



News for Immediate Release

Electrovaya Reports Q2 FY2016 Revenue up 650% over Q2 FY2015

Toronto, Ontario – May 13, 2016 – Electrovaya (TSX:EFL) today reports its Q2 financial results for the quarter ending March 31, 2016. All numbers are in US dollars.

Financial Highlights:

- **Revenues:** Q2 FY2016 revenue is \$4.3 million (Cdn \$5.6m), a growth of 653% over Q2 FY2015 revenue of \$0.6 million (Cdn \$0.8m).
- **Cash from Operating Activities:** Q2 FY2016 generated \$1.8 million cash (Cdn \$2.3m) from operating activities compared to negative \$0.9 million (Cdn \$1.2m) for Q2 FY2015.
- **Net Working Capital Increases:** net working capital was \$10.8 million (Cdn \$14.0m) at March 31, 2016 compared to negative \$3.9 million (Cdn \$5.1m) for Q2 March 31, 2015.
- **Cash Balance:** March 31, 2016 cash balance was \$4.3 million (Cdn \$5.6m) as compared to \$0.7 million (Cdn \$0.9m) at March 31, 2015 and \$3.3 million (Cdn \$4.3m) at December 31, 2015.

Business Highlights:

- **Announcements:**
 - the announcement of a \$ 4.2 million (Cdn \$5.4 million) contract for the supply of Lithium Ion Cells (40 Ah) for energy storage
 - Electrovaya has been showcasing its technologies at a number of industry events in Europe, North America and Asia.
- **Product Development and Investment in R&D:** The Company continues to invest heavily in new product development, innovative chemistries and solutions for key vertical markets. This intense product innovation is being built upon the fundamental technology breakthroughs in Canada and Germany, and leading to a number of new applications in electro-mobility and energy storage industries.

Commenting on the results Electrovaya EVP and CFO, Richard Halka stated “We are pleased with the Q2 results. We are carefully managing our cash and working capital positions while at the same time investing in Business Development and new product opportunities. We are building a scalable and sustainable growth model”.

Chairman and CEO, Dr. Sankar Das Gupta stated, "Electrovaya is committed to being at the forefront of the Energy Storage market with superior products and technologies. We have

invested 42% of sales in R&D to tailor those products to specific verticals and markets, and we will continue to develop new and innovative solutions leveraging our position of leadership in cost, safety and cycle life”.

Conference Call Details:

The Company will hold a conference call on Monday May 16, 2016 at 8:00 a.m. Eastern Time (ET) to discuss the Q2, 2016 results for the period ended March 31, 2016 and to provide a business update.

Conference ID: 13637632

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 May 16, 2016 through May 30, 2016. 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 13637632.

Financial Summary:

The Company’s complete Q2, 2016 Second Quarter Financial Statements and Management Discussion and Analysis are available at www.sedar.com or on the Company’s website at www.electrovaya.com.

FINANCIAL HIGHLIGHTS

Three months ended March 31

(thousands of US dollars)

	Q2 2016	Q2 2015	\$ change	% change
Revenue	4,317	573	3,744	653%
Adjusted EBITDA ⁽¹⁾	(2,421)	(1,112)	(1,309)	-
Net Earnings (Loss) Attributable to Common Shareholders	(3,099)	(955)	(2,144)	-
Cash and cash equivalents – March 31	4,288	721	3,567	495%

(1) Adjusted EBITDA does not have a standardized meaning under IFRS. Therefore it is unlikely to be comparable to similar measures presented by other issuers. We define adjusted EBITDA as gain from operations less stock based compensation expense, finance cost and amortization. We believe that certain investors and analysts use adjusted EBITDA to measure the performance of the business.

For more information, please contact:

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About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) designs, develops and manufactures proprietary Lithium Ion Super Polymer® batteries, battery systems, and battery-related products for energy storage, clean electric transportation and other specialized applications. Electrovaya, through its fully owned subsidiary, Litarion GmbH, also produces cells, electrodes and SEPARION™ ceramic separators and has manufacturing capacity of about 500MWh/annum. Electrovaya is a technology focused company with extensive IP. Headquartered in Ontario, Canada, Electrovaya has production facilities in Canada and Germany with customers around the globe.

To learn more about how Electrovaya and Litarion is powering mobility and energy storage, please explore www.electrovaya.com, www.litarion.com and www.separion.com

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 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: 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" 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.