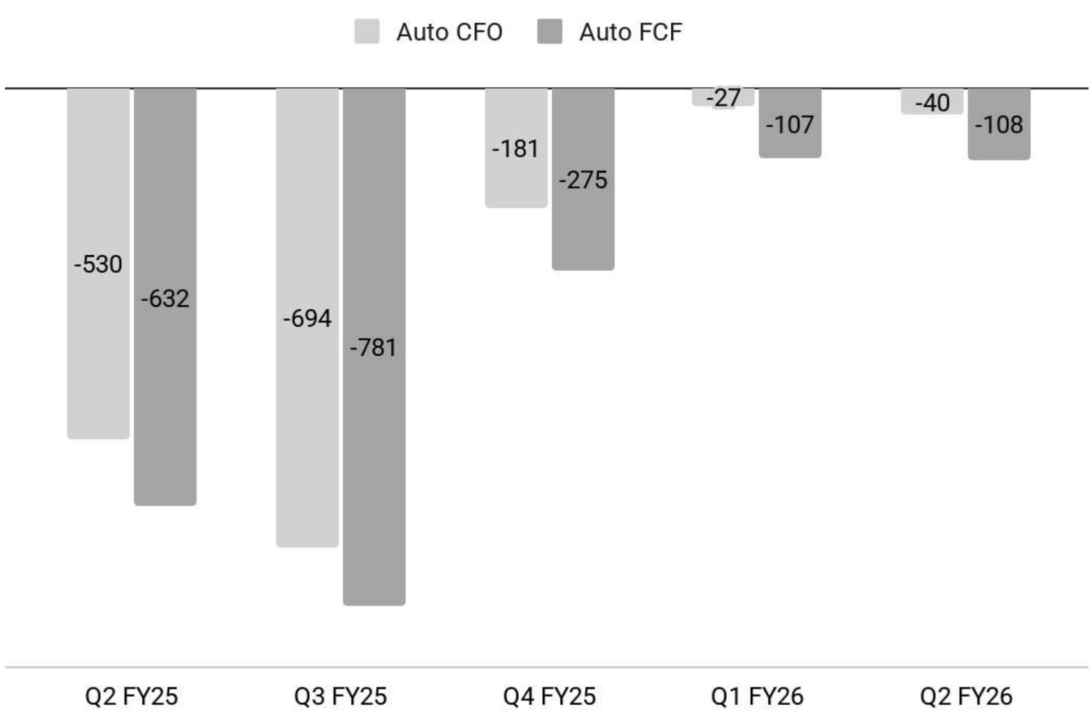
Graph 5: Auto Operating EBITDA and EBITDA Margin



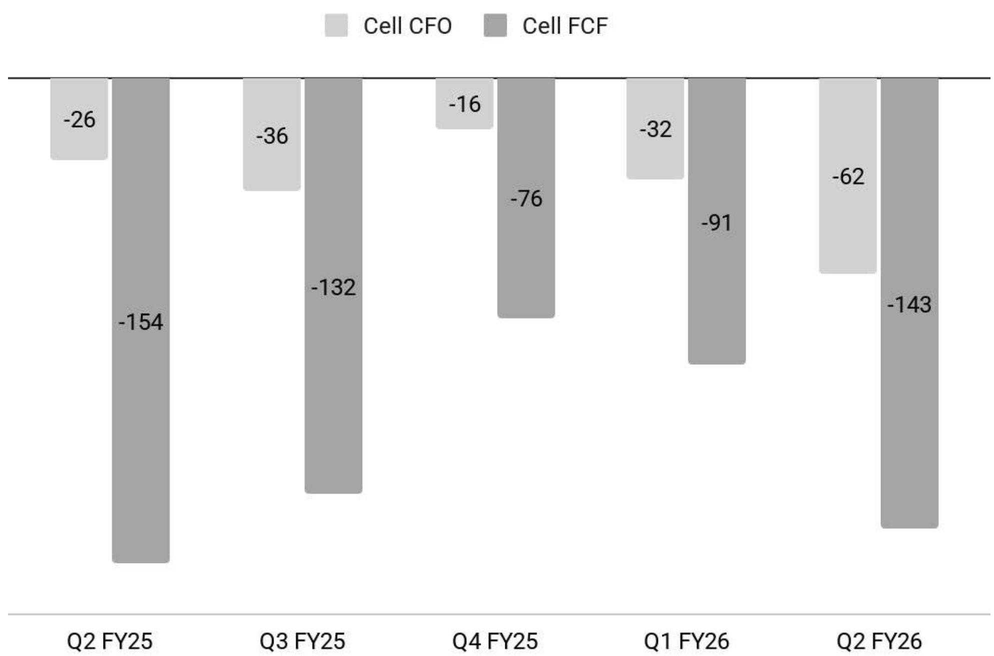
Graph 6: Consolidated Operating EBITDA and EBITDA Margin



