



News for Immediate Release

Electrovaya Reports Financial Results for Q2 2017

Toronto, Ontario – May 11, 2017 – Electrovaya (TSX:EFL) (OTCQX:EFLVF) today reports its financial results for the fiscal quarter ending March 31, 2017 (“Q2 2017”). All numbers are in US dollars.

Financial Highlights:

Q2 2017 was a continuation of the transition period as we and our original equipment manufacturer (“OEM”) partners develop new products and markets based on our lithium ion batteries.

- Q2 2017 revenue is \$2 million (Cdn \$2.7m) for the quarter ended March 31, 2017, compared to Q2 2016 revenue of \$4.3 million (Cdn \$5.9m).
- The net loss for Q2 2017 is \$6.3 million (Cdn \$8.6m) compared to a net loss for Q2 2016 of \$3.1 million (Cdn \$4.2m).
- Cash and restricted cash totaled \$9.2 million (Cdn \$12.6m) as at March 31, 2017 compared to \$4.3 million (Cdn \$5.9m) at March 31, 2016.
- Inventory is \$15.6 million (Cdn \$21.4m) as at March 31, 2017 as compared to \$11.7 million (Cdn \$16.0m) for March 31, 2016.

Business Highlights:

The private placement on March 27, 2017 of Cdn \$15 million 9% convertible debentures significantly strengthened our working capital position and gives the Company the resources to continue with our growth initiatives.

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

- **Materials Handling Sector sales to OEM:** Electrovaya work on a Multiyear Master Service Agreement with a NYSE Fortune 1000 OEM continues. A second OEM company in the materials handling sector is continuing trials with the Electrovaya battery.
- **Materials Handling Sector sales directly to the end user:** Electrovaya announced on April 3rd, 2017 that it received the first purchase order for a drop-in replacement battery product for the fork lift materials handling market. Trials continue with multiple users in this sector.

- **Electric bus sector:** The electric bus sector is viewed as an important market for lithium ion batteries. Electrovaya is continuing development work in this sector with an OEM battery assembler.
- **Residential Energy Storage Sector:** Electrovaya's LITASTORE module is being trialed and used by residential energy system providers in North America, Europe and Asia to address local market needs.
- **Electric-Mobility and Electric Delivery Truck sector:** Electrovaya believes this is an important industrial sector and is working with multiple OEMs in this sector, predominantly in Europe. Development work is continuing on custom modules for 2 OEMs. Additionally, other OEMs are using the LITACELL to develop their own bespoke systems for electric transport applications.
- **Utility and Grid connected systems:** Work is continuing in this sector.

Other Business Developments:

- **Board Appointments:** We welcomed Dalton McGuinty, Ontario's 24th Premier, to the Board of Electrovaya. Mr. McGuinty is a champion of clean technology and international trade. He joined Professor Carolyn Hansson who was appointed to our Board February 13th, 2017. Professor Hansson is a highly regarded Professor of Materials Engineering at the University of Waterloo and is the recipient of many awards and honours including the Order of Canada.

Commenting on the results Electrovaya EVP and CFO, Richard Halka stated "In Q2 2017 we have significantly improved our working capital position and now have the cash resources to continue with our growth initiatives".

"Q2 2017 continues to be a transition period for Electrovaya and we expect to be able to build on relationships, products and industrial market sectors in CY 2017", said Dr. Sankar Das Gupta, Chair and CEO Electrovaya.

The Company's complete Q2 2017 Financial Statements, Management Discussion and Analysis for the quarter ended March 31, 2017 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 Friday May 12, 2017 at 8:00 a.m. Eastern Time (ET) to discuss the Q2 2017 results for the period ended March 31, 2017 and to provide a business update.

Conference ID: 13661922

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 May 12, 2017 through May 26, 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 13661922.

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

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; results of trials of the Company's products; growth in the industrial sectors the Company is focused on, 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.

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 Electrovaya 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 Electrovaya could be materially and adversely impacted.

Non-binding MoUs and letters of intent entered into by Electrovaya, 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 Electrovaya 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.