



News for Immediate Release

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Electrovaya Announces Proposed Private Placement of Convertible Debentures

Toronto, Ontario – March 15, 2017

Electrovaya Inc. (TSX: EFL) (OTCQX:EFLVF) (“**Electrovaya**”, or the “**Company**”) is pleased to announce that it intends to complete a non-brokered private placement of convertible unsecured subordinated debentures (the “**Debentures**”) for gross proceeds of up to \$25 million (the “**Offering**”). The Offering may close in one or more tranches, but in any event no later than March 31, 2017. The Company has already entered into a binding subscription agreement with a lead investor with respect to \$15 million principal amount of Debentures.

The Debentures will have a term to maturity of 36 months and bear interest at a rate of 9% per annum, payable semi-annually. The Company may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures (i) in cash, or (ii) by issuing the equivalent value in common shares (the “**Interest Shares**”) at a price per Interest Share equal to the 20 trading day volume-weighted average trading price (“**VWAP**”) of the common shares (the “**Common Shares**”) on the TSX ending five trading days preceding the applicable interest payment date.

Holders of Debentures may, at their option, at any time, and from time to time, up to and including the business day immediately preceding the maturity date, convert all or any part of the outstanding principal amount of the Debentures into Common Shares at a price of \$2.15 per Common Share (the “**Conversion Price**”) for no additional consideration, subject to a minimum conversion amount of \$50,000.

If at any time the VWAP on the TSX for 30 consecutive trading days equals or exceeds a price per Common Share which is at least a 50% premium to the Conversion Price, the Company may force conversion of all of the principal amount of the Debentures at the Conversion Price upon 30 days advance written notice, provided that the Common Shares issuable upon such conversion will not be subject to restrictions on resale in Canada.

If the date of any conversion is following the date of the public filing by the Company of its financial statements for the quarter ended June 30, 2018 and the aggregate gross revenue from operations of the Company (on a consolidated basis) from June 30, 2017 to June 30, 2018 does not exceed \$23 million in the aggregate, the Conversion Price will be discounted to \$1.92 per Common Share.

Subscribers for Debentures will also be issued warrants (the “**Warrants**”) to purchase common shares of the Company (the “**Warrant Shares**”) on the basis of 116 Warrants per each \$1,000 principal amount of Debentures. Each Warrant will be exercisable at an exercise price of \$2.80 per Warrant Share for a period of 36 months from the respective closing date of any tranche of the Offering (any such date, a “**Closing Date**”).

The net proceeds of the sale of Debentures will be used for working capital to fulfill purchase orders, and for general corporate purposes.

The Company has retained Origin Merchant Securities Inc. as its exclusive financial advisor on the Offering.

The Offering is subject to a number of conditions precedent, including, without limitation, receipt of TSX approval.

The Debentures, and any Common Shares issuable upon conversion of the Debentures, will be subject to a hold period of four months and one day from any respective Closing Date.

For more information, please contact

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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. Electrovaya, through its fully owned subsidiary, Litarion GmbH, also produces cells, electrodes and SEPARION™ ceramic separators and has manufacturing capacity of about 500MWh/annum. Electrovaya is a technology focused company with extensive patents and other Intellectual Property. Headquartered in Ontario, Canada, Electrovaya has production facilities in Canada and Germany with customers around the globe.

To learn more about how Electrovaya and Litarion is powering mobility and energy storage, please explore www.electrovaya.com, www.litarion.com and www.separion.com

Forward-Looking Statements

This press release contains forward-looking statements, including statements that relate to, among other things, statements with respect to the expected size, use of proceeds, and completion of the Offering, and the completion date of the Offering, 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 Electrovaya 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 by Electrovaya in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to, management’s determination to use the proceeds of the Offering in a manner other than as contemplated above, and general market conditions that could affect the size and timing of the Offering. 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 Electrovaya’s most recent annual information form under the heading “Risk Factors”, as well as in other public disclosure documents filed with Canadian securities regulatory authorities. Electrovaya 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.