



News for Immediate Release

Electrovaya Increases Credit Facility and Provides Business Update

Toronto, Ontario – September 3, 2020 – Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX:EFL) (OTCQB:EFLVF) has closed an agreement with a Canadian financial institution to increase the amount available under its existing revolving credit facility from C\$4.5 million to C\$7.0 million. The facility will support fulfilment of Electrovaya's recently announced purchase orders, as well as other corporate expenditures.

The financial institution also extended the repayment date for the revolver and its C\$2.8 million promissory note from September 25, 2020 to March 31, 2021.

All dollar amounts are stated in U.S. dollars unless otherwise noted.

Business Update:

- Electrovaya has repaid C\$5.5 million to this financial institution on its earlier announced purchase order facility. The repayment was made from the Company’s operating cash flows.
- Electrovaya expects to repay a further C\$4.5 million to the same financial institution on another purchase order facility within the next two months, barring unforeseen circumstances. With this repayment, the total debt repaid will be C\$10 million on the two purchase order facilities.
- The Company has generated strong sequential sales growth during the 2020 fiscal year, with revenue increasing approximately five-fold from \$0.9 (C\$1.2) million in the fiscal first quarter ended December 31, 2019 to \$4.8 (C\$6.5) million in the fiscal third quarter ended June 30, 2020.
- For the fiscal fourth quarter ending September 30, 2020, revenue is expected to grow approximately seven-fold compared to the first quarter, barring unforeseen circumstances.
- Electrovaya is ramping up operations to meet the growing demand. The Company is planning to expand its US sales network and establish service, assembly and other operations in the United States as the US customer base continues to grow rapidly. Electrovaya batteries are powering electric lift trucks in about 25 locations in the United States.
- Sales of electric lift truck batteries are growing rapidly through the Company’s OEM distribution channel, which is now generating similar revenue as the Company’s direct sales channel.

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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, revenue forecasts and in particular the revenue forecasts for the quarter and fiscal year ending September 2020, repayment of debt especially the ability to repay the \$4.5million purchase order financing debt and the timing thereof, extension of the repayment dates for the revolving credit and the promissory notes, ability to repay the revolving credit as well as the promissory note, sales growth and ability to continue sales growth, ability to generate a 7 fold increase in Q4 FY2020 over Q1 FY2020, growing the US sales business, ability to set up sales, service, assembly and other operations in the US, continuation of anticipated positive EBITDA, anticipated further sequential revenue growth in fiscal 2020, the ability to satisfy the Company's order backlog, the Company's ability to satisfy its ongoing debt obligations, 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 2020 through OEMs and directly to large global companies, including Fortune 500 companies, the future direction of the Company's business and products, 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 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 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 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, 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, 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, 2019 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.

Revenue forecasts herein constitute future-oriented financial information and financial outlooks (collectively, "**FOFI**"), and generally, are, without limitation, based on the assumptions and subject to the risks set out above under "Forward-Looking Statements". Although management believes such assumption to be reasonable, a number of such assumptions are beyond the Company's control and there can be no assurance that the assumptions made in preparing the FOFI will prove accurate. FOFI is provided for the purpose of providing information about management's current expectations and plans relating to the Company's future performance, and may not be appropriate for other purposes.

The FOFI does not purport to present the Company's financial condition in accordance with IFRS, and it is expected that there may be differences between actual and forecasted results, and the differences may be material. The inclusion of the FOFI in this news release disclosure should not be regarded as an indication that the Company considers the FOFI to be a reliable prediction of future events, and the FOFI should not be relied upon as such.