



News for Immediate Release

Electrovaya Reports Q2 2019 Financial Results

Toronto, Ontario – May 14, 2019 – Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQX: EFLVF), a lithium ion battery manufacturer with industry-leading performance and substantial intellectual property, today reported its financial results for the fiscal second quarter ended March 31, 2019 (“Q2 2019”). All dollar amounts are in U.S. dollars unless otherwise noted.

Q2 2019 Financial Highlights:

- Revenue was \$1.3 million (C\$1.8 million), compared to \$3.3 million (C\$4.4 million) for the fiscal second quarter ended March 31, 2018 (“Q2 2018”). The revenue decline was attributable to the fulfillment of a single large order in Q2 2018. Q2 2019 revenue was derived entirely from deliveries of lithium ion batteries to multiple customers in the electric forklift and Automated Guided Vehicle (“AGV”) markets. Revenues for the six months ended March 31, 2019 (“YTD 2019”) and March 31, 2018 (“YTD 2018”) were \$3.2 million (C\$4.3 million) and \$4.0 million (C\$5.4 million), respectively.
- Gross profit was \$0.4 million (C\$0.5 million), or 35% of revenue, compared to gross profit of \$0.9 million (C\$1.2 million), or 28% of revenue, in Q2 2018. Gross profit for YTD 2019 was \$1.2 million (C\$1.6 million), or 36% of revenue, compared to gross profit of \$1.2 million (C\$1.6 million), or 29% of revenue, in YTD 2018.
- Net loss from continued operations was \$1.9 million (C\$2.6 million) compared to a net loss from continued operations of \$2.7 million (C\$3.6 million) in Q2 2018. Net earnings from continued operations for YTD 2019 were \$0.9 million (C\$1.2 million), compared to a net loss from continued operations of \$5.4 million (C\$7.3 million) in YTD 2018. The net profit in YTD 2019 was primarily due to a gain on the sale of capital assets of \$4.2 million (C\$5.7 million).

Other Business Highlights:

- Electrovaya’s batteries continue to gain substantial traction in the Materials Handling Electric Vehicle (“MHEV”) market. The Company received both new and repeat purchase orders during the quarter. Electrovaya now has a total of more than \$3.3 million (C\$4.4 million) of open orders for its MHEV, AGV and energy storage battery products.
- To date, Electrovaya has sold and delivered batteries to commercial operations at 23 customer sites in the United States and Canada, with several customers making follow-up orders. The majority of customers are large corporations, including several Fortune 500 companies. These end users span all aspects of the materials handling market and include major retail, furniture distribution, cold storage, manufacturing and third-party logistics companies.

- Electroveya has established a close working relationship with leading original equipment manufacturers (“OEMs”) in the MHEV and AGV sectors:
 - Badger Technologies™, a product division of Jabil Inc., displayed its fully autonomous robot and corresponding lithium ion battery at Electroveya’s booth at the ProMat 2019 conference in Chicago's McCormick Place in April 2019. Each of Badger’s autonomous robots is powered by Electroveya’s lithium ion battery system. The Electroveya battery system features a high energy density design with an advanced battery management system, and lithium ion cells with advanced ceramic separators. These systems are optimized to maximize energy, cycle life and safety.
 - Electroveya has completed a sales agreement with The Raymond Corporation, a Toyota Industries Group company. The sales agreement will allow The Raymond Corporation’s Sales and Service Centers network to sell Electroveya battery systems to customers that have compatible Raymond lift trucks. Electroveya’s Eivate battery system was on display at the Raymond booth at ProMat 2019.
- Electroveya continues to make progress in developing high-voltage battery packs for use in the electric bus market. The company is working with two bus companies as part of its \$2.9 million (C\$3.8 million) contract with Sustainable Development Technology Canada.
- During Q2 2019, a Canadian chartered bank provided a loan to finance specific purchase orders. The loan is cash collateralized with a \$187K (C\$250K) cash deposit. The first tranche of \$374K (C\$500K) has been drawn, and the Company and bank are now in negotiation to add second and third tranches.
- The Company has reduced operating expenses over each of the last three sequential quarters. Operating expenses were \$3.0 million (C\$4.0 million) in the fourth quarter of fiscal 2018, \$2.5 million (C\$3.4 million) in the first quarter of fiscal 2019, and \$2.2 million (C\$3.0 million) in Q2 2019. Management will continue to focus on cost-saving opportunities.

The Company’s complete Q2 2019 Financial Statements and Management Discussion and Analysis for the quarter ended March 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 Wednesday, May 15, 2019 at 8:00 a.m. Eastern Time (ET) to discuss the Q2 2019 financial results and to provide a business update.

Conference ID: 13690810

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 15, 2019 through May 28, 2019. 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 13690810.

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 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, the potential realization of revenue from the Company's open orders including the potential realization of revenue from the sales agreement that will allow The Raymond Corporation's Sales and Service Centres network to sell the Company's products, the successful completion of negotiations to provide the Corporation with second and third tranches of a loan to finance specific purchase orders, Management's ability to continue to achieve costs savings to reduce operating expenses, anticipated continued increase in sales momentum in fiscal 2019 through OEMs and directly to large global companies, including Fortune 500 companies, the effect of Litarion's insolvency filing on the Company's financial position and performance, the future direction of the Company's business and products, the effect of a structured sale of Litarion, including on the Company's overhead and operations, the Company's ability to source supply to satisfy demand for its products and satisfy current order volume, 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, 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. Important factors that could cause actual results to differ materially from expectations include but are not limited to: 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, 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, 2018 under "Risk Factors", and in the Company's most recent annual and interim Management's Discussion and Analysis under "Qualitative and Quantitative Disclosures about Risks 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.