



News for Immediate Release

Electrovaya Reports Q4 FY2020 and Fiscal 2020 Results

Strong revenue growth and positive EBITDA¹ in the fourth quarter, while annual revenue nearly triples year-over-year

Toronto, Ontario – November 30, 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 fourth quarter and fiscal year ended September 30, 2020 (“Q4 FY2020” & “FY 2020”, respectively). All dollar amounts are in U.S. dollars unless otherwise noted.

Financial Highlights:

- Revenue for Q4 FY2020 was \$6.9 million (C\$9.1 million), compared to \$0.5 million (C\$.7 million) in the fiscal fourth quarter ended September 30, 2019 (“Q4 FY2019”). Revenue for Q4 FY2020 increased by 44% on a sequential basis compared to \$4.8 million (C\$6.3 million) in the fiscal third quarter ended June 30, 2020 (“Q3 FY2020”). The strong sequential revenue growth reflects robust customer demand and the scaling up of production.
- Revenue for FY 2020 was \$14.5 million (C\$19 million), a nearly three-fold increase from revenue of \$4.9 million (C\$6.4 million) in the 12 months ended September 30, 2019 (“FY 2019”).
- The Company generated a positive EBITDA¹ of \$0.8 million for Q4 FY2020, compared to negative \$0.9 million (C\$1.2 million) in Q4 FY2019. EBITDA¹ for Q4 FY2020 increased 68% on a sequential basis compared to \$0.5 million (C\$0.7 million) in Q3 FY2020.
- Net loss was \$0.7 million (C\$0.9 million) for Q4 FY2020, compared to a net loss of \$2.5 million (C\$3.3 million) in Q4 FY2019.
- Net profit was \$1.1 million (C\$1.4 million) for FY 2020, compared to a net loss of \$2.8 million (C\$3.7 million) in FY 2019.

¹ Non-IFRS Measure: EBITDA does not have a standardized meaning under IFRS. Therefore it is unlikely to be comparable to similar measures presented by other issuers. We believe that certain investors and analysts use EBITDA to measure the performance of the business. EBITDA is defined as loss from operations, plus finance costs, plus stock-based compensation costs.

Q4 FY2020 Business Highlights:

- Electrovaya completed deliveries on the C\$7.3 million purchase order of lithium ion batteries from Walmart Canada. The Company also announced the C\$5.5 million credit facility that was used to finance the order, was fully repaid.
- Electrovaya announced that the final payment on its amended C\$15 million, 9% convertible debentures was made and all obligations under the debt settled. The Company

also announced that an additional C\$4.5 million purchase order facility was repaid. In total, C\$25 million of debt was settled during the quarter.

- Electrovaya announced that its working capital facility was increased to a maximum of C\$7 million, and its promissory note was increased to C\$6 million. This provides the working capital necessary to continue the Company's strong growth.
- Subsequent to Q4 FY2020, in November 2020, Electrovaya announced that it achieved UL2580 listing across its line of 24V and 36V forklift batteries. The safety certification covers more than 25 different models and demonstrates the Company's continued commitment to safety and quality.
- Electrovaya's batteries are currently powering e-forklift systems in more than 40 locations.

Positive Financial Outlook:

Electrovaya is experiencing strong and growing customer demand for its battery products through both of its key sales channels: direct sales to end customers and OEM distribution. Accordingly, the Company currently anticipates that revenue in the 2021 fiscal year will exceed \$28 million (C\$37 million), which was the approximate annualized run rate in Q4 FY2020. The Company also anticipates continued positive EBITDA¹ growth in the fiscal year 2021, barring unforeseen circumstances. See "Forward-Looking Statements".

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Impact of COVID-19 Pandemic:

Electrovaya is an essential business and has operated without major interruption during the COVID-19 pandemic to date. The Company's customers include large global firms in industries such as grocery, logistics and e-commerce that are continuing to provide critical services during this difficult period. The crisis has highlighted Electrovaya's important role in helping its customers execute mission-critical applications under highly challenging conditions. COVID-19 did disturb the Company's supply chain from many of its global vendors, with resultant delays in delivery of the Company's products to its customers and associated cost increases.

Electrovaya considers the health and safety of its employees and other stakeholders to be of the highest priority. To mitigate any potential spread of COVID-19, the Company has implemented a number of common-sense initiatives at its headquarters, including increased sanitization of frequently touched surfaces, use of masks, air purifiers, and social distancing guidelines, all of which somewhat reduce operational efficiency.

