



News for Immediate Release

Electrovaya Reports Financial Results for Q1 2017

Toronto, Ontario – February 13, 2017 – Electrovaya (TSX:EFL) (OTCQX:EFLVF) today reports its financial results for the fiscal quarter ending December 31, 2016. All numbers are in US dollars.

Financial Highlights:

This reporting quarter Q1, FY 2017 (Q4, CY2016), was part of the transition period as we and our OEM partners develop new products and markets based on our lithium ion batteries.

- Q1 2017 revenue is \$1.1 million (Cdn \$1.4m) for the quarter ended December 31, 2016, compared to Q1 2016 revenue of \$8.2 million (Cdn \$10.8m).
- The net loss for Q1 2017 is \$2.4 million (Cdn \$3.2m) compared to the net profit for Q1 2016 of \$3.3 million (Cdn \$4.3m).
- Cash and restricted cash totaled \$5.4 million (Cdn \$7.1m) as at December 31, 2016 compared to \$3.3 million (Cdn \$4.3m) at December 31, 2015.
- Inventory is \$17.9 million (Cdn \$23.5m) as at December 31, 2016 as compared to \$9.8 million (Cdn \$12.9m) for December 31, 2015.

Business Highlights:

The business focus is on industrial applications where the Lithium Ion Battery is extensively used and requires high performance. Some of these industrial sectors where we are focusing have been announced earlier and they are:

- **Battery Assemblers: Miscellaneous sales of Cells and Modules:** certain battery assemblers use our products and those relationships continue.
- **Materials Handling Sector sales to OEM:** Electrovaya work on a Multiyear Master Service Agreement (MSA) with a NYSE Fortune 1000 OEM continues. A second major OEM in the materials handling sector has now started trials with the Electrovaya battery
- **Materials Handling Sector sales directly to the end user:** Electrovaya announced on 14th November 2016 battery products for the fork lift materials handling market which can be delivered directly to the fork-lift user and is a drop-

in replacement for the user's lead acid battery. Trials are now underway with multiple users in this sector.

- **Electric bus sector:** A number of analysts have identified the electric bus sector as an important application for lithium ion batteries. Electric buses work multiple shifts and are usually diesel powered. Cities are planning to move away from having polluting diesel fleets and replace them with full electric buses. Growth in this business is in Asia and Europe. ElectroVaya is working in this sector with an OEM battery assembler and that development work is continuing.
- **Residential Energy Storage Sector:** Certain jurisdictions are showing interest in this niche sector. ElectroVaya has clients and module based products in this sector.
- **Electric-Mobility and Electric Delivery Truck sector:** Electric delivery trucks are an attractive sector for full electric vehicles. Electric delivery trucks work 8-12 hours a day and usually operate in the inner core of cities with frequent stops. There are strong incentives to move from petrol and diesel powered vehicles to full electric. ElectroVaya believes this is an important industrial sector and as earlier announced, ElectroVaya is working with an OEM in this sector. Development work on this project is continuing. ElectroVaya has started working with other companies in this electro-mobility sector and as announced earlier, is working with another Fortune 1000 NYSE company where ElectroVaya is designing the complete battery system for integration into the OEM's off-road electric vehicle.
- **Utility and Grid connected systems:** The system for ConEdison will have cells with the Separion™, ceramic embedded separator to give longer cycle-life and higher safety to the system.

Other Business Developments:

Other Business developments in Q1, FY2017 are:

- **Personnel:** Murray Pickrem joins us as Director of Sales, USA. Murray has extensive experience in sales in the Materials handling sector. Additionally we are adding more senior staff with experience in Engineering, Project Management and NPI (New Product Introduction) and also augmenting our sales team in Germany and North America
- **Trade Shows, Expositions and Financial Conferences:** ElectroVaya presented its technology in key trade shows including Euro Bus Expo in UK and Cargo Logistics in Vancouver, BC (February 2017). In the Financial sector, ElectroVaya spoke at the Barclays Energy Revolution Conference in December 2016, Exane BNP Paribas' Disruptive Technology in December 2016, and also attended the Roth New Industrial conference in NYC in December 2016. ElectroVaya presented at the German Batterie Forum in Berlin and at the Canadian Power Finance conference in Toronto, both in January 2017

Technology Developments:

Electrovaya's research group continue to develop technology in a number of areas:

- **Cell Energy Density:** A continuous development program is underway to increase the energy density of its cells and in August, 2016 a 44Ah cell was announced which increased the energy density of the 40Ah cell announced earlier in November 2015. A road map for continual increase in energy density is an important research objective for Electrovaya and the next generation cell with higher energy density is expected to be launched in CY2018
- **Safety:** Safety is becoming an important challenge in lithium ion batteries and a key differentiating factor with customers. Next generation lithium ion cells with higher energy density has greater propensity for safety incidents. Electrovaya's ceramic separator, SeparionTM, is an important technology for enhancing safety.
- **Systems Design and NPI (New Product Introduction):** large efforts continue in this area as the demand for complete systems in different applications needs different engineering system design and optimised performance parameters.

Commenting on the results Electrovaya EVP and CFO, Richard Halka stated “In Q1 FY2017 we have not seen the impact on revenue from our 2016 initiatives. As indicated under the business highlights significant progress is being made, however, the anticipated volume production has not yet occurred as OEMs continue to refine their end market products. This has delayed the orders but we are still confident in achieving growth in 2017”.

