



News for Immediate Release

Electrovaya Reports Financial Results for Fiscal 2017

Toronto, Ontario – December 29, 2017 – Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQX: EFLVF) today reported its financial results for the fiscal year ended September 30, 2017 (“FY 2017”). All numbers are in US dollars unless otherwise noted.

The past fiscal year was a pivotal one for Electrovaya, as the Company launched its lithium ion battery product line for the global forklift market. Following a long pre-launch phase, Electrovaya has now received initial and follow-up purchase orders from leading Fortune 500 companies. These firms conducted extensive testing of the battery before placing orders. During the year, Electrovaya also continued to advance its work with OEM partners, which are developing complex new products utilizing the Company’s lithium ion batteries. These products have long development cycles.

FY 2017 Financial Highlights:

- FY 2017 revenue was \$8.8 million (Cdn \$11.3 million), compared to \$19.5 million (Cdn \$25.1 million) for the fiscal year ended September 30, 2016 (“FY 2016”).
- The net loss for FY 2017 was \$21.2 million (Cdn \$27.2 million), compared to \$8.8 million (Cdn \$11.3 million) for FY 2016. The increase was primarily attributable to:
 - Lower revenue, which was partially offset by a \$0.8 million (Cdn \$1 million) reduction in direct manufacturing costs;
 - A \$2.2 million (Cdn \$2.8 million) increase in finance costs, primarily due to costs associated with the Cdn \$15 million convertible debenture issued in March 2017;
- Inventory as at September 30, 2017 was \$14.2 million (Cdn \$18.2 million), compared to \$18.2 million (Cdn \$23.4 million) as at September 30, 2016, as stocks were drawn down during FY 2017 for order fulfilment.

Recent Business Highlights:

Electrovaya received both initial and follow-up purchase orders from Fortune 500 customers for its lithium ion forklift battery systems. Most significantly, the Company announced a Cdn\$4.3 million order from Walmart Canada on September 18, 2017. Other potential customers in the Material Handling Vehicles (MHV) sector continue to test the Company’s forklift products.

The Company continued its product and component sales to integrators and OEMs, which develop products for the electromobility and energy storage market.

Electrovaya is developing multiple sales channels, with sales through equipment integrators and OEMs, as well as direct sales of systems to the final user.

The Company completed financings that strengthened its working capital. On September 26, 2017, the Company announced a private placement financing that closed in two tranches and raised Cdn \$5.3 million in gross proceeds. In addition, subsequent to fiscal year end, on December 20, 2017, the Company announced that it entered into a commitment with MMCAP International Inc. for a Cdn \$8 million drawdown equity facility and a Cdn \$2 million private placement. On December 27, 2017, the Company announced that the private placement was completed.

The Company's complete Annual Audited Financial Statements, Management Discussion and Analysis and Annual Information Form for the year ended September 30, 2017 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, January 2, 2018 at 8:00 a.m. Eastern Time (ET) to discuss the FY 2017 financial results and to provide a business update.

Conference ID: 13674903

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 January 2, 2018 through January 15, 2018. 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 13674903.

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 electrodes and SEPARION™ ceramic separators. 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, anticipated orders and deliveries in CY2017 and beyond, demand for the Company's products, technology development progress, pre-launch plans, plans for product development, plans to work with OEMs, plans to sell directly to user, 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.