



News for Immediate Release

Electrovaya Reports Financial Results for Q1 2018

Toronto, Ontario – February 14, 2018– Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQX: EFLVF) today reported its financial results for the fiscal first quarter ended December 31, 2017 (“Q1 2018”). All numbers are in US dollars unless otherwise noted.

The financial statements for Q1 2018 include the financial position and results of Litarion GmbH (“Litarion”) as discontinued operations. On January 25, 2018, Electrovaya announced that Litarion, formerly its German subsidiary, commenced voluntary preliminary structured insolvency proceedings.

As mentioned in previous disclosure, the demand for Litarion’s products in Germany and elsewhere took longer than expected to emerge. As a result, Litarion was incurring large losses despite its high-quality products and service. By accounting for Litarion as a discontinued operation, the Company’s overhead expenses and cash usage are significantly reduced. For perspective, Litarion’s cash used was \$17.5 million in fiscal 2017, and \$1.8 million in Q1 2018. Moreover, the elimination of Litarion’s cash usage also means that the Company’s annualized break-even revenue level has decreased significantly.

Over the last 2.5 years, Litarion played an important role in Electrovaya’s development and validation of its industry-leading lithium ion battery systems. Now, however, Electrovaya believes that it no longer needs its own contract manufacturing facilities for electrode and separator products, as the vast majority of its customers are looking for fully integrated battery systems, especially its materials handling battery products.

Electrovaya is confident that it can continue to gain new and fulfill existing customer orders with no material disruption as a result of the Litarion’s Discontinued Operations. Electrovaya has developed alternative component suppliers and will continue producing products with similar high quality, long cycle-life and safety. Furthermore, the changes will additionally allow lower costs and shortened lead times, which will benefit our customers.

Electrovaya is establishing itself as a leading global producer in the emerging market of lithium ion battery systems for materials handling vehicles. The Company now has an asset-

light model capable of meeting rising customer demand while capitalizing on a proven supply chain network.

Q1 2018 Financial Highlights:

- Revenue from continuing operations was \$0.75 million (Cdn \$1 million), compared to \$0.73 million (Cdn \$0.98 million) for the fiscal first quarter ended December 31, 2016 (“Q1 2017”).
- The loss from continuing operations was \$2.7 million (Cdn \$3.5 million) compared to \$0.9 million (Cdn \$1.2 million) for Q1 2017.
- Net loss in total was \$15.2 million (Cdn \$19.4 million), compared to \$2.4 million (Cdn \$3.2 million) for Q1 2017. This included the net loss from discontinued operations of \$12.5 million (Cdn \$16 million) for Q1 2018 and \$1.6 million (Cdn \$2.1 million) for Q1 2017.
- Inventory for continuing operations as at December 31, 2017 was \$3.5 million (Cdn \$4.4 million), compared to \$4.1 million (Cdn \$5.5 million) as at September 30, 2017.
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Q1 2018 Business Highlights:

Electrovaya started both initial and follow-up deliveries on purchase orders from multiple US Fortune 500 customers for its lithium ion forklift battery systems. Other potential customers in the materials handling vehicles sector continue to test and validate the Company’s products. About 85% of our revenue in Q1 2018 came from the Materials Handling Electric Vehicle (MHEV) sector.

The Company initiated deliveries on the Cdn \$4.3 million purchase order from Walmart Canada, which was announced on September 18, 2017. Electrovaya recorded a small amount of revenue from this order in Q1 2018. The balance (~90%) will be delivered during Q2 2018. The Company believes that this will be the largest single lithium ion powered MHEV installation in North America and will be a major milestone for the industry and the company.

The Company continued to work with two OEM partners in the USA, who are developing electric vehicles in the MHEV and Autonomous Guided Vehicle (AGV) sectors respectively

Electrovaya completed financings that strengthened its working capital. On October 4, 2017, the Company completed the second tranche of a private placement that raised an aggregate total of Cdn\$5.3 million in gross proceeds. On December 20, 2017, the Company announced that it entered into a commitment for a Cdn \$8 million drawdown equity facility and a Cdn \$2 million private placement. On December 27, 2017, the Company completed the private placement. Negotiations with respect to the definitive agreements for the drawdown facility are ongoing.

Subsequent to Q1 2018, on February 9, 2018, Electrovaya listed its head office building in Mississauga, Ontario for sale at Cdn \$24.9 million. The Company expects to either lease back space in the building or move to other leased premises. Electrovaya requires less space as it expands its purchases from qualified supply chain providers.

The Company's complete Q1 2018 Financial Statements and Management Discussion and Analysis 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 on Thursday, February 15, 2018 at 8:00 a.m. Eastern Time (ET) to discuss the Q1 2018 financial results and to provide a business update.

Conference ID:13676683

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 February 15, 2018 through February 28, 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 13676683.

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. 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.

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, expectations with respect to German court actions with respect to any insolvency process of Litarion, 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, the Company's expectations with respect to a sale of its premises and continued premises for operations, 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, 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 filing, 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.