



News for Immediate Release

Electrovaya Reports Q1 FY2020 Financial Results

Continued progress in cost reductions and scaling to meet customer demand

Toronto, Ontario – February 14, 2020 – Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQB: EFLVF), a lithium ion battery manufacturer with industry-leading performance and substantial intellectual property, today reported its financial results for the fiscal first quarter ended December 31, 2019 (“Q1 FY2020”). All dollar amounts are in U.S. dollars unless otherwise noted.

Financial Highlights:

- Revenue in Q1 FY2020 was \$0.9 million (C\$1.2 million), compared to \$2.0 million (C\$2.6 million) for the fiscal first quarter ended December 31, 2018 (“Q1 FY2019”). The decrease in Q1 FY2020 was due in part to the Company relocating its manufacturing and other operations during the quarter as well as the need for additional working capital, which has now been secured.
- Gross profit for Q1 FY2020 was \$0.3 million (C\$0.4 million), or 37% of revenue, compared to gross profit of \$0.7 million (C\$0.9 million), or 37% of revenue, for Q1 FY2019.
- The Company continued initiatives to contain costs while pursuing revenue growth opportunities. Operating expenses were reduced to \$2.1 million (C\$2.8 million) in Q1 FY2020 from \$2.5 million (C\$3.3 million) in Q1 FY2019. Excluding interest and stock-based compensation, the remaining overhead expenses were reduced from \$1.8 million (C\$2.4 million) in Q1 FY2019 to \$1.2 million (C\$1.6 million) in Q1 FY2020, a reduction of 38%.
- Net loss in Q1 FY2020 was \$1.9 million (C\$2.5 million), compared to a net profit of \$2.8 million (C\$3.7 million) for Q1 FY2019. The net profit in Q1 FY2019 was primarily attributable to a gain on the sale of the Company’s former head office building.

Business Highlights and Outlook:

- The Company’s order backlog exceeds \$12 million (C\$16 million) due to strong customer demand. The planned ramp-up of battery deliveries in the fiscal second quarter ending March 31, 2020 will be somewhat delayed due to the ongoing disruption of the global supply chain because of the coronavirus. Deliveries will extend into the fiscal third quarter ending June 30, 2020, barring unforeseen circumstances.
- In Q1 FY2020, Electrovaya moved its corporate head office and manufacturing operations to 6688 Kitimat Road in Mississauga, Ontario. The new location comprises approximately 62,000 square feet of space.

- On December 30, 2019, the Company announced that it has secured new purchase orders worth approximately \$4 million (C\$5.3 million) for forklift battery systems, to be delivered by the end of the Company's fiscal third quarter ending June 30, 2020.
- On November 11, 2019, Electrovaya announced that it closed an agreement with a Canadian financial institution for a secured \$4.1 million (C\$5.5 million) credit facility to support fulfillment of purchase orders. The facility is in addition to a \$1.1 million (C\$1.5 million) bridge facility previously secured from the same lender. Accordingly, the credit facility limit is \$5.2 million (C\$7 million).
- Electrovaya's batteries are powering e-forklift systems in 28 locations, including 24 in the United States, two in Canada, one in Mexico and one in Costa Rica, primarily operated by large organizations.
- Electrovaya's intellectual property continues to increase with fresh patents and know-how. Subsequent to Q1 FY2020, on February 4, 2020, the Company announced that it acquired 30 key ceramic separator and battery issued patents for a nominal value. The patents concern the design, manufacture and application of ceramic composite separators in lithium ion batteries, as well as a novel battery design. The Company currently has more than 130 registered patents.

The Company's complete Q1 FY2020 Financial Statements and Management Discussion and Analysis for the quarter ended December 31, 2019 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 18, 2020 at 8:00 a.m. Eastern Time (ET) to discuss the Q1 FY2020 quarterly financial results and to provide a business update.

Conference ID: 13699133

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 18, 2020 through March 3, 2020. 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 13699133.

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About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) (OTCQX:EFLVF) designs, develops and manufactures proprietary Lithium Ion batteries, battery systems, and battery-related products for energy storage, clean electric transportation and other specialized applications. Electrovaya is a technology focused company with extensive IP. Headquartered in Ontario, Canada, Electrovaya has production facilities in Canada with customers around the globe.

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

Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, revenue forecasts and in particular the forecast for the first half of fiscal 2020, anticipated positive EBITDA by the second quarter 2020, anticipated further sequential revenue growth in fiscal 2020, anticipated increased collaboration with OEMs in fiscal 2020, anticipated continued increase in sales momentum in fiscal 2020 through OEMs and directly to large global companies, including Fortune 500 companies, the future direction of the Company's business and products, the effect of coronavirus outbreaks in China on the Company's delivery schedule, continually increasing the Company's intellectual property portfolio, the Company's ability to source supply to satisfy demand for its products and satisfy current order volume, technology development progress, pre-launch plans, plans for product development, plans to work with OEMs, plans for shipment using the Company's technology, production plans, expected productivity and efficiency gains from relocation of the Company's head office, 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: that current customers will continue to make and increase orders for the Company's products, and in accordance with communicated intentions, that the Company's alternate supply chain will be adequate to replace material supply and manufacturing, that the Company's interpretation of the effect of any comfort given to Litarion's auditors of the Company's financial support for Litarion's operations is correct, and that Litarion's insolvency process will proceed in an orderly fashion that will satisfy Litarion's debt without a significant negative effect on the Company or its assets, actions taken by creditors and remedies granted by German courts in the Litarion insolvency proceedings and their effect on the Company's business and assets, negative reactions of the Company's existing customers to Litarion's insolvency process, 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, the granting of additional intellectual property protection, 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 Annual Information Form for the year ended September 30, 2019 under "Risk Factors", and in the Company's most recent annual and interim Management's Discussion and Analysis under "Qualitative And Quantitative

Disclosures about 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.

Revenue and EBITDA forecasts herein constitute future-oriented financial information and financial outlooks (collectively, “FOFI”), and generally, are, without limitation, based on the assumptions and subject to the risks set out above under “Forward-Looking Statements”. Although management believes such assumption to be reasonable, a number of such assumptions are beyond the Company’s control and there can be no assurance that the assumptions made in preparing the FOFI will prove accurate. FOFI is provided for the purpose of providing information about management’s current expectations and plans relating to the Company’s future performance, and may not be appropriate for other purposes.

The FOFI does not purport to present the Company’s financial condition in accordance with IFRS, and it is expected that there may be differences between actual and forecasted results, and the differences may be material. The inclusion of the FOFI in this news release disclosure should not be regarded as an indication that the Company considers the FOFI to be a reliable prediction of future events, and the FOFI should not be relied upon as such.