



News for Immediate Release

Electrovaya Reports Fiscal 2018 Revenue Increased 148% to US\$5.6 million, Q4 2018 Revenue Rose Sixfold to US\$1.2 million

Growing sales through OEM channels and through direct distribution to large global firms

Toronto, Ontario – December 12, 2018 – Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQX: EFLVF), a lithium ion battery manufacturer with industry-leading performance and substantial intellectual property, today reported its financial results for the fourth quarter and fiscal year ended September 30, 2018 (“Q4 2018” and “FY 2018”, respectively). All dollar amounts are in U.S. dollars unless otherwise noted.

Financial Highlights:

- Revenue from continued operations in FY 2018 was \$5.6 million (C\$7.6 million), compared to \$2.3 million (C\$3.0 million) for the fiscal year ended September 30, 2017 (“FY 2017”), an increase of approximately 148%. The increase reflects stronger order volume, including repeat orders for lithium ion batteries from customers in the electric forklift market.
- Gross profit in FY 2018 was \$1.8 million (C\$2.4 million), or 31% of revenue, compared to gross profit of \$0.9 million (C\$1.2 million), or 40% of revenue, in FY 2017.
- Revenue from continued operations in Q4 2018 was \$1.2 million (C\$1.6 million), a six-fold increase compared to \$0.2 million (C\$0.2 million) for the three months ended September 30, 2017 (“Q4 2017”). The increase reflects increasingly stronger order volume. On a sequential basis, Q4 2018 revenue was approximately three times higher than the \$0.4 million (C\$0.5 million) reported in the third quarter of Fiscal 2018.
- Electrovaya anticipates further sequential revenue growth in the first quarter of Fiscal 2019. Based on the Company’s Q1 2019 deliveries to date and with less than 3 weeks remaining in the quarter, Electrovaya anticipates revenue for the quarter of approximately \$2.0 million (C\$2.7 million).
- Net loss from continued operations in Q4 2018 was \$2.3 million (C\$3.1 million), compared to \$1.5 million (C\$2.0 million) in Q4 2017. The increased net loss was due in part to higher research and development costs.
- Net loss from continued operations in FY 2018 was \$10.2 million (C\$13.6 million), compared to \$4.7 million (C\$6.2 million) in FY 2017. The increased net loss was primarily attributable to an increase in research and development costs, an increase in general and administrative expenses due primarily to a reimbursement of expenses in FY 2017 without the corresponding inclusion of a reimbursement of expenses from discontinued operations in FY 2018, and an increase in finance costs (which are now substantially reduced due to recent debt reduction).

Other Business Highlights:

- On July 27, 2018, Electrovaya announced the sale-leaseback of its headquarters in Mississauga, Ontario. Subsequent to FY 2018, on October 23, 2018, the transaction was completed, generating net proceeds to Electrovaya of C\$20.2 million, of which C\$16.9 million was applied to debt reduction and C\$3.3 million was designated for working capital purposes. In addition to reducing debt finance costs, the transaction also significantly lowers operating costs for maintenance, taxes and utilities.
- Electrovaya's workforce has been reduced by approximately 75% as at September 30th, 2018 compared to the Fiscal 2017 year-end as the Company discontinued its German component manufacturing and increased its use of contract manufacturing. As a result, G&A, overhead and other costs have also been significantly reduced.
- Electrovaya delivered several hundred batteries in FY 2018 to operators of Materials Handling Electric Vehicles (MHEVs) active in the logistics, warehousing, manufacturing and distribution industries. Multiple Fortune 500 companies have started to use Electrovaya's batteries to power their MHEVs as replacements for lead acid batteries.
- Several hundred batteries were also delivered to an Automated Guided Vehicle (AGV) OEM in FY 2018 to power new AGVs.
- Electrovaya's battery products were showcased at a number of trade shows during FY 2018, including Electrovaya's booth at MODEX 2018 in Atlanta, Georgia and Raymond Corp's booth at CeMAT 2018 in Hannover, Germany.
- Electrovaya is also targeting the electric bus market. This has similarities to the MHEV market, as electric buses tend to operate for two or three shifts every day and require high cycle-life batteries with strong safety standards. Electrovaya has signed a \$2.9 million (C\$3.8 million) contract with Sustainable Development Technology Canada (SDTC) to develop products for this market. The Company is pursuing this project in a consortium with bus manufacturers with global marketing reach.
- Electrovaya's IP continues to increase with fresh patents and know-how. IP in a contract manufacturing era is protected through use of multiple "silos" of contract manufacturers.

During FY 2018, Electrovaya continued to focus on supplying high-performance lithium ion batteries to power MHEVs and AGVs, a rapidly emerging and growing market opportunity. Demand from these markets comes primarily from multishift operators in the ecommerce, logistics, warehousing and manufacturing sectors. These operators demand high-performance batteries to power their vehicles, which can operate 24 hours a day, work the equivalent of 250,000 kilometres per year, and be rapidly charged multiple times a day.

Electrovaya expects sales momentum for these products will continue to increase in Fiscal 2019, as the Company sees strong market demand and continues to sell batteries through OEMs and directly to large global companies, including Fortune 500 companies. Continued sales momentum, combined with the recent cost reductions outlined above, positions the Company for stronger financial performance.

The Company's complete Annual Audited Financial Statements, Management Discussion and Analysis and Annual Information Form for the year ended September 30, 2018 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, December 13, 2018 at 8:00 a.m. Eastern Time (ET) to discuss the FY 2018 financial results and to provide a business update.

Conference ID: 13685801

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 December 13, 2018 through December 27, 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 13685801.

For more information, please contact:

Peter Koven

Bay Street Communications

Telephone: 1.647.496.7857

Email: peterkoven@baystreetcommunications.com

Jason Roy

Electrovaya Inc.

905-855-4618

jroy@electrovaya.com

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. Electrovaya is a technology focused company with extensive IP. Headquartered in Ontario, Canada, Electrovaya has production facilities in Canada with customers around the globe.

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, revenue forecasts and in particular the forecast for Q1 of 2019, anticipated further sequential revenue growth in Q1 2019, anticipated increased collaboration with OEMs in fiscal 2019, anticipated continued increase in sales momentum in fiscal 2019 through OEMs and directly to large global companies, including Fortune 500 companies, 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, 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. Important factors that could cause actual results to differ materially from expectations include but are not limited to: 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, 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 for the year ended September 30, 2018 under "Risk Factors", and in the Company's most recent annual and interim Management's Discussion and Analysis under "Qualitative And Quantitative Disclosures about 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.