

# ELECTROVAYA INC.

Consolidated Balance Sheets  
(Expressed in U.S. dollars)

	September 30, 2002	September 30, 2001
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 2,529	\$ 2,436
Short-term investments	18,089	28,696
Accounts receivable	762	301
Investment tax credits recoverable	378	652
Goods and Services Tax receivable	163	167
Inventories	3,324	1,836
Prepaid expenses and other	113	49
	<u>25,358</u>	<u>34,137</u>
Capital assets	14,256	15,501
	<u>\$ 39,614</u>	<u>\$ 49,638</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,220	\$ 1,110
Income taxes payable	42	37
	<u>1,262</u>	<u>1,147</u>
Shareholders' equity		
Share capital	63,729	63,729
Cumulative translation adjustment	(2,940)	(2,792)
Deficit	(22,437)	(12,446)
	<u>38,352</u>	<u>48,491</u>
	<u>\$ 39,614</u>	<u>\$ 49,638</u>

See accompanying notes to consolidated financial statements.

# ELECTROVAYA INC.

Consolidated Statements of Operations and Deficit  
(Expressed in U.S. dollars)

	Three months ended September 30,		Year ended September 30,	
	2002	2001	2002	2001
Revenue	\$ 661	\$ 382	\$ 2,976	\$ 1,017
Cost of goods sold	1,402	-	4,641	-
Gross margin	(741)	382	(1,665)	1,017
Expenses				
Start-up and manufacturing	-	2,097	-	2,896
Research and development	143	120	1,845	1,759
Sales and marketing	621	464	2,221	1,553
General and administrative	687	(322)	2,331	2,794
	1,451	2,359	6,397	9,002
Loss before the undernoted	2,192	1,977	8,062	7,985
Amortization	621	1,104	2,495	1,502
Loss from operations	2,813	3,081	10,557	9,487
Interest income	(145)	(380)	(597)	(1,869)
Gain from foreign exchange	(261)	(351)	(11)	(486)
	(406)	(731)	(608)	(2,355)
Loss before income taxes	2,407	2,350	9,949	7,132
Income tax expense	42	37	42	37
Loss for the period	2,449	2,387	9,991	7,169
Deficit beginning of period	19,988	10,059	12,446	5,277
Deficit end of period	22,437	12,446	22,437	12,446
Basic and diluted loss per common share (note 8)	0.03	0.04	0.14	0.11
Weighted average number of shares	69,539,109	69,538,672	69,539,109	67,767,257

See accompanying notes to consolidated financial statements.

# ELECTROVAYA INC.

Consolidated Statements of Cash Flows  
(Expressed in U.S. dollars)

	Three months ended September 30		Year ended September 30	
	2002	2001	2002	2001
Cash provided by (used in):				
Operating activities				
Loss for the period	\$ (2,449)	\$ (2,387)	\$ (9,991)	\$ (7,169)
Amortization which does not involve cash	621	1,104	2,495	1,502
Change in non-cash operating working capital	248	(812)	(1,620)	(2,180)
	(1,580)	(2,095)	(9,116)	(7,847)
Financing activities				
Proceeds from issue of common shares	-	-	-	30,006
Exercise of stock options	-	177	-	177
	-	177	-	30,183
Investing activities				
Additions to capital assets	(47)	(254)	(1,305)	(9,193)
(Increase)decrease in short-term investments	2,006	504	10,607	(15,696)
	1,959	250	9,302	(24,889)
Increase (decrease) in cash and cash equivalents	379	(1,668)	186	(2,553)
Effect of currency translation adjustments on cash and cash equivalents	(1,210)	(1,783)	(93)	(1,348)
Cash and cash equivalents, beginning of period	3,360	5,887	2,436	6,337
Cash and cash equivalents, end of period	\$ 2,529	\$ 2,436	\$ 2,529	\$ 2,436
Supplemental disclosure of cash flow information				
Income taxes paid	\$ -	\$ 21	\$ 34	\$ 21
Interest received	14	596	823	2,070

See accompanying notes to consolidated financial statements.