



News for Immediate Release

Electrovaya signs a Multiyear Master Service Agreement with a Fortune 1000 company for the supply of Lithium Ion battery Modules

The 3 year MSA is expected to generate revenues of up to \$80 million

Toronto, Ontario – May 26th, 2016 – Electrovaya Inc. (TSX: EFL) today announced that it signed a Multiyear Service Agreement (MSA) with a US based Fortune 1000 OEM to supply Lithium Ion Battery Modules, Battery Management Systems and related services. The Agreement is expected to generate revenues of up to \$80 million over the next three years. The revenues from this Agreement starts in Q2 CY2016, growing through rest of CY2016 and accelerates in 2017.

The first Purchase Order from this MSA has been received. This Fortune1000 Company is our first major customer for the LITACORE1000 module, announced recently. The LITACORE1000 module significantly increases the market size for Electrovaya’s product offerings as all major OEMs can now use the Electrovaya module as a building block for their specific Lithium Ion battery application.

The LITACORE1000 modules, uses the LITACELL40, which delivers industry leading cycle life and safety.

“We are extremely pleased to receive this multi-year production contract in this fast growing sector from one the world’s leading OEMs,” said Dr. Rajshekar Das Gupta, VP, Business Development. “Electrovaya received this contract after an intense qualification exercise, against Global majors”.

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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.