

**Corporate Presentation
July 2016**



OTCQX:ELIO

Important Cautions Regarding Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements.” These statements involve risks and uncertainties, and Elio Motors, Inc. (the “Company”) undertakes no obligation to update any forward-looking information. Risks and uncertainties that could cause actual results to differ materially from planned operations include, without limitation, delays in receipt of adequate financing, delays in commencement of production, decreased consumer interest in the Company's products, downturn in general economic conditions, increased production costs and availability of raw materials, competition, and unfavorable market and regulatory conditions, all of which are difficult or impossible to predict accurately and many of which are beyond the Company's control.

Readers are referred to the Company's periodic reports filed with the Securities and Exchange Commission, specifically the most recent reports which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements. The information contained in this presentation is a statement of the Company's present intentions, beliefs or expectations and is based upon, among other things, the existing business environment, industry conditions, market conditions and prices, the economy in general and the Company's assumptions.

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Elio Motors – The Revolutionary & Disruptive Vehicle



1 Compelling Value Proposition
(price / mileage)



2 Safe



3 Low Execution Risk
(no new technology)



4 Made in America



Elio Motors is the product of a mobile society naturally evolving to a **more efficient, practical & affordable** form of transportation



The *Elio*: Compelling Value Proposition



Compelling Value Proposition

Low sticker price

- Targeted \$6,800¹ base price including ABS/ESC, A/C and power windows & lock
- 75% supplier quotes in place

High mileage with IAV-Elio engine

- Up to 84 MPG EPA highway
- 49 MPG EPA city

Aerodynamic Design



1) Starting MSRP excludes destination/delivery charge, taxes, title, registration, and options/installation

The *Elio*: Safe, Low Execution Risk & Made in America



Safe: Engineered to meet the highest vehicle safety standards



Low Execution Risk: No new technology – many components are off the shelf



Made in America:

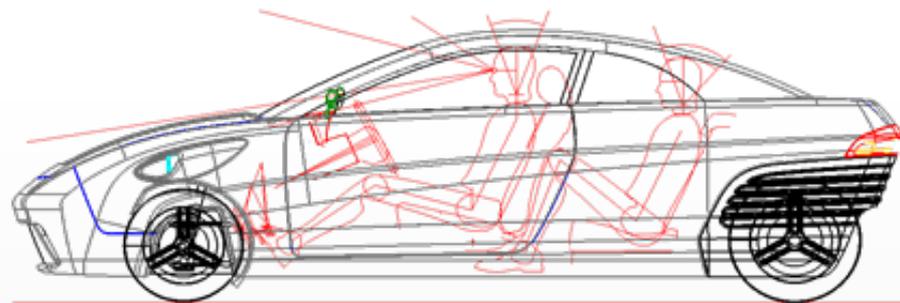
- Conceived, engineered and manufactured in America
- Targeting utilization of 90% North American components

Featured in these publications & programs:



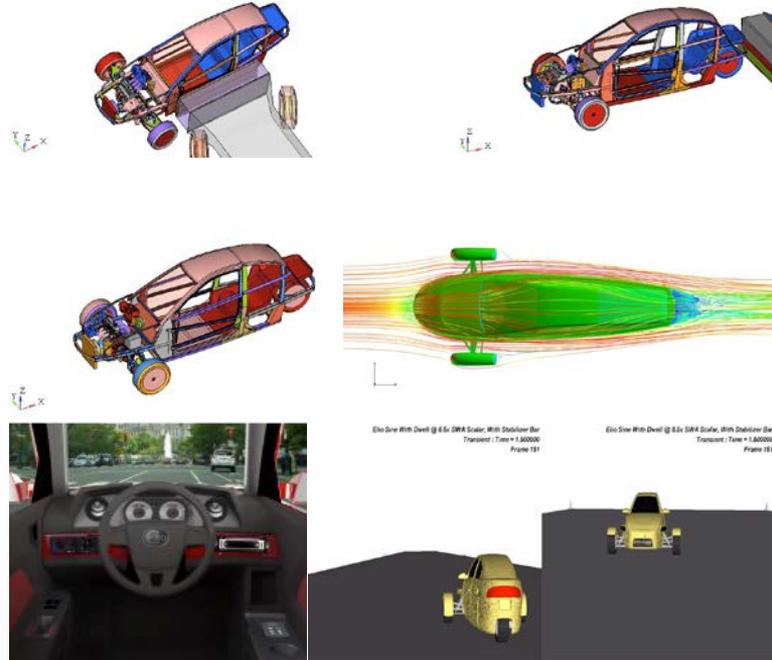
Basic Architecture: Three Wheels & Tandem Seating