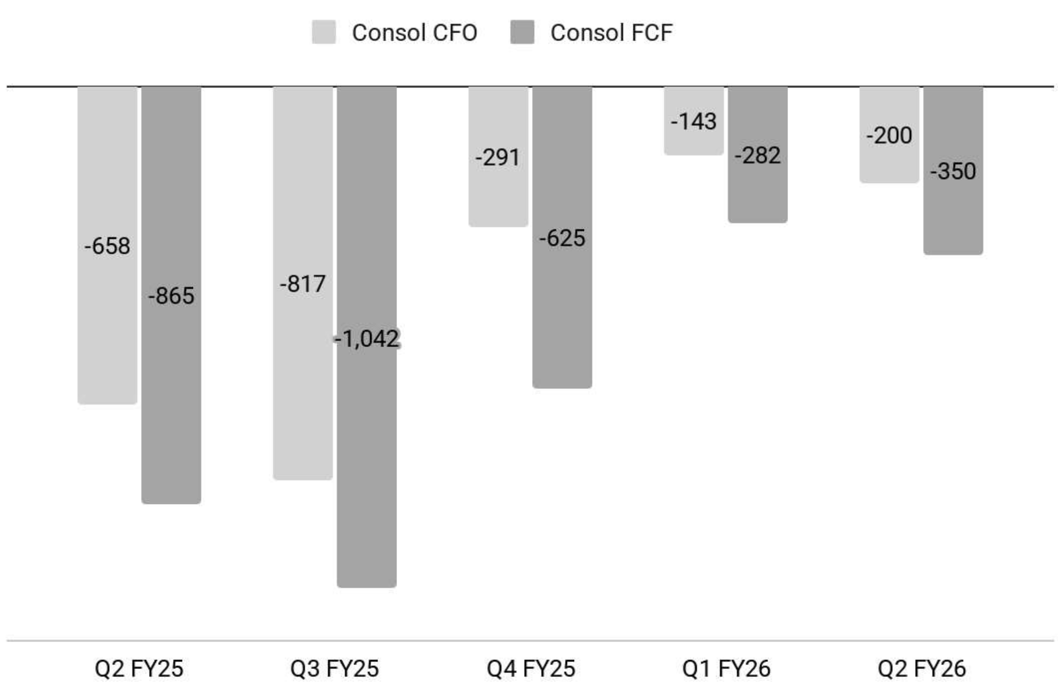
Graph 7: Auto segment CFO and FCF



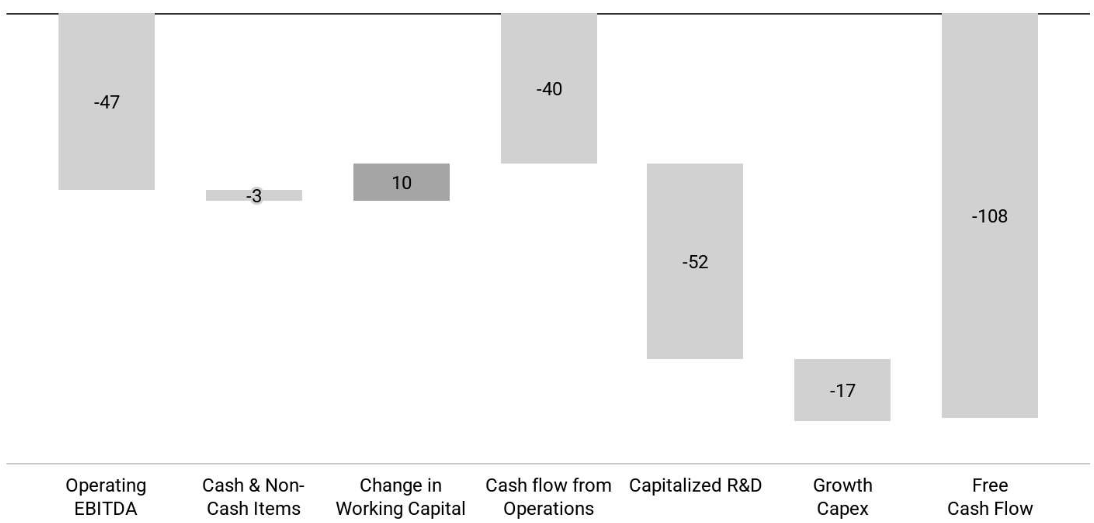
Graph 8: Cell CFO and FCF



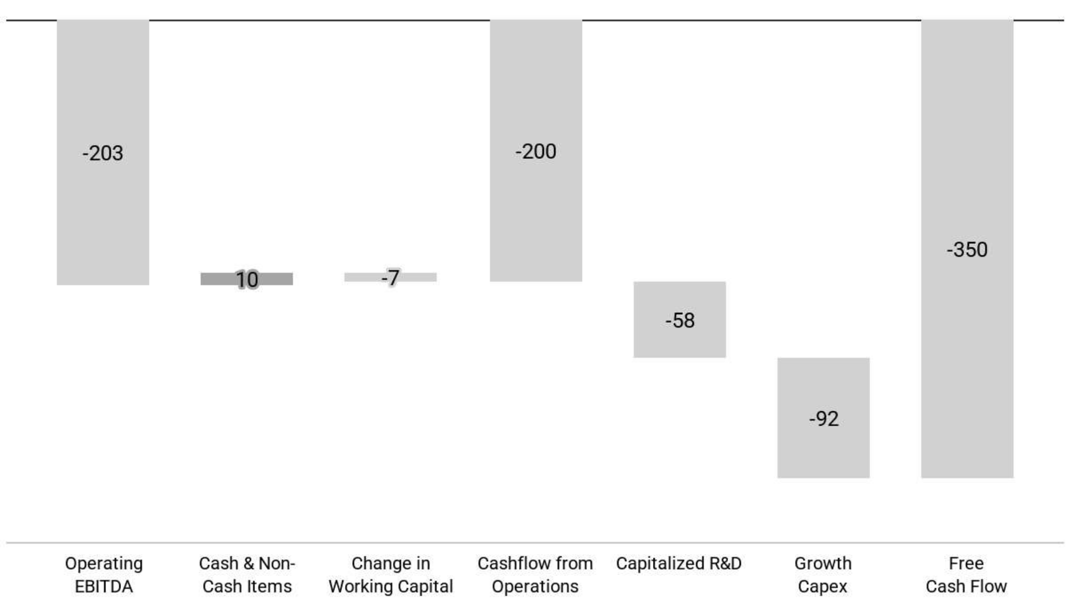
Graph 9: Consolidated CFO and FCF



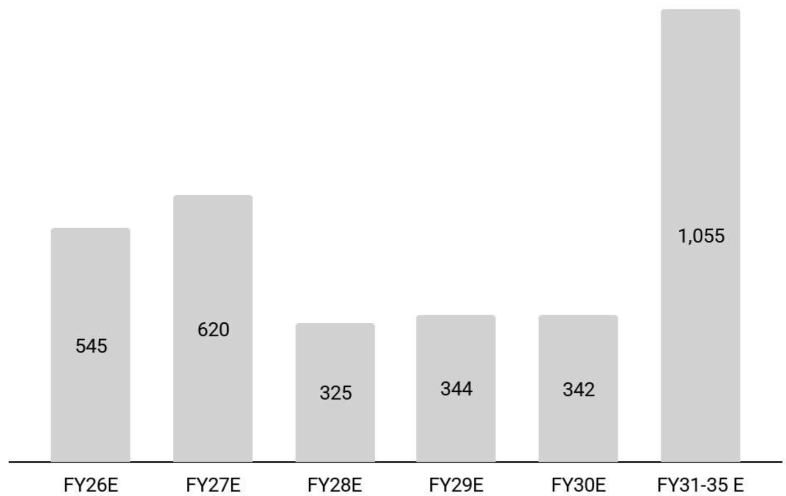
Graph 10: Auto Operating EBITDA to CFO to FCF walk



Graph 11: Consolidated Operating EBITDA to CFO to FCF walk



Graph 12: Existing debt obligations and net interest (excluding short term debt)



Detailed financials

Ola Electric Mobility Profit and Loss Statement - Auto

(Unaudited)

In ₹ Cr	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Revenues					
Auto Sales	1,137	924	547	806	669
Production linked incentive	77	121	64	20	19
Total Automotive Revenue	**1,214**	**1,045**	**611**	**826**	**688**
Cost of Goods Sold					
Auto	989	851	527	614	477
Total Cost of Goods Sold	**989**	**851**	**527**	**614**	**477**
