



News for Immediate Release

Electrovaya Reports Q1 2019 Revenue of Approximately \$2.0 million

Strong sales growth driven by rising demand from large global customers

Toronto, Ontario – February 6, 2019 – Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQX: EFLVF), a lithium ion battery manufacturer with industry-leading performance and substantial intellectual property, today reported its financial results for the fiscal first quarter ended December 31, 2018 (“Q1 2019”). All dollar amounts are in U.S. dollars unless otherwise noted.

Q1 2019 Financial Highlights:

- Revenue was \$2.0 million (C\$2.6 million), compared to \$0.7 million (C\$0.9 million) for the fiscal first quarter ended December 31, 2017 (“Q1 2018”), an increase of approximately 164%. Q1 2019 revenue was derived entirely from deliveries of lithium ion batteries to customers in the electric forklift and Automated Guided Vehicle (“AGV”) markets.
- Gross profit was \$0.7 million (C\$0.9 million), or 37% of revenue, compared to gross profit of \$0.3 million (C\$0.4 million), or 37% of revenue, in Q1 2018.
- Revenue on a sequential basis has grown significantly, from \$0.4 million (C\$0.5 million) in Q3 2018 to \$1.2 million (C\$1.6 million) in Q4 2018 to \$2.0 million (C\$2.6 million) in Q1 2019, reflecting increased order and delivery volumes.
- Net earnings from continued operations for Q1 2019 were \$2.8 million (C\$3.7 million) compared to a net loss from continued operations \$2.7 million (C\$3.6 million) for Q1 2018. The net profit was primarily due to a gain on the sale of capital assets of \$4.2 million (C\$5.5 million).

Other Business Highlights:

- Electrovaya’s batteries continue to gain substantial traction in the Materials Handling Electric Vehicle (“MHEV”) market. To date, Electrovaya has sold and delivered batteries to commercial operations at 18 customer sites in the United States and Canada, with several customers making follow-up orders. The majority of customers are large corporations, including several Fortune 500 companies. These end users span all aspects of the materials handling market and include major retail, furniture distribution, cold storage, manufacturing and third-party logistics companies.
- Electrovaya continues to make progress in launching additional product configurations in order to target a greater portion of the market. For MHEV vehicles, Electrovaya is currently able to provide solutions for a variety of 24V, 36V, 48V and 80V vehicles and already has batteries powering Class I, Class II and Class III vehicles in commercial operation.

- Electrovaya has established a close working relationship with one leading MHEV original equipment manufacturer (“OEM”), which is leading to additional sales through that OEM’s dealership network. Q1 2019 represented the first quarter of deliveries through this OEM’s sales channels. In addition, Electrovaya maintains close relationships with other leading MHEV OEMs in North America and has worked through their engineering approval processes.
- Electrovaya continues to make progress in developing high-voltage battery packs for use in the electric bus market. The company is working with two bus companies as part of its \$2.9 million (C\$3.8 million) contract with Sustainable Development Technology Canada.
- The Company continued to make deliveries to an AGV OEM during Q1 2019, as that firm’s product has achieved significant commercial interest. There are currently several hundred AGVs powered by Electrovaya’s batteries in commercial operations in the United States.
- During the quarter, the Company made progress with R&D and received a new U.S. patent.

Electrovaya’s sales growth in Q1 2019 reflects growing customer demand for its products. The Company made deliveries to a wide variety of customers in the MHEV sector. Q1 2019 also represented the first quarter in which deliveries were made through a major OEM’s sales channel, and these deliveries are expected to accelerate during fiscal 2019. Customers have been very pleased with the product performance, leading to repeat orders. Continued sales momentum, combined with recent cost reductions, positions Electrovaya for stronger financial performance.

The Company’s complete Q1 2019 Financial Statements and Management Discussion and Analysis for the quarter ended December 31, 2018 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 Thursday, February 7, 2019 at 7:30 a.m. Eastern Time (ET) to discuss the Q1 2019 financial results and to provide a business update.

Conference ID: 13687460

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 February 7, 2019 through February 21, 2019. 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 13687460.

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 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.

Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, anticipated increased collaboration with OEMs in fiscal 2019, anticipated continued increase in sales momentum in fiscal 2019 through OEMs and directly to large global companies, including Fortune 500 companies, the effect of Litarion's insolvency filing on the Company's financial position and performance, the future direction of the Company's business and products, the effect of a structured sale of Litarion, including on the Company's overhead and operations, the Company's ability to source supply to satisfy demand for its products and satisfy current order volume, 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, 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. Important factors that could cause actual results to differ materially from expectations include but are not limited to: 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, 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, 2018 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.