



News for Immediate Release

Electrovaya Reports Q3 FY2016 Financial Results *Q3 Efforts Lay Ground Work for Massive Revenue Growth*

Toronto, Ontario – August 11, 2016 – Electrovaya (TSX:EFL) (OTCQX:EFLVF) today reports its Q3 financial results for the quarter ending June 30, 2016. All numbers are in US dollars.

"The Q3, FY2016 was pivotal, as the engineering and business development teams, laid the ground work for exponential revenue growth. The disappointing Q3 revenues were expected as Electrovaya transitions to deliver new products to major Tier 1 customers. The development of our lithium ion battery modules allowed major OEMs (original equipment manufacturers) to start testing and then move towards purchasing the Electrovaya products in diverse industries," said Dr. Sankar Das Gupta, Chairman and CEO of Electrovaya.

"To have signed with multiple OEMs in such a short period demonstrates both the dedication and technical ability of our team and the validation of the advantages of safety and cycle-life. Just the four recent major announcements combined could generate an estimated \$360 million (Cdn\$ 460 million) of revenue over a three year period. This is just the start of the rollout of our new product portfolio to address the needs of the fast growing industries of electro-mobility, energy storage and climate change mitigation," said Dr. Das Gupta.

"The execution and delivery of these products will be achieved by building on our proven manufacturing capabilities in Germany combined with a strong manufacturing supply chain".

Business Highlights:

This was the breakthrough quarter for Electrovaya, where our newly launched battery modules prompted multiple OEMs in multiple industrial sectors to step up their engagement with the Company, after extensive testing of our products. Highlights are given below:

- Electrovaya in May 2016 launched its 1 kWh battery module (LITACORE™ 1000) and an intelligent 48V, 2.3 kWh module (LITASTORE™ 2.3) with an integrated BMS (Battery Management System) as building blocks for OEMs. Major deliveries scheduled for Q1 FY2017 onwards;
- Electrovaya signed a Letter of Intent in June 2016 with a major Residential Energy Storage Provider for delivery of the LITASTORE™ product. Revenues over a period of three years is estimated to be up to Euro 199 Million (US\$ 223 million, Cdn \$ 288 million); Volume deliveries expected to ramp up from Q1 FY2017;
- Electrovaya announced a Multiyear Master Service Agreement (MSA) on May 2016, with a NYSE Fortune 1000 company for the supply of LITACORE™ 1000 modules for an industrial application; The three year MSA is estimated to generate revenues of about

\$80 million (Cdn\$ 105 million). In July 2016, Electrovaya started delivery of products under the Multiyear Master Service Agreement;

- Electrovaya's subsidiary Litarion in June 2016, announced a MOU with a leading European OEM, with operations in Europe and Asia, to deliver Lithium Ion cells for Electric Buses. It is estimated that this OEM will require about \$12 million (Cdn\$ 16 million) of our products in FY2017;
- Electrovaya's subsidiary Litarion in June 2016, signed a MOU with a Major Global OEM in the electro-mobility industry, for the delivery of Lithium Ion Battery Modules, estimated to generate revenues of up to \$41 million (Cdn\$ 53 million) in FY2017;
- Electrovaya Signed a Working Capital Facility Loan Agreement in July 2016 with one of Canada's Largest Banks;
- Electrovaya joined the OTCQX Market in the United States in July 2016 which allows a larger segment of investors to invest in the Company; and,
- A new website was launched on August 9, 2016 which showcases the innovations and products of the company, as it starts to roll its new high value product portfolio and branding.

Financial Highlights:

- Q3 FY2016 revenue is \$2.6 million (Cdn \$3.4m) and for the nine months ended June 30, 2016 revenue is \$15.1 million (Cdn \$19.8m); Q3 FY 2015 revenue was \$6.0 million (Cdn \$7.9m) and for the nine months ended June 30, 2015 revenue was \$6.8 million (Cdn \$8.9m).
- The loss for Q3 FY2016 is \$3.1 million compared to the loss for Q3FY2015 of \$1.7 million and the loss for the nine months ending 30th June 2016 is \$3.2 million while the loss for 9 months ending 30th June, 2015 was \$4.5 million.
- R&D investment was accelerated over the last 9 months to develop the high value and easily usable battery modules, battery management systems (BMS) and systems engineering.
- Inventory, raw material and work in progress is \$16.7 million as at June 30, 2016 of which \$7.1 million is in finished goods as the company gears up to deliver substantial quantity of products from Q1 FY2017.

Commenting on the results Electrovaya EVP and CFO, Richard Halka stated "This quarter, as with the previous quarter, has been transitional for us. We are very pleased to have all the pieces in place to meet our customers' demands. The critical element being our working capital facility which will allow us to finance expanding production and delivery of finished goods. We have built up our battery module production this quarter to build inventory to meet our growing OEM demand."

We are deeply saddened to announce the sudden passing away of Prof. Bernard Fleet Ph.D., D.Sc, FRSC one of our long standing Board members and a great mentor and friend of all at Electrovaya. Bernard was a great scientist and entrepreneur having taught at many Universities

in Europe, North America and Asia and also started multiple companies across the globe. We will all miss his great enthusiasm and passion for climate change mitigation, for electric vehicles and electrochemistry along with his inimitable sense of humor and sage advice.

Conference Call Details:

The Company will hold a conference call on Friday August 12, 2016 at 8:00 a.m. Eastern Time (ET) to discuss the Q3, 2016 results for the period ended June 30, 2016 and to provide a business update.

Conference ID: 13637632

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 12, 2016 through August 23, 2016. 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 13643358.

Financial Summary:

The Company's complete Q3, 2016 Third Quarter Financial Statements and Management Discussion and Analysis are available at www.sedar.com or on the Company's website at www.electrovaya.com.

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 forecasts, 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); 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" 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.