Gross Profit	**225**	**194**	**84**	**212**	**211**
Operating Expenses					
Research and development	36	25	37	46	40
Selling, general and administrative	115	138	151	102	86
Others	329	370	450	160	132
Total Operating Expenses	**480**	**533**	**638**	**308**	**258**
Operating EBITDA	**-255**	**-339**	**-554**	**-96**	**-47**
Other Income	93	108	97	50	49
EBITDA	**-162**	**-231**	**-457**	**-46**	**2**
Depreciation, Amortization, and Finance Costs	185	192	248	215	235
Profit / (Loss) Before Tax	**-347**	**-423**	**-705**	**-261**	**-233**
Provision for taxes	-	-	-	-	-
Profit / (Loss) After Tax	**-347**	**-423**	**-705**	**-261**	**-233**
Profit / (Loss) Attributable to Common Stockholders	**-347**	**-423**	**-705**	**-261**	**-233**

Ola Electric Mobility Profit and Loss Statement - Cell

(Unaudited)

In ₹ Cr	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Revenues					
Cell Sales	1	3	4	3	4
Production linked incentive	-	-	-	-	-
Total Cell Revenue	**1**	**3**	**4**	**3**	**4**
Cost of Goods Sold					
Cell	1	1	1	1	2
Total Cost of Goods Sold	**1**	**1**	**1**	**1**	**2**
Gross Profit	**-**	**2**	**3**	**2**	**2**
Operating Expenses					
Research and development	5	5	5	13	20
Selling, general and administrative	1	2	3	1	3
Others	12	27	24	31	29
Total Operating Expenses	**18**	**34**	**32**	**45**	**52**
Operating EBITDA	**-18**	**-32**	**-29**	**-43**	**-50**
Other Income	10	24	26	24	23
EBITDA	**-8**	**-8**	**-3**	**-19**	**-27**
Depreciation, Amortization, and Finance Costs	41	44	50	50	52
Profit / (Loss) Before Tax	**-49**	**-52**	**-53**	**-69**	**-79**
Provision for taxes	-	-	-	-	-
Profit / (Loss) After Tax	**-49**	**-52**	**-53**	**-69**	**-79**
Profit / (Loss) Attributable to Common Stockholders	**-49**	**-52**	**-53**	**-69**	**-79**

