



News for Immediate Release

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Electrovaya Issues First Tranche of Convertible Debentures

Toronto, Ontario – March 28, 2017

Electrovaya Inc. (TSX: EFL) (OTCQX:EFLVF) (“**Electrovaya**”, or the “**Company**”) is pleased to announce that it has completed the first tranche of its previously announced private placement of convertible unsecured subordinated debentures (the “**Debentures**”). The first tranche consisted of the issuance of \$15 million principal amount of Debentures to a lead subscriber. The Debentures mature on March 27, 2020 (the “**Maturity Date**”), bear interest at a rate of 9% per annum, payable semi-annually in cash or, at the Company’s option, common shares in the capital of the Company (“**Common Shares**”), and are convertible, at the option of the holder, into Common Shares at a price of \$2.15 per Common Share (the “**Conversion Price**”) for no additional consideration until the Maturity Date. The Debentures are subject to accelerated conversion in certain circumstances, and the Conversion Price may be adjusted in certain circumstances, all as more particularly described in the Company’s news release dated March 15, 2017 and material change report dated March 22, 2017.

The lead subscriber was also issued 1,740,000 warrants (the “**Warrants**”). Each Warrant is exercisable to purchase one Common Share in the capital of the Company at a price of \$2.80 per Common Share until 5:00 p.m. on March 26, 2020.

Origin Merchant Securities Inc. (“**Origin**”) is acting as financial advisor to Electrovaya for the private placement.

A transaction fee of 6% of the principal amount of the Debentures issued in the first tranche was paid in connection with the closing. The Company also issued 279,069 compensation options (the “**Compensation Options**”), with each Compensation Option exercisable to purchase one Common Share at a price of \$2.26 until 5:00 p.m. on March 26, 2019.

As a condition of closing of the first tranche, Dr. Sankar Das Gupta, Chief Executive Officer of the Company, agreed to loan 6,976,744 Common Shares to the lead subscriber for a period of up to 36 months.

The Debentures, Warrants, and Compensation Options, and any Common Shares issuable upon conversion of the Debentures or exercise of the Warrants or Compensation Options, will be subject to a hold period until the date that is four months and one day from the date hereof.

There is no assurance that the Company will complete additional tranches under the previously announced private placement.

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