



News for Immediate Release

## ELECTROVAYA REPORTS SECOND QUARTER FY2014 RESULTS

*Gross Margin increases to 44.4%, Revenue Pipeline at Historical High*

Toronto, Ontario – May 14, 2014: Electrovaya Inc. (TSX: EFL) today announced financial results for the second quarter of Fiscal 2014 ending March 31, 2014. All amounts are in US dollars unless otherwise stated.

### Financial Highlights:

Quarter ending March 31, 2014

- Revenue for Q2, 2014 increased by about 400% to \$1,835,000 (Cdn\$2M) up from \$369,000 in the quarter ending March 31, 2013
- Gross Profit increased to 44.4%
- Non IFRS Loss from Operations excluding amortization, foreign exchange, non cash stock options, patent expenses and non cash financing costs was \$330,000, a 71% improvement as compared to \$1.13 million in the quarter ending March 31, 2013
- Cash and cash equivalents were approximately \$0.53 million at March 31, 2014 as working capital was required to finance work in progress. A line of credit is being negotiated with Royal Bank of Canada and is targeted to be operational by the end of May 2014. Additionally, over \$1.42 million of receivables will be received over the next few weeks
- On target to deliver Cdn \$15 million in revenue in CY 2014
- Revenue Pipeline exceeds \$100 million, a historical high

### Business Highlights:

Electrovaya's recently launched 2.0 technologies, with its unique non-toxic manufacturing process, is creating massive demands from all important industrial sectors with globally significant partners.

- **Automotive:** Electrovaya continues deliveries this quarter of complete battery systems to Dongfeng Motors, one of China's largest automotive companies, for their electric vehicle program
- **Smart Grid:** Scottish Southern Energy Power Distribution : Electrovaya has started delivering on this UK project
- **Industrial:** Deliveries on the portable power order from UAE was completed this quarter
- **A Fortune 10** company, having intensively tested Electrovaya's 2.0 system for nearly 6 months, starts ordering systems in this quarter

- **Mining:** One of the world's largest mining conglomerates, a Fortune 20 company, has a need to reduce diesel expenditures to lower operating costs. In many mining operations, energy costs in the form of diesel can be 30% of its operating costs. An initial \$0.75 million order was recently received. This is ElectroVaya's first order in this rapidly growing energy and mining industry where reduction in operating costs is becoming critical.
- **Solar Energy Storage:** ElectroVaya breaks into this massive market and receives its first energy storage project from Canadian Solar. There are large solar energy installations around the world who need energy storage and this is ElectroVaya's first project with a significant global player
- **Marine:** World's first all electric ferry has completed over 7 months of daily operations flawlessly. ElectroVaya is in discussions with a number of other ferries and boats for similar applications.
- **Competition:** Conventional Lithium Ion manufacturers are struggling with high operating, capital and regulatory costs driven by their large usage and disposal of toxic chemicals (NMP). In contrast, ElectroVaya is the only major producer of Lithium Ion batteries that does not use NMP toxic chemicals. This proprietary technology is a key Intellectual Property.

ElectroVaya's next generation SuperPolymer® 2.0 technology is attracting wide interest with users preferring Clean Green batteries for applications in electric vehicles, solar and wind energy storage, replacement of diesel generators and multiple other applications, as much of the world starts moving from fossil fuels to clean electricity to combat Climate Change and reduce harmful and carcinogenic pollutants.

The Company's complete Fiscal 2014 Second Quarter Financial Statements and Management Discussion and Analysis are available at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.electrovaya.com](http://www.electrovaya.com). ElectroVaya will hold a conference call on May 15, 2014 at 8:00 a.m. Eastern Time (ET) to discuss the Company's financial results.

For an updated corporate presentation please go to "Investor Relations" at [www.electrovaya.com](http://www.electrovaya.com).

### **Conference Call Details:**

U.S 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 at 10 a.m. (ET) on May 15, 2014 through 11:59 p.m. (ET) on May 29, 2014. 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 conference ID is 13583089#.

### **About ElectroVaya Inc.**

ElectroVaya Inc. (TSX:EFL) designs and manufactures proprietary Lithium Ion SuperPolymer® batteries, battery systems and energy storage related products for the clean electric transportation, portable

energy, utility scale energy storage, smart grid power, consumer and healthcare markets. The Company's unique & proprietary technology includes a manufacturing process which does not use any toxic chemicals. Founded in 1996 and headquartered in Mississauga, Canada, Electrovaya has production facilities in Canada and customers around the globe. *To learn more about how Electrovaya is powering mobility and storing energetic electrons, please explore [www.electrovaya.com](http://www.electrovaya.com)*

**For more information, please contact:**

Electrovaya Inc.

Telephone: 905.855.4618

Email: [ir@electrovaya.com](mailto:ir@electrovaya.com)

Website: [www.electrovaya.com](http://www.electrovaya.com)

Twitter: [@Electrovaya](https://twitter.com/Electrovaya)

**Non-IFRS Income (loss) from operations:**

*Non-IFRS income (loss) from operations has no standardized meaning and may not be comparable to similar measures presented by other companies. Electrovaya defines non-IFRS income (loss) from operations as the Loss from operations, before patent expenses and non-cash expenses such as (i) amortization and (ii) the fair value of stock compensation and share purchase warrants expensed during the period. Electrovaya considers non-IFRS income (loss) from operations to be a useful metric for management and investors because it excludes the effect of certain non-cash and non-operational expenses so that management and investors can compare Electrovaya's core business operating results over multiple periods.*

**Forward-Looking Statements**

*This press release contains forward-looking statements, including statements that relate to, among other things, revenue forecasts, technology development progress, plans for shipment using the Company's next generation 2.0 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", "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: 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 most recent annual and interim Management's Discussion and Analysis under "Risk and Uncertainties", including in particular from pages 37 to 38, 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.*