Ola Electric Mobility Profit and Loss Statement - Consolidated

(Unaudited)

In ₹ Cr	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Revenues					
Automotive and Cell Sales	1,137	924	547	808	671
Production linked incentive	77	121	64	20	19
Total Revenue from Operations	**1,214**	**1,045**	**611**	**828**	**690**
Cost of Goods Sold					
Automotive and Cell	989	851	527	614	477
Total Cost of Goods Sold	**989**	**851**	**527**	**614**	**477**
Gross Profit	**225**	**194**	**84**	**214**	**213**
Operating Expenses					
Research and development	41	29	42	59	60
Selling, general and administrative	116	139	154	103	90
Others	447	486	583	289	266
Total Operating Expenses	**604**	**654**	**779**	**451**	**416**
Operating EBITDA	**-379**	**-460**	**-695**	**-237**	**-203**
Other Income	100	127	117	68	66
EBITDA	**-279**	**-333**	**-578**	**-169**	**-137**
Depreciation, Amortization, and Finance Costs	216	231	292	259	281
Profit / (Loss) Before Tax	**-495**	**-564**	**-870**	**-428**	**-418**
Provision for taxes	-	-	-	-	-
Profit / (Loss) After Tax	**-495**	**-564**	**-870**	**-428**	**-418**
Profit / (Loss) Attributable to Common Stockholders	**-495**	**-564**	**-870**	**-428**	**-418**

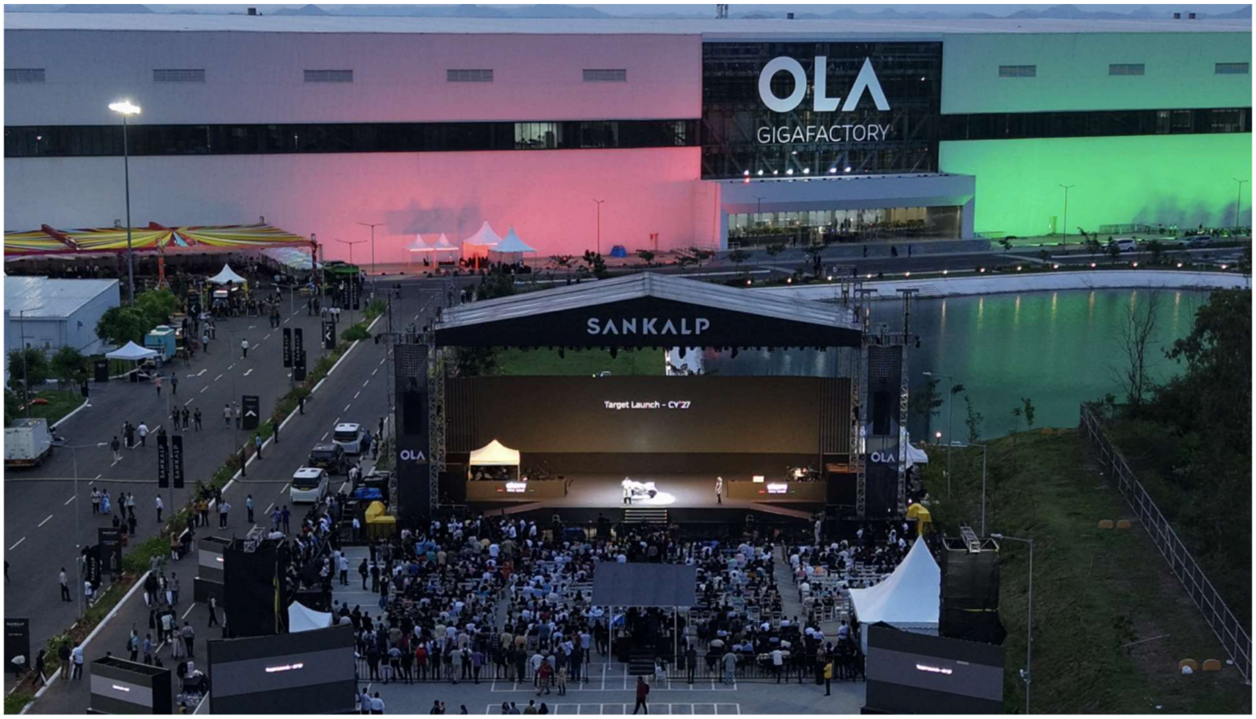
Ola Electric Mobility - Consolidated Statement of Cash Flows

