OLA ELECTRIC

SHAREHOLDERS' LETTER

Q2 FY27 | NOV 12, 2026



Dear Shareholders,

Over the last few quarters, we reset our business and rebuilt it on a more sustainable model, which we are now growing. The main headline of Q2 FY27 is that **demand is no longer our constraint; supply is**. The constraint is not our manufacturing capacity but our supply chain's ramp-up, which we are scaling rapidly.

The dealer transition has progressed strongly, and the EV macro is robust. We stopped orders from our D2C stores on 1 November, and they will largely close by December. Gross margin was stable at about 29.9% despite higher commodity costs. Operating expenses were **₹369 crore, down from ₹390 crore in Q1** (excluding a one-time non-cash reversal of ₹57 crore in Q1), and will keep declining as our front-end network transitions fully to the dealer model.

The QIP and rights issue strengthened our balance sheet, and we have deleveraged significantly. Total borrowings came down from ₹3,132 crore in December 2024 to ₹1,819 crore in September 2026. Specifically **Auto borrowings reduced from ₹2,422 crore to ₹337 crore**. With low Auto debt, a healthy gross margin and cost structure, and a much-improved working capital cycle under the dealer model, we expect **Auto to generate free cash flow in the near term**.

In Cell, we achieved **SCOD on time for 6 GWh**, and the Government extended our **ACC PLI to CY2031**. Production is ramping, our cells are going into our own vehicles at a growing scale, and we are on track for Shakti and other launches in the coming quarters. The cell macro is also strong, with government focus on components and lithium refining, and growing storage deployments with higher localisation requirements.

Through this transformation, our balance sheet is much more stable, our cost base is structurally and meaningfully lower, we are not demand constrained, and we have two long-term growth engines: Auto and Cell.

Auto Business

Our Auto business enters the second half of FY27 with strong dealer momentum. Our first dealers went live on Janmashthmi, 4th September, and by Diwali, 8th November we had appointed **255 dealer partners operating over 300 stores**. Wholesales are ramping and dealers are reordering, which has strengthened the flywheel. Demand is not our constraint; the constraint is the ramp-up of our supply chain.

Auto borrowings have come down from ₹2,422 crore in December 2024 to ₹337 crore in September 2026, so the business now carries minimal debt. Our working capital cycle has also improved under the dealer model, as dealers pay for vehicles when they order and hold stock in their own stores.

Operating expenses have continued to reduce and will further reduce by about ₹50 crore as we shut our company store network. Gross margin was stable from Q1 to Q2 despite rising commodity prices. Over Q3

and Q4, gross margin will reduce a little due to the dealer rollout, but **operating margin will improve meaningfully**.

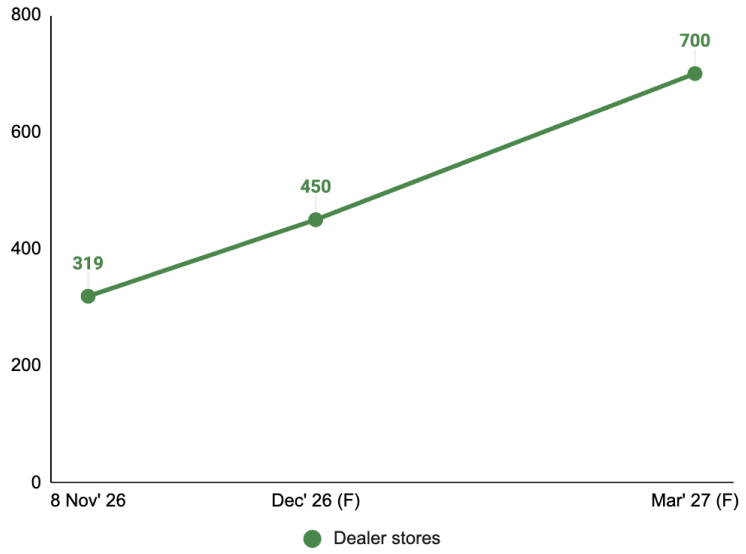
Our product leadership remains strong. In Q2, we announced the S1Z, which will reach customers in Q4 FY27 at a lower price point, with an LFP cell. From Q4, we will also gradually integrate LFP cells into our existing products, which should reduce our bill of materials cost. As dealers ramp up, demand for our premium scooters and motorcycles is rising meaningfully, and we expect the mix to shift toward both over the next couple of quarters.

