



News for Immediate Release

Electrovaya Reports Financial Results for Q3 2017

Revenue increased by approximately 70% over Q3-2016 and over 120% over Q2-2017

Toronto, Ontario – August 1st, 2017 – Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQX: EFLVF) today reported its financial results for the fiscal third quarter ended June 30, 2017 (“Q3 2017”). All numbers are in US dollars unless otherwise noted.

In Q3 2017, Electrovaya progressed with respect to the long sales cycle that characterizes its target markets and has successfully delivered to its target vertical markets. In Q3 2017, Electrovaya’s sales increased by 120% over Q2 2017, which in turn were significantly higher than Q1 2017.

“Our growth initiatives and business focus remain on applications where the lithium ion battery is intensively used and requires high performance,” said Dr. Sankar Das Gupta, Chief Executive Officer. “We are seeing progress in our key target verticals including electric commercial vehicles and energy storage. We continued to make component sales of cells during the third quarter,” said Dr. Das Gupta.

Financial Highlights:

- Q3 2017 revenue was \$4.4 million (Cdn \$5.5m) compared to Q3 2016 revenue of \$2.6 million (Cdn \$3.3m), an increase of approximately 70%; and compared to Q2 2017 of \$2.0 million (Cdn \$2.5), an increase of 120%
- The net loss for Q3 2017 was \$6.3 million (Cdn \$7.9m) compared to a net loss for Q3 2016 of \$3.1 million (Cdn \$3.9m);
- Cash and restricted cash totaled \$1.7 million (Cdn \$2.1m) as at June 30, 2017 compared to \$2.7 million (Cdn \$3.4m) at June 30, 2016; and
- Inventory was \$13.7 million (Cdn \$17.1m) as at June 30, 2017 as compared to \$16.7 million (Cdn \$20.9m) the previous year.

Business Developments:

Electrovaya made deliveries of cells to OEMs who utilized them for electric commercial vehicle applications, modules deliveries to the Hyster Yale Group and made the first deliveries of its Elivate line of forklift battery systems to Mondelez International. The Elivate product is undergoing extensive trials at multiple distribution center and manufacturing sites in the United States and Canada.

Subsequent to the end of Q3 2017, Electrovaya announced that it completed delivery of two important orders:

- A \$634,000 order from Mondelez International for replacement forklift lithium ion ceramic batteries; and
- A €1 million order of lithium ion cells from an electric vehicle producer.

On June 30, 2017, Electrovaya announced a settlement agreement with Ontario Securities Commission related to prior disclosure. The Company agreed to make a series of corporate governance enhancements as part of the settlement. The Company did not pay a financial penalty.

Richard Halka, the Company's EVP & CFO accepted an invitation from Global Affairs Canada to join its Clean Technology Advisory Group.

Ian Lyons, CFA, joined the Company as VP Investor Relations. Mr. Lyons based in Boston, was until recently, a senior executive with Nomura and Societe Generale and has over 20 years of experience in the Capitals Markets in USA and Europe.

Conference Call Details:

The Company will hold a conference call on Wednesday, August 2, 2017 at 9:00 a.m. Eastern Time (ET) to discuss the fiscal Q3 2017 results for the period ended June 30, 2017 and to provide a business update.

Conference ID: 13668171

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 August 2, 2017 through August 16, 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 13668171.

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 and sales forecasts, inventory levels, technology development progress, plans for shipment using the Company's technology, production plans, the Company's 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); results of product trials, Company liquidity and capital resources, including the availability of additional capital resources to fund its activities; level of competition; inventory levels, 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 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.

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: results of sales efforts, parties with whom ElectroVaya has executed a memorandum of understanding or letters of intent (each, an "MoU") not entering into a definitive agreement with ElectroVaya in a timely manner or at all, or on terms different than those contained in the applicable MoU; the purchase orders actually placed by customers of ElectroVaya; the customers of ElectroVaya terminating the agreements or not renewing such agreements annually; general business and economic conditions (including but not limited to currency rates and creditworthiness of customers); the Company's liquidity and capital resources, including the availability of additional capital resources to fund its activities; inventory levels, 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 herein under the heading "Risk Factors" in the Company's "Annual Information Form" ("AIF") for the year ended September 30, 2016, and 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 or incorporated by reference in this document, whether as a result of new information, future events or otherwise, except as required by law.