(Unaudited)

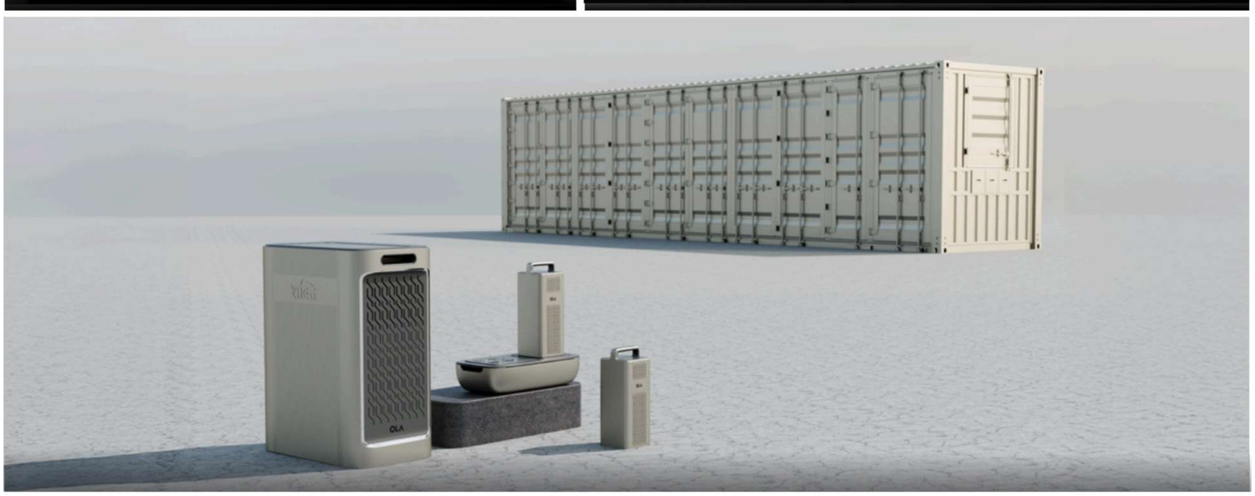
Description	Q2 FY25	Q3 FY25	Q4 FY25	Q1 FY26	Q2 FY26
Cash Flows from Operating Activities					
Profit / (Loss) After Tax (PAT)	-495	-564	-870	-428	-418
Adjustments to reconcile PAT to net cash used in operating activities:					
Depreciation and amortization	133	138	170	165	172
ESOPs	14	-12	11	19	11
Finance costs, interest income and others, Net	16	-16	46	45	57
Change in working capital	-326	-363	352	56	-22
Net cash used in operating activities	**-658**	**-817**	**-291**	**-143**	**-200**
Cash Flows from Investing Activities					
Capital expenditures	-207	-225	-334	-139	-150
Free cash flows after capital expenditures	-865	-1,042	-625	-282	-350
Interest received on deposits	57	58	72	53	93
Net cash generated/ (used in) from investing activities	**-150**	**-167**	**-262**	**-86**	**-57**
Cash Flows from Financing Activities					
Proceeds from issue of equity shares	5,500	0	0	0	0
Proceeds from/ (Repayment of) debt, Net	307	33	-133	-389	118
Lease liabilities, finance costs and others, Net	-272	-120	-166	-144	-155
Net cash generated/ (used in) from financing activities	**5,535**	**-87**	**-299**	**-533**	**-37**
Net (decrease)/ increase in cash	4,727	-1,071	-852	-762	-294
Cash at beginning of period	1,155	5,882	4,811	3,959	3,197
Cash at end of period	5,882	4,811	3,959	3,197	2,903