The EV industry continues to grow. In Q2, E2W industry volumes were 599,317 units, up 82.7% year on year, and EV penetration of the two-wheeler market reached 11.2%. We expect this growth to continue. With encouraging early trends in markets where dealers have matured, we are confident of regaining market share, and of the Auto business generating free cash flow in the near term.

Dealer execution

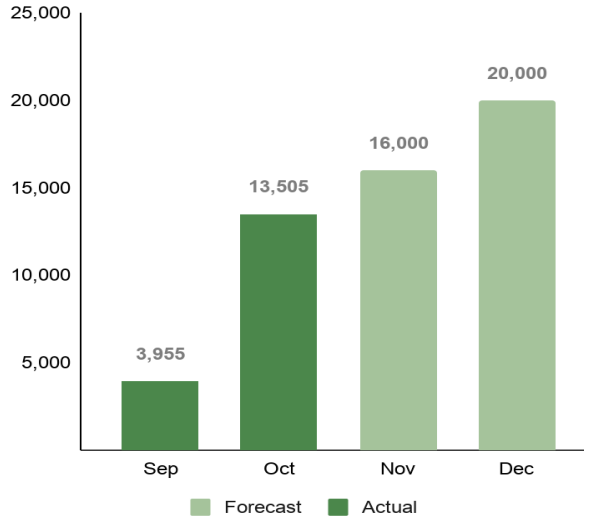
The first dealer stores opened on 4th September. In the two months since, the network has scaled to 255 partners and 319 stores as of 8th November. We plan to reach about **450 stores by December, and 700 by March 2027**.

Dealer network: Sales stores
Number of stores; 8 November 2026 actual, with December 2026 and March 2027 forecast



Wholesale orders and dealer dispatches have ramped up, and repeat orders are a rising share of them.

Dealer channel: Wholesale orders

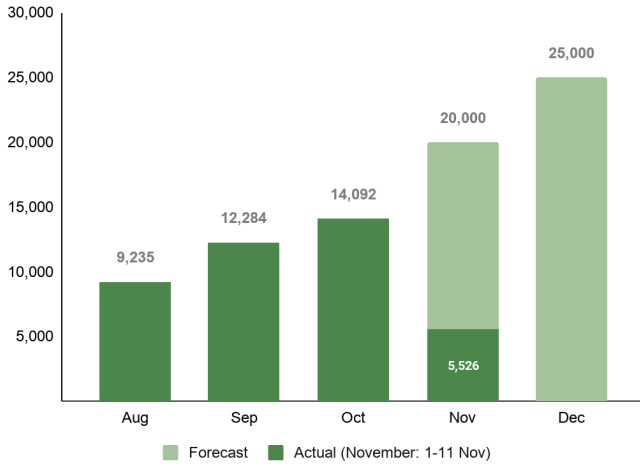


We have shut most of our company stores, and all new production now goes to dealers. Through October and November, inventory in the dealer channel built up, and registrations were a little slower in October. Dealer sell through is strong and improving, with channel inventory currently only about 15 days. In most of the stores that opened earliest, inventory is actually less than a week. In fact, in many markets where our dealers opened early and have stabilised, our market share is now well above where it was before the transition.

Supply chain ramp-up

Production was broadly flat for several months and is now rising month by month; we expect to produce about **25,000 vehicles in December**.

Production: Vehicles produced by month
Vehicles; November shows 1-11 November actuals against the expected full month



Demand is ahead of supply, and we can sell every vehicle we produce. About 5,000 vehicles with paid orders in September had their deliveries delayed by a week, pushing them into October, because of charger unavailability. After the transition to dealers, we are now running a paid order backlog which we intend to quickly extinguish as we ramp production. The constraint is the ramp-up of our supply chain, not our own manufacturing capacity, as our plant can build well above current output. We are working closely with our supplier partners to scale their capacity, and our output will step up month by month.

Cell Business

We achieved SCOD for 6 GWh of cell capacity ahead of schedule, and we are now ramping production and yields. The Government has extended our ACC PLI to CY2031. As we are already ahead of our PLI milestones, we expect **PLI incentives to start coming in from next quarter**.

We invested in this business early, and the demand and production ecosystem in India is now maturing. EVs are growing, and OEMs, both Indian and foreign companies selling in India, increasingly want Indian cells; we are in discussions with many of them. Energy storage demand has risen sharply, in both grid and home. The Government has introduced a minimum 40% domestic content requirement for grid-scale storage under its recently approved storage scheme, which turns into demand for domestic cells. It has also approved a lithium refining scheme and is working on incentives for cell components.

