



News for Immediate Release

Electrovaya's subsidiary Litarion signs MOU with a Major OEM in the e-mobility industry, for the delivery of Lithium Ion Battery Modules

This MOU envisages demand around €37 million (US\$41 million or CDN\$53 million) in 2017 and growing rapidly thereafter

Toronto, Ontario – July 6th, 2016 – Electrovaya Inc. (TSX: EFL) today announced that its wholly owned subsidiary Litarion GmbH signed a Memorandum of Understanding (MOU) with a major OEM in the e-mobility industry for the delivery of Battery modules starting in 2017. Electrovaya will provide its battery modules, which delivers unparalleled safety and cycle life performance to this major OEM. Their demand is estimated to be about €37 million in the first year and growing quickly thereafter.

Electrovaya's technology and products are uniquely suited to this electric mobility market as two of the critical performance parameters are highest cycle life and highest safety, both uniquely available from Electrovaya. Electrovaya's proprietary flexible ceramic separator, SEPARION™ provides highest safety in Lithium Ion batteries.

“We are pleased with this multi-year MOU, as this was achieved against strong competition, for this globally prominent major OEM in the electric mobility sector,” said Fritz Mueller, Head of European Sales. “Our multi-cell modules with laser welded tabs and built in sensors, are an attractive product for OEMs, who can use them as building blocks for many diverse battery applications in e-mobility. Our flexible ceramic separator, SEPARION™, imparts outstanding safety to Lithium Ion batteries. “This MOU further strengthens our reach into multiple industrial sectors and we are pleased in achieving this break-through into the electric mobility market with this major OEM,” said Mr. Mueller.

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About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) 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 patents and other Intellectual Property. 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.