Photographs | Q2 FY26 Highlights

Sankalp Event | August 2025



Ola Gigafactory

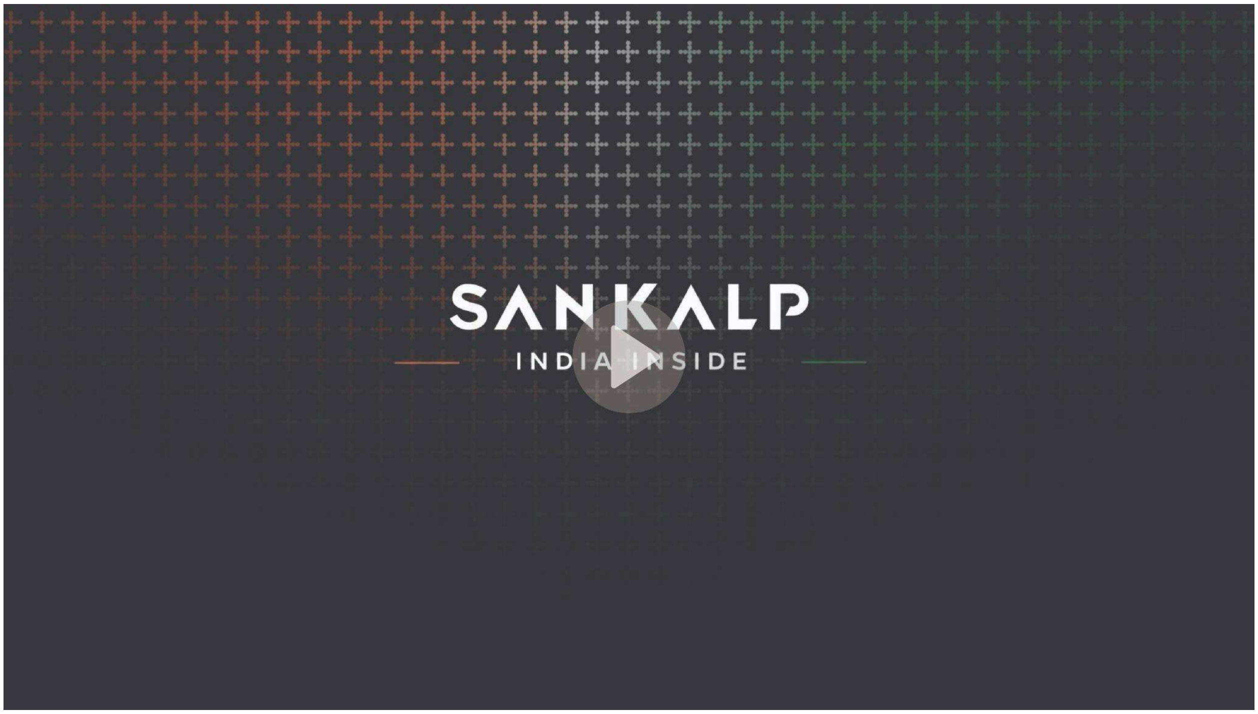


Ola Futurefactory

Ola Battery Innovation Centre (BIC)

