



News for Immediate Release

Electrovaya's subsidiary Litarion signs MOU with a leading OEM, with operations in Europe and Asia, to deliver Lithium Ion cells for Electric Buses

This MOU envisages production demand around Euro 11 million (US \$12 million, Cdn \$16 million) in 2017 and growing exponentially thereafter into the fast growing electric bus market in Europe and Asia, a new market segment for Electrovaya

Toronto, Ontario – June 14th, 2016 – Electrovaya Inc. (TSX: EFL) today announced that its fully owned subsidiary Litarion GmbH signed a Memorandum of Understanding (MOU) with a leading European battery OEM who designs and integrates battery systems for e-mobility applications especially Electric buses. Electrovaya will provide its cells with unparalleled safety and cycle life performance to the OEM. The OEM will assemble the cells into electric bus batteries. Deliveries start in Q4, CY 2016 and then grow quickly into 2017. The MoU also sets out the specific cell pricing and specific cells sizes and energy capacity to be delivered to the OEM.

Typical electric bus batteries could be as large as 300 kWh per bus and a recent market analyst estimates that the electric bus market will require about \$32 Billion of lithium ion batteries in the next 10 years.

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.

"We are pleased with this MoU, as this was achieved through intensive testing and validation against intense global competition", said Fritz Mueller, Head of European Sales. "We believe, we will become a major supplier of Lithium ion cells and batteries to this emerging electric bus industrial sector", said Mr. Mueller. "Our OEM partner has production facilities in both China and Europe and capable of driving massive sales".

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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.