



News for Immediate Release

Electrovaya Reports Fiscal 2019 Financial Results

Strong order backlog reflects growing demand for forklift battery products

Toronto, Ontario – December 23, 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 fourth quarter and fiscal year ended September 30, 2019 (“Q4 2019” and “FY 2019”, respectively). All dollar amounts are in U.S. dollars unless otherwise noted.

Financial Highlights:

- Revenue in FY 2019 was \$4.9 million (C\$6.4 million), compared to \$5.6 million (C\$7.4 million) for the fiscal year ended September 30, 2018 (“FY 2018”).
- Gross profit in FY 2019 was \$1.9 million (C\$2.5 million), compared to gross profit of \$1.8 million (C\$2.4 million), in FY 2018.
- The Company has been concentrating on containing costs while continuing to pursue revenue opportunities. Operating expenses were reduced to \$8.9 million (C\$11.7 million) for FY 2019 from \$11.6 million (C\$15.3 million) for FY 2018.
- Net loss from continued operations in FY 2019 was \$2.8 million (C\$3.7 million), compared to \$10.2 million (C\$13.4 million) in FY 2018. The decreased net loss was primarily attributable to a gain on the sale of its former head office building and reductions in overhead expenses and finance costs.

Business Highlights and Outlook:

- Electrovaya anticipates revenue of approximately \$6 million (C\$7.9 million) for the first half of fiscal 2020 due to completion of deliveries on the recently announced purchase orders. EBITDA is expected to be positive by the second quarter ending March 31, 2020, barring unforeseen circumstances.
- The Company’s order backlog exceeds \$9.2 million (C\$12 million) due to strong customer demand.
- In December 2019, Electrovaya moved its corporate head office to 6688 Kitimat Road in Mississauga, Ontario. The new location, which comprises approximately 62,000 square feet, is designed to enhance the Company’s productivity and efficiency.
- On September 5, 2019, the Company announced that it received a C\$7.3 million purchase order from Walmart Canada. Electrovaya understands Walmart plans to convert all the forklifts at two of its distribution centres to Electrovaya’s lithium ion batteries. Following installation, Walmart will have three distribution centres in which the forklifts are fully

powered by Electrovaya batteries. A fourth Walmart distribution center in the Americas has also started outfitting its forklifts with Electrovaya batteries.

- Electrovaya has secured a C\$7 million credit facility from a Canadian financial institution to fulfill its growing volume of sales orders.
- On May 9, 2019, the Company announced the signing of a sales agreement with The Raymond Corporation (“Raymond”), enabling Electrovaya’s forklift batteries to be sold through Raymond’s distribution network.
- Electrovaya has developed more than 25 different lithium ion ceramic battery models to date for the Materials Handling Electric Vehicle (“MHEV”) sector (primarily for electric forklifts). The Company currently sells 24V, 36V, 48V and 80V batteries through both direct sales to large global companies and through Original Equipment Manufacturer (“OEM”) distribution. Electrovaya is focused on providing batteries for mission-critical applications in which MHEVs operate multiple shifts per day, work the equivalent of up to 250,000 kilometres per year, and require multiple fast charges each day. The Company’s batteries have exceptional cycle life and safety standards, along with excellent energy, power and fast-charging capabilities.
- During FY 2019, the Company also delivered several hundred batteries to an Automated Guided Vehicle (“AGV”) OEM to power new AGVs.
- Electrovaya is targeting the electric bus market. Similar to the MHEV market, electric buses operate for long hours, and a long cycle life and strong safety standards are important battery parameters. During FY 2019, the Company received a purchase order for a 300 kWh, 600V battery system to power an electric bus. Electrovaya’s research and development in the electric bus sector is being supported by a \$2.9 million (C\$3.8 million) contract with Sustainable Development Technology Canada.
- The Company's battery products were showcased at a number of trade shows during FY 2019. At the ProMat 2019 conference in Chicago, the batteries were displayed in both Electrovaya's booth and its OEM partner’s booth.
- Electrovaya’s intellectual property continues to increase with fresh patents and know-how. The Company currently has more than 100 registered patents.

The Company’s complete Annual Audited Financial Statements, Management Discussion and Analysis and Annual Information Form for the year ended September 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 following the holiday season on Tuesday, January 7, 2020 at 8:00 a.m. Eastern Time (ET) to discuss the FY 2019 financial results and to provide a business update.

Conference ID: 13697623

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 January 7, 2020 through January 21, 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 13697623.

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, revenue forecasts and in particular the forecast for the first half of fiscal 2020, anticipated positive EBITDA by the second 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 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 to sell directly to user, 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, 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.