



News for Immediate Release

Electrovaya Reports Q3 2019 Financial Results

Toronto, Ontario – August 13, 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 third quarter ended June 30, 2019 (“Q3 2019”). All dollar amounts are in U.S. dollars unless otherwise noted.

Q3 2019 Financial Highlights:

- Revenue was \$1.2 million (C\$1.6 million), a nearly 200% increase compared to \$0.4 million (C\$0.5 million) for the fiscal third quarter ended June 30, 2018 (“Q3 2018”) due to the fulfilment of orders and other projects. Revenue for the nine months ended June 30, 2019 (“YTD 2019”) was \$4.4 million (C\$5.8 million), similar to the nine months ended June 30, 2018 (“YTD 2018”).
- Gross profit was \$0.4 million (C\$0.5 million), or 35% of revenue, compared to a slightly negative balance in Q3 2018. Gross profit for YTD 2019 was \$1.6 million (C\$2.1 million), or 36% of revenue, an increase of 35% from gross profit of \$1.2 million (C\$1.6 million), or 26% of revenue, in YTD 2018.
- Earnings before interest, tax, depreciation and amortization (“EBITDA”) was negative \$0.6 million (C\$0.8 million) for Q3 2019, as compared to negative \$1.7 million (C\$2.2 million) for Q3 2018, a 65% reduction. The variance was due to a substantial reduction in Research & Development expenses in Q3 2019, as these expenses were applied to the direct cost of the electric bus project, and lower General & Administrative expenses in Q3 2019 due to a concerted effort to reduce overheads.
- Net loss from continued operations was \$1.2 million (C\$1.6 million) compared to a net loss from continued operations of \$2.5 million (C\$3.3 million) in Q3 2018, a reduction in net loss of 52%. Net loss from continued operations for YTD 2019 was \$0.4 million (C\$0.5 million), compared to a net loss from continued operations of \$7.8 million (C\$10.3 million) in YTD 2018, a reduction in net loss of about 95%. The net loss in YTD 2019 was significantly impacted by a gain on the sale of capital assets of \$4.2 million (C\$5.6 million).

Other Business Highlights:

- In the Materials Handling Electric Vehicle sector, Electrovaya has sold and delivered batteries to-date to 26 commercial operating sites in the United States, Canada, Mexico and Costa Rica with several customers making follow-on 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 and distribution centers, furniture industry, cold storage, manufacturing and third-party logistics companies.

- In the electric bus sector, Electrovaya is working on a \$2.9 million (C\$3.8 million) electric bus battery development program. Electrovaya also received a purchase order for a 300kWh, 600V battery system to power an electric bus. The Electrovaya modular battery system is expected to provide a 40-foot bus with a range of more than 200 kilometers and capable of fast charging.
- On June 11, 2019, the Company announced that it has launched more than 25 different lithium ion ceramic battery models for the electric forklift market. This accelerated development was carried out over the last 20 months after the initial launch of just two battery models in 2017. The Company is now able to provide complete battery motive power solutions for the vast majority of warehouse configurations. The batteries currently available include 24V, 36V, 48V and most recently 80V in energy capacities ranging from 6 kWh to 63 kWh.
- Subsequent to Q3 2019, the Company announced on July 9, 2019 that it had added certain advanced features to its EV44 cell, including higher energy density and lower cobalt content. The cell, which has more than 44Ah of capacity and average output voltage of 3.7V, features improved temperature tolerance and cycle life. It can operate at continuous high charge/discharge rates and has been tested at 45°C, over hundreds of cycles, without external cooling. These advanced features will be available later in 2019.
- The Company has reduced operating expenses over each of the last four sequential quarters. Operating expenses were \$1.5 million (C\$2.0 million) in Q3 2019, \$2.2 million (C\$2.9 million) in the second quarter of fiscal 2019, \$2.5 million (C\$3.3 million) in the first quarter of fiscal 2019, and \$3.0 million (C\$4.0 million) in the fourth quarter of fiscal 2018. Management will continue to focus on cost-saving opportunities.
- John Macdonald recently joined the Electrovaya Board of Directors. Mr. Macdonald, in various CEO roles, has raised more than \$2.5 billion in financing, 27 acquisitions and 4 divestitures in his career. He has launched four businesses that each created more than \$100 million of value. As CEO of Enercare, he was instrumental in the company being acquired by Brookfield for \$4.3 billion in 2018.

The Company's complete Q3 2019 Financial Statements and Management Discussion and Analysis for the quarter ended June 30, 2019 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 Wednesday, August 14, 2019 at 8:00 a.m. Eastern Time (ET) to discuss the Q3 2019 financial results and to provide a business update.

Conference ID: 13693692

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 August 14, 2019 through August 27, 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 13693692.

For more information, please contact:

Investor Contact:

Jason Roy
Director, Investor Relations & Communication
Electrovaya Inc.
905-855-4618
Email: jroy@electrovaya.com

Media Contact:

Peter Koven
Bay Street Communications
Telephone: 647-496-7857
Email: peterkoven@baystreetcommunications.com

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, expected delivery times for new product features, the successful completion of negotiations to provide the Corporation with of additional loan capital to finance specific purchase orders, Management's ability to continue to achieve costs savings to reduce operating expenses, anticipated continued increase in sales momentum in fiscal 2019 through OEMs and directly to large global companies, including Fortune 500 companies, the future direction of the Company's business and products, 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 and that the Company's alternate supply chain will be adequate to replace material supply and manufacturing. 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 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 Risks 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.