Videos | Q2 FY26 Highlights

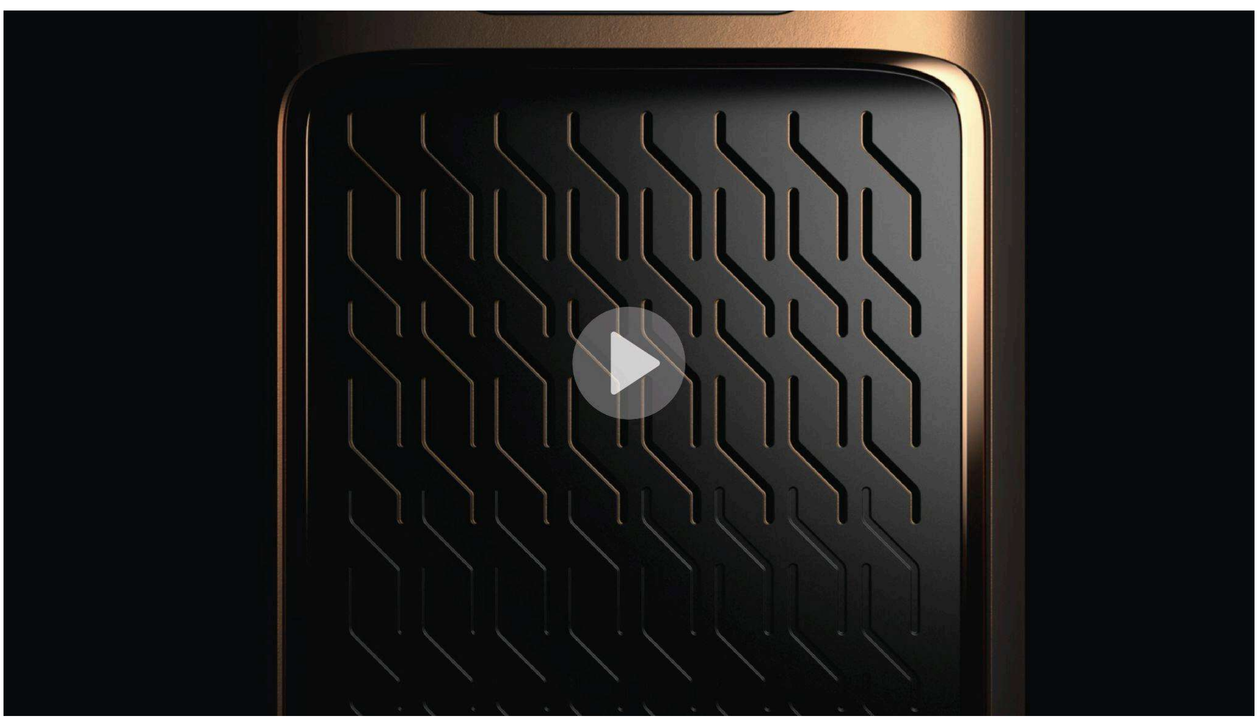
Sankalp Recap



4680 Bharat Cell

Ferrite Motor

Ola शक्ति



MANIFESTO

If you're going to dream,
make it an impossible one.
And then, make it happen.

If you're travelling new paths,
be up for doing it alone.

If you're proud of where you are from,
make where you're from proud of you.

If you're going to compete,
start where everybody else finishes.

If you're looking for a reaction,
don't settle for anything less than-"woah!".

If you're going to start something,
start something new.
The world does not need another thing
just like the other thing.

And if you're looking for the future,
stop looking. Make it.

Disclaimer

This document, except for historical information, may contain certain forward-looking statements including those describing the Company's strategies, strategic direction, objectives, future prospects, estimates etc. Forward-looking statements can be identified generally as those containing words such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms. These forward-looking statements are based on certain expectations, assumptions, anticipated developments and are affected by factors including but not limited to, risk and uncertainties regarding any changes in the laws, rules and regulations relating to any aspects of the Company's business operations, general economic, market and business conditions, new or changed priorities of trade, significant changes in political stability in India and globally, government regulations and taxation, litigation, competition among others over which the Company does not have any direct control. The Company cannot, therefore, guarantee that the forward-looking statements made herein shall be realized. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. In addition to Financial information presented in accordance with Ind AS, we believe certain Non-GAAP measures are useful in evaluating our operating performance. We use these Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, provides an additional tool for investors to use in assessment of our ongoing operating results and trends because it provides consistency and comparability with past financial performance.