



News for Immediate Release

Electrovaya Reports Q3 FY2021 Financial Results

Toronto, Ontario – August 9, 2021 – Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX: EFL; OTCQB: EFLVF), a lithium ion battery manufacturer with industry-leading performance and substantial intellectual property, today reported its financial results for the fiscal third quarter and nine months ended June 30, 2021 (“Q3 FY2021” and “YTD FY2021”, respectively). All dollar amounts are in U.S. dollars unless otherwise noted.

Financial Highlights:

- Revenue for Q3 FY2021 was \$1.9 million (C\$2.4 million), compared to \$4.8 million (C\$6.0 million) in the fiscal third quarter ended June 30, 2020 (“Q3 FY2020”). Management believes that the year-over-year decline was primarily due to a reduced order volume resulting from a transition to the OEM Strategic Supply Agreement, which was signed in December 2020. This agreement brought a new corporate sales team focused on large corporations, and management believes the sales cycle is relatively long for these customers. Continued disruptions to the supply chain caused by the COVID-19-pandemic, as well as component shortages, also impacted the Company.
- Revenue for YTD FY2021 was \$7.4 million (C\$9.3 million), compared to \$7.6 million (C\$9.5 million) for the nine months ended June 30, 2020 (“YTD FY2020”).
- It appears that the delays discussed above are being mitigated, as the Company received a number of significant purchase orders late in Q3 FY2021 and early in the fiscal fourth quarter, as noted in the business highlights below. The majority of the new orders were generated through the OEM sales channel, but the Company also received a significant new order through its direct sales channel. Orders were received from both new and repeat customers.
- As at June 30, 2021, the Company had \$0.9 million (C\$1.1 million) of cash and had drawn \$2.8 million (C\$3.5 million) from its \$5.6 million (C\$7 million) working capital facility, leaving a further \$2.8 million (C\$3.5 million) undrawn. The Company also had \$2.5 million (C\$3.1 million) of accounts receivable and \$4.9 million (C\$6.1 million) of inventory.
- The Company’s financial position improved during YTD FY2021. As at June 30, 2021, current assets increased by 40% compared to the end of the 2020 fiscal year, while current liabilities were reduced by 12% and the equity deficiency was reduced by 61%.

Business Highlights:

- On June 16, 2021, Electrovaya announced that the Company and its officers reached an agreement with the Administrator of Litarion GmbH (“Litarion”) to mutually settle all potential claims as part of the termination of Litarion’s insolvency proceedings. Electrovaya agreed to pay €221,000 as full and final settlement, which includes payment

for certain intellectual property received by the Company. The payment is to be made in instalments over a nine-month period.

- On June 23, 2021, the Company announced that it has established a new operating division: Electroveya Labs. Electroveya Labs will focus on research, development, and commercialization of some of the fundamental technologies and intellectual property at Electroveya. One key area of focus is the development of a solid-state battery.
- On July 14, 2021, Electroveya announced that it has extended the term to maturity of its C\$6 million promissory notes with a Canadian financial institution from June 30, 2021 to December 31, 2021. The effective interest rate was reduced from 11% to 10%.
- On July 20, 2021, the Company announced the following business updates:
 - Electroveya received its first purchase orders from one of the world's largest e-commerce companies. The orders were valued at more than US\$2 million and received through Electroveya's OEM channel under its Strategic Supply Agreement.
 - The Company received repeat orders valued at approximately US\$1.5 million through its OEM partner from two of the world's largest food manufacturing firms, headquartered in the United States and Europe, respectively; and
 - The Company received a purchase order worth approximately C\$1 million from one of North America's largest food processing firms, headquartered in Canada. This order came through Electroveya's direct sales channel.
- The Company continues to make significant progress in the e-bus market and anticipates increased revenue from this segment in the 2022 fiscal year.
- The Company is making progress with its capital market initiatives in Canada and the United States. Management and the Board of Directors will carefully monitor the capital markets and the benefits and risks to the Company before a decision is made regarding the next steps toward a potential listing on the NASDAQ Stock Market.

FY2021 Financial Outlook and Impact of COVID-19:

Notwithstanding short-term challenges, management believes its business outlook is strong and intends to build on the progress to date in FY2021. Uncertainty surrounding the duration and potential outcomes of the COVID-19 pandemic appears to be diminishing as vaccinations increase, but management is currently unable to predict the future impacts of the pandemic on the Company's operations and financial results. Furthermore, while demand for lithium ion batteries from the materials handling electric vehicle sector is emerging, there is associated uncertainty with the future rate of growth as early adopters start their purchasing decisions. . Management will therefore not be providing a short-term financial outlook at this time.

A revised financial outlook will not be provided unless and until such a time as it is possible to make reasonable estimates of the Company's financial results. See "Forward-Looking Statements".

