



News for Immediate Release

Electrovaya Enters into \$1.5 Million Secured Loan Facility

Toronto, Ontario – August 13, 2018 – Electrovaya Inc. (“Electrovaya” or the “Company”) (TSX:EFL) (OTCQX:EFLVF) announces that it has entered into a secured demand loan facility with a corporation controlled by a director of the Company. The loan facility is for the principal amount of \$1,500,000 with interest payable at 10% per annum accruing until a demand for repayment is made or the facility is repaid in full, and is evidenced by a promissory note in favour of the lender. The Company’s obligations under the loan facility will be guaranteed by Electrovaya Corp. and 1408871 Ontario Inc., subsidiaries of the Company. The guarantee of 1408871 Ontario Inc. will be secured by a fourth charge on the Company’s property at 2645 Royal Windsor Dr., Mississauga, Ontario, L5J 1K9. \$500,000 was drawn on the facility in advance.

The transaction 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 the lender under the facility is controlled by a director of the Company. The entering into of the loan facility 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 loan facility. The Company believes such completion is reasonable in the circumstances in order to increase the Company’s working capital for the fulfilment of customer purchase orders.

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. Headquartered in Ontario, Canada, Electrovaya is a technology focused company with extensive IP, supplying leading global customers.

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 completion of the loan facility 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 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. Material assumptions used to develop forward-looking information in this news release include, among other things, that the transaction will close on the expected terms and in the expected timeframe, that current 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, 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. Important factors that could cause actual results to differ materially from expectations include but are not limited to: 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, the ability to sell the Company's premises or to do so at a price reflecting appropriate value, 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; 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, 2017 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.