



*News for Immediate Release*

## **Electrovaya Reports Q2 FY2020 Results**

*Quarterly revenue more than doubles compared to sequential first quarter; Third quarter revenue on track to double compared to second quarter*

**Toronto, Ontario – May 15, 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 fiscal second quarter ended March 31, 2020 (“Q2 FY2020”). All dollar amounts are in U.S. dollars unless otherwise noted.

### **Business Highlights:**

- Strong operating performance in Q2 FY2020 as the Company rapidly reorganized infrastructure for production in its new facilities in Mississauga, Ontario, while managing significant supply chain disruptions related to COVID-19.
- Q2 FY2020 revenue was \$1.9 million (C\$2.7 million), more than double the revenue generated in the fiscal first quarter, amid strong demand from customers in essential industries. The result was achieved despite the challenges outlined above, which prevented the Company from generating a positive EBITDA for the quarter.
- Electrovaya’s current order backlog exceeds \$10 million (C\$14 million).
- The Company is generating stronger sales performance from the OEM channel, which is expected to be a major growth driver in the 2021 fiscal year.
- Electrovaya is continuing to operate during the COVID-19 pandemic as an essential service due to its role in the supply chains for food and other essential goods.
- The Company’s batteries are currently powering e-forklift systems in 31 locations, mainly replacing lead acid batteries, and, hydrogen fuel cells and also powering new electric forklifts.
- On April 8, 2020, Electrovaya announced that it amended the terms of its C\$15 million convertible debentures with a 9% coupon. The Company paid its lender C\$2 million in cash, issued C\$2 million of common shares of Electrovaya, and agreed to a further C\$2 million cash payment on or before September 29, 2020 to satisfy all obligations under the debenture.
- On April 22, 2020, the Company announced that it closed an agreement with a financial institution for an additional secured C\$4.5 million working capital credit facility, bringing the total facility limit to C\$11.5 million. The facility supports fulfillment of purchase orders.

### **Positive Financial Outlook:**

Given Electrovaya’s strong customer demand and significant order backlog, the Company anticipates improved financial performance in the second half of the fiscal year ended September 30, 2020 (“FY 2020”), barring unforeseen circumstances.

Revenue for the fiscal third quarter ended June 30, 2020 (“Q3 FY2020”) is expected to be approximately double the total reported for Q2 FY2020.

### **Q2 FY2020 Financial Highlights:**

- Revenue was \$1.9 million (C\$2.7 million), an increase of 55% compared to \$1.3 million (\$1.8 million) for the three months ended March 31, 2019 (“Q2 FY2019”). Revenue also more than doubled compared to \$0.9 million (C\$1.2 million) for the first quarter of FY 2020. The revenue increase in Q2 FY2020 was achieved despite supply chain dislocation related to COVID-19, and challenges involved in scaling up manufacturing and other operations in the Company’s new location.
- Operating expenses increased slightly to \$2.3 million (C\$3.2 million) from \$2.2 million (C\$3.1 million) in Q2 FY2019. Operating expenses for Q2 FY2020 included additional costs related to relocating operations and adding infrastructure, as well as costs resulting from the impact of COVID-19.
- Net loss was \$1.1 million (C\$1.6 million), compared to a net loss of \$1.9 million (C\$2.7 million) for Q2 FY2019 and net loss of \$1.9 million (C\$2.7 million) for Q1 FY2020 .

### **Impact of COVID-19 Pandemic:**

Electrovaya is an essential business and has operated without interruption during the COVID-19 pandemic. 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. Certain of Electrovaya’s major customers are generating increased revenue as the pandemic is driving stronger demand for their products and services. Their orders with Electrovaya are not yet affected by COVID-19. However, COVID-19 did substantially disturb the Company’s supply chain from many of its global vendors with resultant delay in delivery of the Company’s products to its customers.

Electrovaya considers the health and safety of its employees and other stakeholders to be its highest priority. To mitigate the 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, and social distancing guidelines.

The Company’s complete Financial Statements and Management Discussion and Analysis for the quarter ended March 31, 2020 are available at [www.sedar.com](http://www.sedar.com) or on the Company’s website at [www.electrovaya.com](http://www.electrovaya.com).

**Conference Call Details:**

The Company will hold a conference call on Tuesday, May 19, 2020 at 8:00 a.m. Eastern Time (ET) to discuss the Q2 FY2020 quarterly financial results and to provide a business update.

Conference ID: 13703757

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 May 19, 2020 through June 2, 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 13703757.*

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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](http://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 forecast for fiscal 2020, anticipated positive EBITDA by the third quarter 2020, anticipated*

*further sequential revenue growth in fiscal 2020, anticipated increased collaboration with OEMs in fiscal 2020, 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, continually increasing the Company's intellectual property portfolio, 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 to work with OEMs, plans for shipment using the Company's technology, production plans, expected productivity and efficiency gains from relocation of the Company's head office, 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 and EBITDA 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.*