Summary Financial Results

(Expressed in thousands of U.S. dollars)

	Three months ended June 30,			
	2021	2020	Change	% change
Total Revenue	1,918	4,799	(2,881)	-60%
Variable Costs	1,203	3,097	(1,894)	-61%
Gross Margin	715	1,702	(987)	-58%
GM%	37%	35%		
Expenses				
Research & development	1,007	860	147	17%
Government assistance	(354)	(226)	(128)	-
Sales & marketing	332	127	205	161%
General & administrative	942	402	540	134%
Stock based compensation	42	14	28	200%
Finance Cost	364	525	(161)	-31%
Patent & trademark expenses	10	36	(26)	-72%
	2,343	1,738	605	35%
	(1,628)	(36)	(1,592)	4422%
Depreciation	74	92	(18)	-20%
Gain (Loss) from operations	(1,702)	(128)	(1,574)	1230%
Gain on redemption of debentures	-	5,156	(5,156)	-100%
Foreign exchange gain (loss)	(90)	(203)	113	-56%
Net Profit (Loss)	(1,792)	4,825	(6,617)	-137%

	Three months ended June 30,			
	2021	2020	Change	% change
Adjusted EBITDA ¹				
Gain (Loss) from operations	(1,702)	(128)	(1,574)	1230%
Less: Finance Cost	364	525	(161)	-31%
Stock based compensation	42	14	28	200%
Depreciation	74	92	(18)	-20%
Adjusted EBITDA ¹	(1,222)	503	(1,725)	-343%

¹ Non-IFRS Measure: Adjusted EBITDA is defined as gain (loss) from operations, plus finance costs, stock-based compensation costs and depreciation. Management believes Adjusted EBITDA is a useful measure in providing investors with information regarding financial performance and is an accepted measure in our industry. It is not a measure of financial performance under IFRS, and may not be defined and calculated in the same manner by other companies and should not be considered in isolation or as an alternative to Income (loss) from operations.

Summary Operating Results – Nine Months Ended June 30, 2021
(Expressed in thousands of U.S. dollars)

	Nine months ended June 30,			
	2021	2020	Change	% change
Total Revenue	7,428	7,607	(179)	-2%
Variable Costs	4,968	4,761	207	4%
Gross Margin	2,460	2,846	(386)	-14%
GM%	33%	37%	-4%	
Total Operating Expenses	7,257	6,077	1,180	19%
Amortization	216	190	26	14%
Income (Loss) from Operations	(5,013)	(3,421)	(1,592)	47%
Gain on redemption of debentures	-	5,156	(5,156)	-100%
Foreign exchange gain(loss) & interest income	(489)	73	(562)	-770%
Net income (loss) for the period	(5,502)	1,808	(7,310)	-404%

Summary Financial Position

(Expressed in thousands of U.S. dollars)

	June 30, September 30,		Change	% change
	2021	2020		
Total current assets	11,294	8,067	3,227	40%
Total non-current assets	3,101	2,575	526	20%
Total assets	14,395	10,642	3,753	35%
Total current liabilities	14,427	16,451	(2,024)	-12%
Total non-current liabilities	3,338	2,906	432	15%
Equity (Deficiency)	(3,370)	(8,715)	5,345	-61%
Total liabilities and equity (deficiency)	14,395	10,642	3,753	35%

The Company's complete Financial Statements and Management Discussion and Analysis for the third quarter ended June 30, 2021 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 Tuesday, August 10, 2021 at 8:00 a.m. Eastern Time (ET) to discuss the June 30, 2021 quarter end financial results and to provide a business update.

US and Canada toll free: (877) 407-8291

International: + 1(201) 689-8345

Direct webcast:

<https://78449.themediaframe.com/dataconf/productusers/eflvf/mediaframe/46287/index1.html>

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 10, 2021 through August 24, 2021. 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 13722291.

For more information, please contact:

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About Electrovaya Inc.

Electrovaya Inc. (TSX:EFL) (OTCQB: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, the length of customers' sale cycle in the OEM sales channel and the potential increase in future revenue from that channel as sales are consummated, the effect of the ongoing global COVID-19 public health emergency on the Company's operations, its employees and other stake holders, including on customer demand, supply chain, and delivery schedule, the operations and strategic direction of Electrovaya Labs, potential revenue from the e-bus segment, the size of the Company's sales pipeline and the ability to satisfy orders thereunder, the Company's ability to satisfy its ongoing debt obligations, that any settlement of claims with respect to Litarion will proceed on the agreed upon terms, anticipated increased collaboration with OEMs and OEM channels constituting a source of sales growth for the Company, anticipated continued increase in sales momentum in fiscal 2021 through OEMs and directly to large global companies, including Fortune 500 companies, the future direction of the Company's business and products, including E-bus applications and additional intellectual property protection, the Company's ability to source supply to satisfy demand for its products and satisfy current order volume, technology development progress, the Company's application for a listing on NASDAQ and its ability to be listed thereon, pre-launch plans, plans for product development, 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: the COVID-19 outbreak (including any variants thereof) will not have significant further effects on the Company's supply chain or operations; that current customers will continue to make and increase orders for the Company's products, and in accordance with communicated intentions; 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, 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, 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, the granting of additional intellectual property protection, 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, 2020 under "Risk Factors", and in the Company's most recent annual 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.