



*News for Immediate Release*

## **Electrovaya Reports Financial Results for Q2 2018**

*Tenfold revenue increase from continuing operations over Q2 2017*

**Toronto, Ontario – April 24, 2018**– Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQX: EFLVF) today reported its financial results for the fiscal second quarter ended March 31, 2018 (“Q2 2018”). All numbers are in U.S. dollars unless otherwise noted.

The Company is pleased to report a tenfold increase in revenue from continuing operations in Q2 2018 compared to the fiscal second quarter ended March 31, 2017 (“Q2 2017”). Revenue from continuing operations was US\$3.3 million (Cdn \$4.2 million), compared to US\$0.3 million (Cdn \$0.4 million) in Q2 2017. The increase was primarily attributable to revenue collected on the Cdn \$4.3 million purchase order from Walmart Canada announced on September 18, 2017, and also included other purchase orders for materials handling electric vehicle (MHEV) batteries.

Electrovaya is encouraged by continued interest in its lithium ion forklift battery systems from new and existing customers. In addition to the six Fortune 500 companies which have issued initial and/or follow-up purchase orders, validation testing is ongoing by major global companies, and the Company is confident that sales momentum for these products will increase during fiscal 2018. Multiple manufacturers of MHEVs have approved the use of Electrovaya’s lithium ion batteries in certain of their vehicles for the North American market.

### **Q2 2018 Financial Highlights**

*All Q2 2018 financial highlights are from continuing operations*

- Revenue was \$3.3 million (Cdn \$4.2 million), up significantly from \$0.3 million (Cdn \$0.4 million) for Q2 2017.
- Gross profit was \$0.9 million (Cdn \$1.1 million) with a gross margin of 28% compared to \$0.0 million (Cdn \$0.1 million) with gross margin of 14% for Q2 2017.
- For the six months ended March 31, 2018, revenue was \$4.0 million (Cdn \$5.1 million) and gross profit was \$1.2 million (Cdn \$1.5 million), while revenue and gross profit were \$1.1 million (Cdn \$1.4 million) and \$0.7 million (Cdn \$0.9 million), respectively, for the six months ended March 31, 2017.
- Net loss was \$2.7 million (Cdn \$3.4 million) compared to \$0.5 million (Cdn \$0.6 million) for Q2 2017. The increased loss was primarily due to a \$2.4 million increase in general and administrative expenses from Q2 2017 to Q2 2018, resulting from approximately \$0.4 million in legal and professional fees primarily relating to the structured insolvency proceedings for the Company’s German subsidiary in Q2 2018, and a reimbursement of

expenses without the corresponding inclusion of the discontinued operations expenses in Q2 2017.

- Cash and equivalents were \$2.0 million as at March 31, 2018.
- On January 25, 2018, the Company's wholly owned German subsidiary commenced a voluntary structured insolvency process. An administrator has been appointed who has engaged a merger and acquisition specialist to conduct an orderly sale process. The Company has determined that it is no longer necessary to own unprofitable subsidiaries carrying out component production of electrodes and separators when alternate customized supply chain arrangements are available.

## **Q2 2018 Business Highlights**

Electrovaya continued commissioning of MHEVs on the Cdn \$4.3 million purchase order from Walmart Canada. Walmart is converting all the forklifts at one of its Ontario distribution centers from lead acid batteries to Electrovaya's lithium ion batteries. The Company believes this is the single largest installation of materials handling vehicles powered by lithium ion batteries in North America.

During the quarter, Electrovaya announced purchase orders for its lithium ion battery systems from three major global companies, including two U.S. Fortune 500 companies. In addition, multiple manufacturers of MHEVs have approved the use of Electrovaya's lithium ion batteries in certain of their vehicles for the North American market.

On March 29, 2018, two new directors, Dr. James K. Jacobs and Mr. Suresh Madan were elected to the Company's Board of Directors at its Annual and Special Meeting. Dr. Jacobs co-founded Electrovaya in 1996. He welcomed the opportunity to re-join Electrovaya's Board as he is excited about recent advancements in the Company's battery technology and the potential for significant sales growth. Mr. Madan is currently President and CEO of MyHealth Centre, which operates a chain of more than 30 diagnostic health facilities across Ontario. Mr. Madan brings deep financial knowledge and business skills to the Company.

Subsequent to Q2 2018, Electrovaya attended the MODEX conference in Atlanta, Georgia from April 9-12. MODEX is the leading manufacturing and supply chain expo in the United States. In addition, Electrovaya's batteries are on display at the CeMAT logistics and supply chain conference in Hannover, Germany, which runs from April 23-27. The batteries are integrated in multiple trucks of a leading materials handling vehicle manufacturer.

It is estimated by the Worldwide Industrial Truck Statistics<sup>1</sup> that approximately 281,000 materials handling vehicles were sold in North America, and about 1.1 million globally, during 2016. In the United States, about 65.5% (~185,000) were electric vehicles, mostly powered by lead acid batteries. By comparison, approximately 200,000 electric cars (battery and plug-in electric vehicles)<sup>2</sup> were sold in the United States in 2017, mostly powered by lithium ion batteries. Typically, a lithium ion battery powering an intensive-use MHEV could work ten times longer than batteries for electric cars and must have the ability to be charged rapidly and cycled multiple times per day. Thus, MHEV battery requirements are substantially more demanding

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<sup>1</sup> WITS as reported in Modern Material Handling (MMH) magazine, Dec 6, 2017

<sup>2</sup> <https://arstechnica.com/cars/2018/01/2017-was-the-best-year-ever-for-electric-vehicle-sales-in-the-us>

than those required for electric cars, and the MHEV batteries are expected to deliver superior value to the logistics and materials handling user.

The Company's complete Q2 2018 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).

**Conference Call Details:**

The Company will hold a conference call on Wednesday, April 25, 2018 at 8:00 a.m. Eastern Time (ET) to discuss the Q2 2018 financial results and to provide a business update.

Conference ID: 13679391

US and Canada toll free: (807) 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 April 25, 2018 through May 9, 2018. 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 13679391.*

**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 Super Polymer® batteries, battery systems, and battery-related products for energy storage, clean electric transportation and other specialized applications. Headquartered in Ontario, Canada, Electrovaya is a technology focused company with extensive IP, supplying leading global customers.

*To learn more about how Electrovaya is powering mobility and energy storage, please explore [www.electrovaya.com](http://www.electrovaya.com).*

**Forward-Looking Statements**

*This press release contains forward-looking statements, including statements that relate to, among other things, the Company's need for commoditized contract manufacturing facilities in its product development process, the effect of Litarion's insolvency filing on the Company's financial position and performance, the future direction of the Company's business and products, the effect*

*of a structured sale of Litarion, including on the Company's overhead and operations, the Company's ability to source supply to satisfy demand for its products and satisfy current order volume, revenue forecasts, anticipated orders and deliveries in CY2018 and beyond, demand for the Company's products, 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. Material assumptions used to develop forward-looking information in this news release include, among other things, that current customers will continue to make and increase orders for the Company's products, 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. Important factors that could cause actual results to differ materially from expectations include but are not limited to: 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, the ability to sell the Company's premises or to do so at a price reflecting appropriate value, 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 ("AIF") for the year ended September 30, 2017 and 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.*