



News for Immediate Release

Electrovaya Reports Q3 FY2020 Results

Strong revenue growth, positive EBITDA¹ and net profit for the quarter

Toronto, Ontario – July 20, 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 third quarter ended June 30, 2020 (“Q3 FY2020”). All dollar amounts are in U.S. dollars unless otherwise noted.

Q3 FY2020 Financial Highlights:

- Revenue was \$4.8 million (C\$6.5 million), a four-fold increase compared to \$1.2 million (C\$1.6 million) for the fiscal third quarter ended June 30, 2019 (“Q3 FY2019”). Revenue for Q3 FY2020 also more than doubled compared to revenue of \$1.9 million (C\$2.6 million) for the fiscal second quarter ended March 31, 2020. The strong sequential revenue growth resulted from robust customer demand and the scaling up of production.
- The Company generated a positive EBITDA¹ of \$0.5 million (C\$0.7 million).
- Net profit was \$4.8 million (C\$6.5 million), compared to a net loss of \$1.2 million (C\$1.6 million) in Q3 FY2019. The net profit in Q3 FY2020 was primarily attributable to a gain of \$5.2 million (C\$7 million) on the amendment of convertible debentures and strong growth in revenue and gross profit.

Business Highlights:

- Strengthened operating performance during Q3 FY2020 as the Company scaled up production at its facilities in Mississauga, Ontario.
- Electrovaya’s current order backlog exceeds \$7 million (C\$9 million).
- Sales are generated by the Company’s OEM channel as well as through direct sales. Electrovaya’s batteries are currently powering e-forklift systems in over 30 locations.
- 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. On July 2, 2020, the Company announced an agreement with the financial institution to increase its revolving credit facility from C\$1.5 million to C\$4.5 million. This brought the total credit facility limit to C\$14.5 million. The facility supports the fulfillment of purchase orders and general corporate needs. As of the current date, the Company has repaid \$3.3 million (C\$4.4 million).

Positive Financial Outlook:

Electrovaya is experiencing strengthened customer demand for its products and has a significant order backlog. Accordingly, the Company currently anticipates further strong revenue generation in the coming months. Revenue for the fiscal year ending September 30, 2020 (“FY 2020”) is expected to exceed \$12 million (C\$16 million), while revenue for the calendar year ending December 31, 2020 is expected to exceed \$16 million (C\$21 million), barring unforeseen circumstances. See “Forward-Looking Statements”.

Impact of COVID-19 Pandemic:

Electrovaya is an essential business and has so far operated without major 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. Electrovaya’s major customers are generating increased revenue as the pandemic is driving demand for their products and services. Accordingly, not only have their orders with Electrovaya been unaffected by COVID-19, they are increasing. However, COVID-19 did disturb the Company’s supply chain from many of its global vendors with resultant delays in delivery of the Company’s products to its customers.

Electrovaya considers the health and safety of its employees and other stakeholders to be of the 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, all of which somewhat reduces efficiency in operations.

The Company’s complete Financial Statements and Management Discussion and Analysis for the quarter ended June 30, 2020 are available at www.sedar.com or on the Company’s website at www.electrovaya.com.

¹ Non-IFRS Measure: EBITDA does not have a standardized meaning under IFRS. Therefore it is unlikely to be comparable to similar measures presented by other issuers. We believe that certain investors and analysts use EBITDA to measure the performance of the business. EBITDA is defined as loss from operations of ~\$36,000, plus finance costs of ~\$525,000, plus stock-based compensation costs of ~\$14,000, resulting in a positive EBITDA of approximately \$503,000 (C\$700,000) for the present Q3 quarter.

Conference Call Details:

The Company will hold a conference call on Tuesday, July 21, 2020 at 8:00 a.m. Eastern Time

(ET) to discuss the Q3 FY2020 quarterly financial results and to provide a business update.

Conference ID: 13707080

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 July 21, 2020 through August 4, 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 13707080.

For more information, please contact:

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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.

Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, revenue forecasts and in particular the revenue forecasts for the fiscal year ending September 2020 and the calendar year ending December 31, 2020, continuation of anticipated positive EBITDA, anticipated further sequential revenue growth in fiscal 2020, the ability to satisfy the Company's order backlog, the Company's ability to satisfy its ongoing debt obligations, anticipated increased collaboration with OEMs and OEM channels constituting a source of sales growth for the Company,

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, 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 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: 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 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.