



News for Immediate Release

Electrovaya Amends Terms of Outstanding Debentures

Toronto, Ontario – April 8, 2020 – Electrovaya Inc. (“**Electrovaya**” or the “**Company**”) (TSX:EFL) (OTCQB:EFLVF) announces that it has amended the terms of its outstanding CDN\$15 million principal amount unsecured 9% convertible debentures due March 27, 2020 (the “**Amendments**”). Pursuant to the Amendments, the Company and its lender under the debentures, an institutional investor (the “**Debenture Lender**”) agreed that the Company could satisfy the entire \$15 million principal amount and any accrued but unpaid interest owing under the debentures by issuing the Debenture Lender 11,111,111 common shares in the capital of Electrovaya (“**Common Shares**”) at a deemed price of CDN\$0.18 per Common Share on or before April 3, 2020, paying the Debenture Lender CDN\$2 million in cash on or before April 10, 2020, and paying the Debenture Lender an additional CDN\$2 million in cash on or before September 29, 2020, an equivalent of about \$6 million dollars. The Company granted the Debenture Lender subordinated security in connection with the deferred payment obligation under the Amendments. Dr. Sankar Das Gupta, the Chief Executive Officer and a director of the Company, personally guaranteed the Company’s CDN\$2 million deferred payment obligation under the Amendments.

The Company satisfied the initial CDN\$2 million cash payment pursuant to the Amendments effective as of April 7, 2020, by amending and restating an existing promissory note from a third-party lender, a Canadian financial institution (the “**Facility Lender**”), to increase the principal amount available thereunder (such note, the “**Amended and Restated Promissory Note**”). The increase in borrowing under the Amended and Restated Promissory was secured by Dr. Das Gupta personally guaranteeing the Company’s payment obligation to the Facility Lender as well as pledging an additional 17,000,000 Common Shares in favour of the Facility Lender, and the Company paid a fee of CDN\$150,000 to the Facility Lender for the increase to the amount available under the Amended and Restated Promissory Note.

As consideration for the significant personal risk involved in granting the Company’s lenders personal guarantees and share pledges in order to effect the Amendments and increase the amount available under the Amended and Restated Promissory Note, the Company’s independent directors approved the issuance to Dr. Das Gupta of 4,000,000 Common Shares at a price of CDN\$0.18, and 7,100,000 warrants to purchase Common Shares, each exercisable at a price of CDN\$0.18 until April 2, 2030 as consideration for the guarantees and pledges described above, as well as for other prior personal guarantees and share pledges to secure debt incurred by the Company (the “**Consideration Issuance**”).

The Consideration Issuance is a “related party transaction” for Electrovaya within the meaning of that term under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”) as Dr. Das Gupta is senior officer and a director of the

Company, as well as a holder of more than 10% of the outstanding Common Shares. The Consideration Issuance is exempt from the formal valuation and minority approval requirements under MI 61-101 as the fair market value of the consideration for the transaction, insofar as it involves interested parties, is not more than 25% of the market capitalization of Electrovaya at the time the transaction was agreed to. This news release is being issued less than 21 days before the expected closing date of the Consideration Issuance. The Company believes this is reasonable and necessary in the circumstances due to the outstanding debentures having matured as of March 27, 2020, and the immediate need to address any potential default thereunder for repayment of outstanding amounts thereunder.

For more information:

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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.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things: the anticipated satisfaction of outstanding debt and the timing thereof; the terms of the loan facility; and the Company's objectives, goals, strategies, intentions, beliefs, expectations and estimates. Forward-looking statements 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 investors should place undue reliance 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 the Company will be able to satisfy its outstanding debt within contractually agreed upon timeframes, that 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 the Company will be able to operate effectively and have

adequate liquidity and capital resources to continue operations and satisfy purchase orders during the ongoing global pandemic crisis related to COVID-19, which has negatively impacted, among other things, global supply chains, raw material availability, employee availability, and customer capacity. 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, 2019 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.