



News for Immediate Release

Electrovaya Reports Financial Results for Q3 2018

Continued growth in order volumes from new and existing customers

Toronto, Ontario – August 14, 2018– Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQX: EFLVF) today reported its financial results for the fiscal third quarter ended June 30, 2018 (“Q3 2018”). All numbers are in U.S. dollars unless otherwise noted.

Electrovaya is focused on supplying lithium ion batteries for the Materials Handling Electric Vehicle (MHEV) sector, an emerging and rapidly growing market opportunity. Since the start of Q3 2018, the Company has announced new and recurring purchase orders worth more than \$3.6 million. In order to provide the working capital for fulfilment of these orders, the Company has raised approximately CDN \$2.2 million from insiders, including directors and management. The Company has also entered into a binding agreement for the sale and leaseback of its Mississauga, Ontario headquarters for gross proceeds of Cdn \$22.5 million. Proceeds will be used to pay down debt and for working capital purposes.

During Q3 2018, Electrovaya also completed commissioning on the CDN \$4.3 million purchase order from Walmart Canada. The Company’s batteries were installed in forklifts in a Walmart distribution centre, replacing lead acid batteries. This distribution centre represents one of the single largest installations of MHEVs powered by lithium ion batteries in North America.

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

Q3 2018 Financial Highlights

All Q3 2018 financial highlights are from continuing operations

- Revenue was \$0.4 million (Cdn \$0.5 million), compared to \$1.0 million (Cdn \$1.3 million) for Q3 2017.
- Gross profit was slightly negative, compared to gross profit of \$0.1 million (Cdn \$0.1 million) for Q3 2017.
- Net loss from continued operations was \$2.5 million (Cdn \$3.2 million) compared to \$1.9 million (Cdn \$2.4 million) for Q3 2017. The increased loss was primarily due to a \$0.8 million increase in general and administrative expenses in Q3 2018, resulting from a

reimbursement of expenses without the corresponding inclusion of expenses from discontinued operations in Q3 2017.

- The total comprehensive gain for the period was \$3.0 million (Cdn \$3.8 million) after recognizing a \$5.1 million gain on loss of control of subsidiary. For Q3 2017 the total comprehensive loss was \$1.1 million (Cdn \$1.4 million).
- For the nine months ended June 30, 2018, revenue was \$4.4 million (Cdn \$5.6 million) and gross profit was \$1.2 million (Cdn \$1.5 million), while revenue and gross profit were \$2.1 million (Cdn \$2.7 million) and \$0.8 million (Cdn \$1.0 million), respectively, for the nine months ended June 30, 2017.
- Cash and equivalents were \$0.4 million as at June 30, 2018.

Q3 2018 Business Highlights

- Electrovaya completed commissioning of lithium ion batteries on the Cdn \$4.3 million purchase order from Walmart Canada.
- The Company announced initial and follow-up purchase orders from customers totalling approximately \$2.3 million (Cdn \$2.9 million).
- Electrovaya showcased its forklift battery products in a number of trade shows, including MODEX in Atlanta, Georgia from April 9-12. MODEX is the leading manufacturing and supply chain expo in the United States.
- Subsequent to Q3 2018, Electrovaya announced follow-on purchase orders worth approximately \$1.3 million (Cdn \$1.7 million).
- Subsequent to Q3 2018, the Company also entered into a binding agreement for the sale and partial leaseback of its Mississauga, Ontario headquarters for gross proceeds of Cdn \$22.5 million.

The Company's complete Q3 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 Wednesday, August 15, 2018 at 8:00 a.m. Eastern Time (ET) to discuss the Q3 2018 financial results and to provide a business update.

Conference ID: 13682563

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 August 15, 2018 through August 29, 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 13682563.

For more information, please contact:

Peter Koven
Bay Street Communications
Telephone: 1.647.496.7857
Email: peterkoven@baystreetcommunications.com

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.

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.