In this context, we remain **the only Indian company to have commercialised cell manufacturing and technology**. With commercial-scale capacity, our own technology, captive demand from our own vehicles and the benefit of the PLI, we are well placed to capture this demand, and we see Cell as a strong near-term growth area.

With the Gigafactory now commissioned, investors naturally want to understand how the Cell business will scale and translate its technology into competitive economics. The questions we most often receive are: what are our yields; what is our plan, and the timelines, to integrate our own cells into our vehicles, for both NMC and LFP; what is our capacity utilisation now and over the next few quarters; how our cost compares with buying cells from China, and how that moves with scale; when the cell business reaches EBITDA break-even; and when will Shakti demand grow.

With the Gigafactory now commissioned, our first focus is meeting our own automotive requirements, which will be roughly 30% NMC and 70% LFP. Given the growth in our Auto business, it **should consume about 2–3 GWh in FY28.** NMC yields are in the 70-75% today. We expect them to reach **80-85% by the end of this quarter** (Q3 FY27) and **around 90% next quarter** (Q4 FY27). Our LFP technology is ready, and we are starting to ramp LFP production this quarter. We expect LFP yields to reach around **70% by the end**

of next quarter (Q4 FY27), when we will integrate our own LFP cells into our vehicles, and around **90% in Q1 FY28**.

At a yield of about 70%, using our own cells **breaks even with buying cells from outside**. At 85% yield, we **save about 10–15% over buying from outside**. This is at the cell gross margin level, before the cell business's fixed and operating costs; those also break even versus buying from outside at about 2–3 GWh of consumption. Our raw material buying costs will fall as consumption scales from today's low levels to 2–3 GWh over the next few quarters. Capacity beyond this 2–3 GWh will go to Shakti. Shakti Gen 2 is ready and will launch in Q4 FY27, and we expect it to grow into the remaining capacity over FY28.

Key Financial Metrics (Unaudited)

(in ₹ Crs)

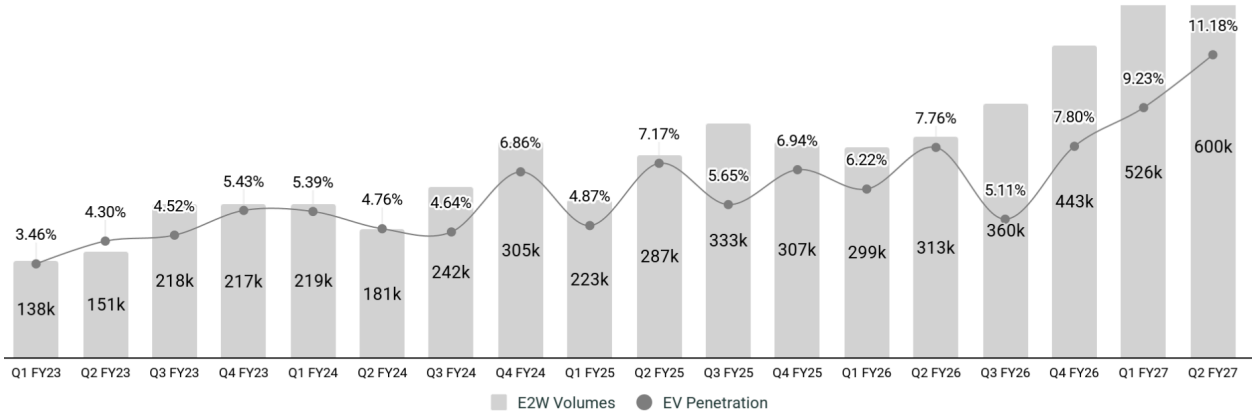
Consolidated	Q1 FY26	Q2 FY26	Q3 FY26	Q4 FY26	Q1 FY27	Q2 FY27
Revenue from Operations	828	690	470	265	455	421
Gross Margin	214	213	161	102	139	126
Gross Margin (%)	*25.8%*	*30.9%*	*34.3%*	*38.5%*	*30.5%*	*29.93%*
Operating Expenses*	512	472	486	428	333	369
Operating EBITDA	-237	-203	-271	-281	-165	-218
Adj. Operating EBITDA	-296	-258	-323	-326	-195	-246
*Adj. Operating EBITDA Margin (%)***	*-35.7%*	*-37.4%*	*-68.7%*	*-123.0%*	*-42.8%*	*-58.5%*
PAT	-428	-418	-487	-500	-336	-362
CFO	-143	-200	-523	91	-215	-188
FCF	-282	-350	-729	-131	-351	-371
Automotive Segment	**Q1 FY26**	**Q2 FY26**	**Q3 FY26**	**Q4 FY26**	**Q1 FY27**	**Q2 FY27**
Revenue from Operations	826	688	467	264	455	420
Gross Margin	212	211	158	101	139	125
Gross Margin (%)	*25.6%*	*30.7%*	*33.8%*	*38.3%*	*30.5%*	*29.76%*
Operating Expenses*	367	313	324	313	280	269
Operating EBITDA	-96	-47	-115	-169	-112	-120
Adj. Operating EBITDA	-155	-102	-167	-213	-141	-145
*Adj. Operating EBITDA Margin (%)**	*-18.8%*	*-14.8%*	*-35.8%*	*-80.7%*	*-31.0%*	*-34.5%*
PAT	-261	-233	-289	-341	-233	-214
CFO	-86	-95	-444	213	-120	-107
FCF	-166	-163	-505	173	-123	-134
Cell Segment	**Q1 FY26**	**Q2 FY26**	**Q3 FY26**	**Q4 FY26**	**Q1 FY27**	**Q2 FY27**
Revenue from Operations	3	4	9	4	5	3
Gross Margin	2	2	4	-3	1	2
Gross Margin (%)	*65.2%*	*50.0%*	*42.3%*	*-75.0%*	*20.0%*	*80.0%*
Operating Expenses*	47	54	58	39	-21	40
Operating EBITDA	-43	-50	-47	-36	28	-32
Adj. Operating EBITDA	-44	-51	-53	-42	22	-38
*Adj. Operating EBITDA Margin (%)**	*-1,625.8%*	*-1,193.2%*	*-594.7%*	*-1,135.4%*	*431.3%*	*-1,259.1%*
PAT	-69	-79	-89	-82	-28	-84
CFO	-32	-62	-46	-39	-8	-14
FCF	-91	-143	-192	-221	-143	-170