”Q1 FY2017 is part of the transition period for Electrovaya and we expect to be able to build on relationships, new products and new industrial market sectors in CY 2017 said Dr. Sankar Das Gupta, Chair and CEO Electrovaya.

In FY2016 our long term Board member, Dr. Bernard Fleet Ph.D., D.Sc, FRSC, passed away. We are very pleased that Professor Carolyn Hansson CM, FRSC, FCAE has joined the Board of Directors of the company.

The Company's complete Q1 2017 Financial Statements, Management Discussion and Analysis for the quarter ended December 31, 2016 and Annual Information Form for the year ended September 30, 2016 are available at www.sedar.com or on the Company's website at www.electrovaya.com.

Conference Call Details:

The Company will hold a conference call on Tuesday February 14, 2017 at 8:00 a.m. Eastern Time (ET) to discuss the Q1 FY2017 results for the period ended December 31, 2016 and to provide a business update.

Conference ID: 13655385

US and Canada toll free: (877) 407-8291

International: + 1(201) 689-8345

To help ensure that the conference begins in a timely manner, please dial in 10 minutes prior to the start of the call.

For those unable to participate in the conference call, a replay will be available for two weeks beginning on February 14, 2017 through February 28, 2017. To access the replay, the U.S. dial-in number is (877) 660-6853 and the non-U.S. dial-in number is +1 (201) 612-7415. The replay conference ID is 13655385.

For more information, please contact:

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About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) (OTCQX:EFLVF) designs, develops and manufactures proprietary Lithium Ion Super Polymer® batteries, battery systems, and battery-related products for energy storage, clean electric transportation and other specialized applications. Electrovaya, through its fully owned subsidiary, Litarion GmbH, also produces cells, electrodes and SEPARION™ ceramic separators and has manufacturing capacity of about 500MWh/annum. Electrovaya is a technology focused company with extensive IP. Headquartered in Ontario, Canada, Electrovaya has production facilities in Canada and Germany with customers around the globe.

To learn more about how Electrovaya and Litarion is powering mobility and energy storage, please explore www.electrovaya.com, www.litarion.com and www.separion.com

Risk Factors

The definitive agreements between Electrovaya and its customers (collectively the “Contracts”) are subject to a number of risks, including: (i) no sales are assured under the Contracts and no firm irrevocable commitments have been obtained by Electrovaya under the Contracts or if firm irrevocable commitments are obtained the customer may not honour such commitments or may seek to re-negotiate or defer such commitments; (ii) the Contracts do not provide for a minimum contracted volume, and therefore, Electrovaya is subject to the requirements of its customers as to if, as and when and in what volume they wish to ultimately purchase; (iii) Electrovaya’s estimation of revenue under most Contracts calculated based on the expectations and forecasts for orders during the life of the contract provided to Electrovaya by the customers (the “Estimates”) which orders are solely at the discretion of the customers - accordingly the actual revenues of Electrovaya under the Contracts could be materially less than initially estimated as the Contracts are not, unless otherwise disclosed by Electrovaya, “take or pay” nor do they provided for a minimum contracted volume; (iv) the Estimates constitute forward-looking information

and Electrovasa does not have (X) knowledge of the material factors or assumptions used by the customers to develop the Estimates or as to their reliability or (Y) the ability to monitor the performance of the business of the customers in order to confirm that the volumes initially represented by them in the Estimates remain valid; and (v) if the Estimates do not remain valid, or if firm irrevocable orders are not obtained, the potential estimated revenues of Electrovasa could be materially and adversely impacted.

Non-binding MoUs and letters of intent entered into by Electrovasa, including the MoUs and letter of intent discussed above, are subject to a number of risks including: (i) the arrangements are still in the negotiation phase and there is no assurance a definitive agreement will be reached or if reached, such agreement will be on the same terms as disclosed in the MoU or letter of intent, (ii) product specifications have not yet been agreed and thus Electrovasa cannot enter into a definitive agreement nor commence deliveries until the product specifications are agreed and a definitive arrangement is signed; (iii) no sales are assured under the MoUs and letter of intents and no firm irrevocable commitments have been obtained from the potential customer; and (iv) the MoUs, letter of intents and any definitive agreement entered into in furtherance thereof, may be subject to the same risk factors as the Contracts.

Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, revenue forecasts, anticipated orders and deliveries in CY2017 and beyond, demand for the Company's products, technology development progress, plans for shipment using the Company's technology, production plans, markets, objectives, goals, strategies, intentions, beliefs, expectations and estimates, and can generally be identified by the use of words such as "may", "will", "could", "should", "would", "likely", "possible", "expect", "intend", "estimate", "anticipate", "believe", "plan", "objective" and "continue" (or the negative thereof) and words and expressions of similar import. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from expectations include but are not limited to: general business and economic conditions (including but not limited to currency rates and creditworthiness of customers); Company liquidity and capital resources, including the availability of additional capital resources to fund its activities; level of competition; changes in laws and regulations; legal and regulatory proceedings; the ability to adapt products and services to the changing market; the ability to attract and retain key executives; and the ability to execute strategic plans. Additional information about material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the Company's most recent annual information form under the heading "Risk Factors, and the Company's most recent annual and interim Management's Discussion and Analysis under "Risk and Uncertainties" as well as in other public disclosure documents filed with Canadian securities regulatory authorities. The Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except as required by law.