Select Annual Financial Information for the Years ended September 30, 2020, 2019 and 2018

Results of Operations

(Expressed in thousands of U.S. dollars, except per share amounts and gross margin %)

	Year ended September 30,		
	2020	2019	2018
Revenues	\$14,525	\$4,891	\$5,633
Direct manufacturing costs	9,592	2,949	3,869
Gross margin	4,933	1,942	\$1,764
Gross margin %	34%	40%	31%
Expenses	8,621	8,889	11,648
Gain(loss) before undernoted	(3,688)	(6,947)	(9,884)
Amortization	209	109	308
Gain(loss) from operations	(3,897)	(7,056)	(10,192)
Gain on sale of property	-	4,184	-
Gain on redemption of debentures	5,175	-	-
Foreign exchange gain(loss)& interest income	(166)	35	20
Net gain(loss) from continued operations	1,112	(2,837)	(10,172)
Loss from discontinued operations	-	-	(12,485)
Net gain(loss) for the year	\$1,112	\$(2,837)	\$(22,657)
Net loss gain per share	\$0.01	\$(0.03)	\$(0.23)

Key performance indicators

In addition to operating results and financial information described above, management reviews the following measures (which are not measures defined under IFRS):

	Year ended September 30,		
	2020	2019	2018
EBITDA¹			
(expressed in thousands of U.S. dollars)			
Gain(loss) from operations	\$(3,897)	\$(7,056)	\$(10,172)
Finance cost	3,097	2,120	3,451
Stock based compensation	144	1,120	290
Amortization	209	109	308
EBITDA ¹	\$(447)	\$(3,707)	\$(6,123)

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Quarterly Financial Results

Results of Operations

(Expressed in thousands of U.S. dollars, except per share amounts and gross margin %)

	2020				2020
	Q1	Q2	Q3	Q4	
Total Revenue	\$861	\$1,947	\$4,799	\$6,918	\$14,525
Variable Costs	541	1,123	3,097	4,831	9,592
Gross Margin	320	824	1,702	2,087	4,933
GM%	37%	42%	35%	30%	34%
Expenses					
Research & development	404	1048	860	437	2,749
Government assistance	-	-	(226)	(47)	(273)
Sales & marketing	230	157	127	603	1,117
General & administrative	502	578	402	228	1,710
Stock based compensation	43	15	14	72	144
Finance Cost	896	446	525	1,230	3,097
Patent & trademark expenses	8	12	36	21	77
	2,083	2,256	1,738	2,544	8,621
	(1,763)	(1,432)	(36)	(457)	(3,688)
Depreciation	2	96	92	19	209
Gain (Loss) from operations	(1,765)	(1,528)	(128)	(476)	(3,897)
Gain on redemption of debentures	-	-	5,156	19	5,175
Foreign exchange gain (loss)	(144)	420	(203)	(239)	(166)
Net Income (Loss)	\$(1,909)	\$(1,108)	\$4,825	\$(696)	\$1,112

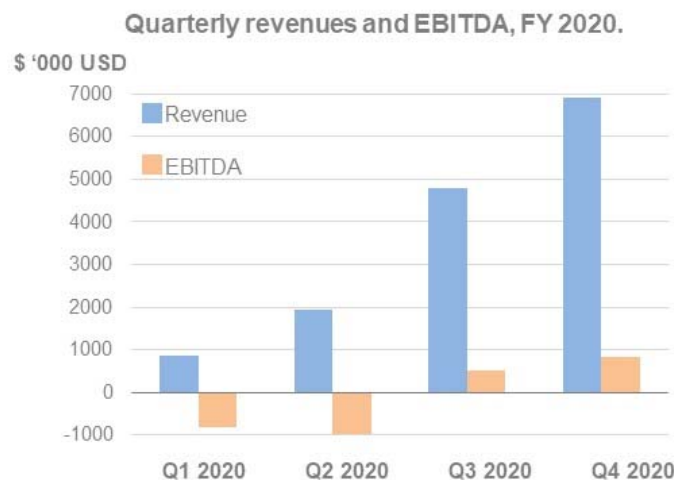
In addition to operating results and financial information described above, management reviews the following measures (which are not measures defined under IFRS):

EBITDA¹

(expressed in thousands of U.S. dollars)

	2020				2020
	Q1	Q2	Q3	Q4	
Gain (Loss) from operations	(1,765)	(1,528)	(128)	(476)	(3,897)
Less: Finance Cost	896	446	525	1,230	3,097
Stock based compensation	43	15	14	72	144
Depreciation	2	96	92	19	209
EBITDA ¹	(824)	(971)	503	845	(447)
EBITDA%	-57%	-93%	-49%	-169%	-76%

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The Company's complete Financial Statements and Management Discussion and Analysis for the fourth quarter and fiscal year ended September 30, 2020 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, December 1, 2020 at 8:00 a.m. Eastern Time (ET) to discuss the September 30, 2020 year end financial results and to provide a business update.

Conference ID: 13713795

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 December 1, 2020 through December 14, 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 13713795.

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About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) (OTCQB: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 revenue forecasts for the fiscal year ending September 2020 and the calendar year ending December 31, 2020, continuation of anticipated positive EBITDA, anticipated further sequential revenue growth in fiscal 2020, the ability to satisfy the Company's order backlog, the Company's ability to satisfy its ongoing debt obligations, anticipated increased collaboration with OEMs and OEM channels constituting a source of sales growth for the Company, 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 the ongoing global COVID-19 public health emergency on the Company's operations, its employees and other stake holders, including on customer demand, supply chain, and delivery schedule, 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 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: 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 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.