**Operating expenses is inclusive of lease expenses*
***Adj. Operating EBITDA refers to Operating EBITDA (excluding other income) including the lease expenses.*

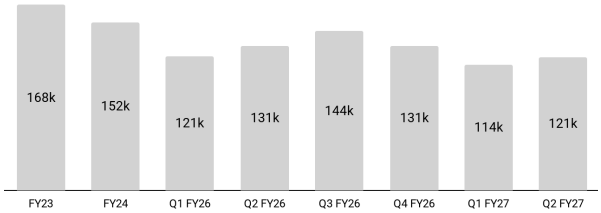
Key Graphs

All numbers in ₹ Cr unless otherwise stated

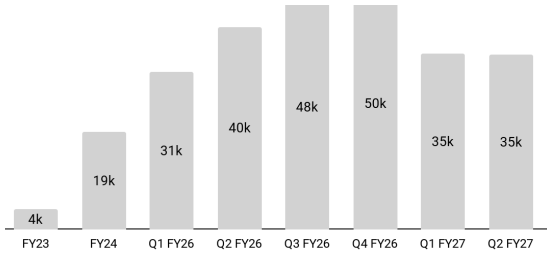
Graph 1: Industry E2W volumes and EV Penetration



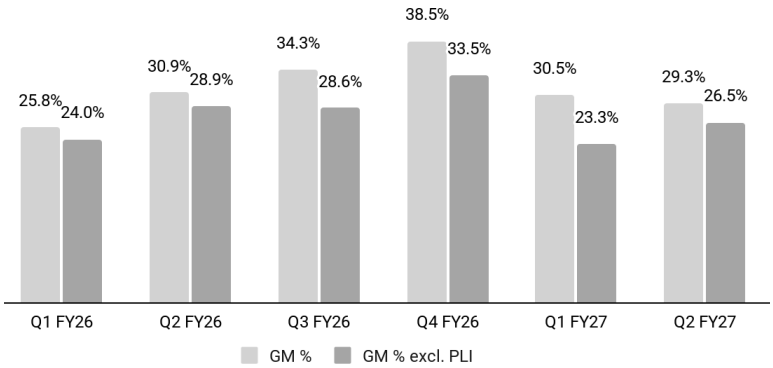
Graph 2: Average Selling Price (ASP) per unit in ₹



Graph 3: Consolidated GM per unit in ₹



Graph 4: Consolidated Gross Margin and Gross Margin excluding PLI



Photographs | Q2 FY27 Highlights

Expanding our Dealer footprint




Make in India. Build for India. Scale to the world









Building the future, from cell to vehicle









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.