



News for Immediate Release

ELECTROVAYA ANNOUNCES FINANCING OF \$6.3 MILLION AND REPORTS FOURTH QUARTER FY 2013 RESULTS

Quarterly Revenue Increases By 460%

Toronto, Ontario – December 30, 2013 – Electrovaya Inc. (TSX: EFL) has signed a term sheet for \$6.3 million through a first mortgage on its land and buildings and released the financial results for the fourth quarter of Fiscal 2013 ending September 30, 2013. All amounts are in US dollars.

Financial Highlights:

Quarter ending September 30, 2013

- Revenue for the quarter ending September 30, 2013 increased by about 460% to approximately \$777,000, up from \$139,000 in the quarter ending June 30, 2013 and within the guidance range.
- Cash and cash equivalents were approximately \$2.6 million compared to \$3.3 million in the quarter ending June 30, 2013.
- Loss before amortization, foreign exchange and write downs was reduced by approximately 56% to \$650,000 from \$1.4 million in the quarter ending June 30, 2013.

Year ending September 30, 2013

- During the year, Electrovaya worked to complete the development of its next generation 2.0 technology. Shipments were deferred until this was complete and revenue declined during this period. Revenue for the year was approximately \$2.8 million compared to approximately \$9.8 million in the previous year.
- Part of the proceeds of the \$6.3 million mortgage financing (non-dilutive to shareholders) will be to repay the present \$5 million promissory note.

Financial Outlook:

- Electrovaya gives guidance of revenues exceeding \$15 million for calendar year 2014.

Business Highlights:

New Customers

- **Scottish Southern Energy Power Distribution (SSEPD):** On September 12, 2013, Electrovaya announced that it was awarded a contract from SSEPD for 25 distributed and independent energy storage systems for use in the £30 million Thames Valley Vision (TVV) project, one of UK's largest Smart City and Carbon reduction projects. Electrovaya's 25 distributed and independent energy storage systems range in energy capacity from 12.5 kWh to over 80 kWh. Electrovaya is responsible

for the complete energy storage system including grid connectivity, power conditioning, cells, batteries and battery management.

- **OEM in the United Arab Emirates:** On September 24, 2013, Electrovaya announced that it received an initial purchase order valued at approximately USD 1.0 Million for a number of portable battery systems.
- **Dongfeng Motors (DFM):** On May 8, 2013, Electrovaya delivered the first prototype of an electric vehicle battery system for Dongfeng Motors, the second largest Chinese automaker. Other prototype systems are under construction and testing. DFM, is planning to launch a 2-door and a 4-door passenger electric vehicle for China's urban demand for clean non-polluting automobiles. The Chinese Ministry of Finance has announced the renewal of China's New Energy Vehicle subsidies as much as 60,000 yuan (\$9,800) for an all-electric passenger vehicle.
- **Solund Verft AS:** On April 18, 2013, Electrovaya and its Norwegian subsidiary, Miljøbil Grenland AS, were awarded a contract from Solund Verft AS for a battery system for an electric ferry in Norway. The electric ferry will carry both vehicles and passengers. Solund Verft AS, a Norwegian shipyard which builds various types of vessels including ferries, has established great relationships with ship-owners, constructors and yards.

Partnerships with Global Leaders

In addition to new customer relationships, Electrovaya signed a MOU with one of the largest global conglomerates head-quartered in Asia. MOU includes plans for:

- Minority Equity interest in Electrovaya (up to 10%)
- Marketing and procurement of Electrovaya's lithium ion batteries in the energy storage sector
- Joint Venture and equity interest in a lithium ion battery manufacturing plant in India
- Procurement of the raw materials and or facilities necessary for production of lithium ion batteries

New Technology Launched

In April, 2013 Electrovaya announced it was launching its new generation of lithium ion battery technology SuperPolymer®2.0. Key improvements in the battery system include:

- Safety improvements: fire resistance, reduced flammability, anti-propagation
- Wider operating temperature range at both hot and cold extremes
- More efficient thermal management system in a smaller space
- Enhanced performance

Additions to Management Team

In May, 2013, Electrovaya announced the addition of Dr. Ravi Gopal, former Vice President of Applications Development at Hydrogenics Corporation. Dr. Gopal was appointed Vice President of Engineering.

The Company's complete Fiscal 2013 Fourth Quarter and Annual Financial Statements and Management Discussion and Analysis are available at www.sedar.com or on the Company's website at www.electrovaya.com.

About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) designs, develops and manufactures proprietary Lithium Ion SuperPolymer® batteries, battery systems, and battery-related products for the clean electric transportation, Utility Scale Energy Storage and smart grid power, consumer and healthcare markets. The Company's mission is to accelerate clean transportation as a commercial reality with its advanced power system for all classes of zero-emission electric vehicles and plug-in hybrid electric vehicles. The Company's other mission is to deliver Utility Scale Energy Storage Systems for the highest efficiency in electricity storage, whether the electricity is generated from intermittent wind and solar power or from other sources. Founded in 1996 and headquartered in Mississauga, Ontario, Canada, Electrovaya has production facilities in Canada and customers around the globe. *To learn more about how Electrovaya is powering mobility, please explore www.electrovaya.com*

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Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, revenue forecasts, technology development progress, plans for shipment using the Company's next generation 2.0 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", "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 and interim Management's Discussion and Analysis under "Risk and Uncertainties", including in particular from pages 37 to 38, 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.