- **Premise:** most households have at least one vehicle that is primarily used by only one occupant
- Two seats, front-to-back, key to highway mileage: $\frac{1}{2}$ as wide a vehicle, moves $\frac{1}{2}$ as much air
- 3-wheels qualifies vehicle as a motorcycle
 - Lower compliance requirements saves millions in development & launch costs
 - Development time reduced by years
 - HOV/Carpool lane access
 - *The Elio* is designed to meet the highest safety standards



Highly Engineered

- **Safety** – After substantial simulation, the Company and its safety system supplier believe that the vehicle will achieve desired safety standards in all directions
- **Aerodynamics** – We believe that after numerous computational fluid dynamics (CFD) simulations, 80+ MPG EPA Highway is achievable
- **Handling** – Built to achieve 0.85 lateral g's and perform well in aggressive high speed maneuvers
- **Fit and Finish** – Using current manufacturing techniques, we anticipate that *the Elio* will have world-class fit and finish



Elio Motors Targets Four Segments



Clunkers
100,500,000

**NEW SEGMENT –
ELIO EXCLUSIVE
DUE TO PURCHASE
MODEL**

Clunkers Source: IHS Automotive



Used Cars
38,000,000

**WE BELIEVE THAT ELIO CAN
COMPETE EFFECTIVELY IN
TRADITIONAL USED CAR
MARKET**

Used Cars Source: NBC News



New Cars
17,500,000

**ALL OTHER OEM'S
+ ELIO**

New Cars Source: manheim.com



Third Vehicle
??,000,000

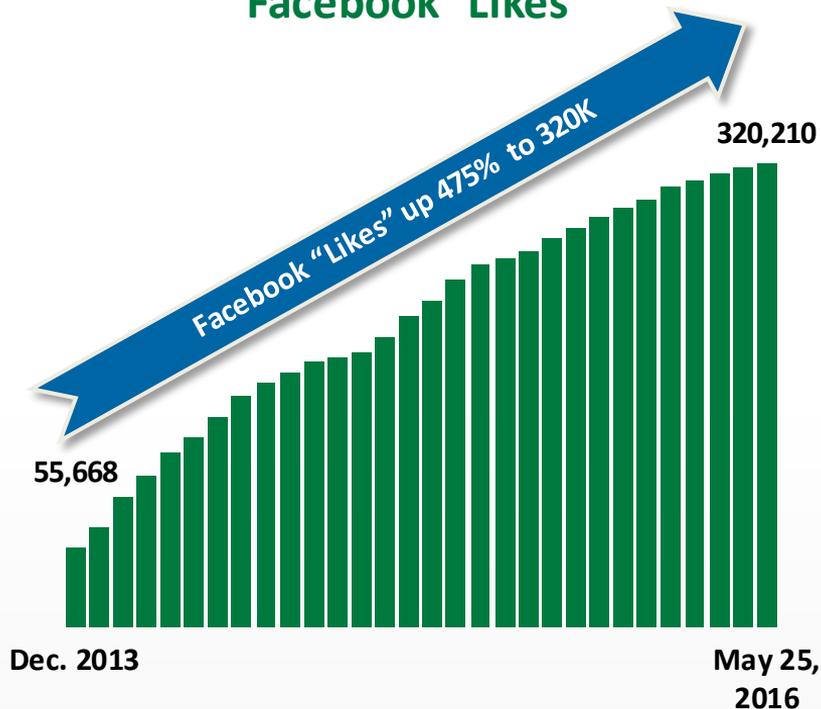
**NEW SEGMENT –
ELIO EXCLUSIVE**

- There are currently 264.2 million vehicles in the U.S.¹
- Elio Motors aims to compete successfully in the used car market & two non-traditional segments – the Third Vehicle and the Clunker segments



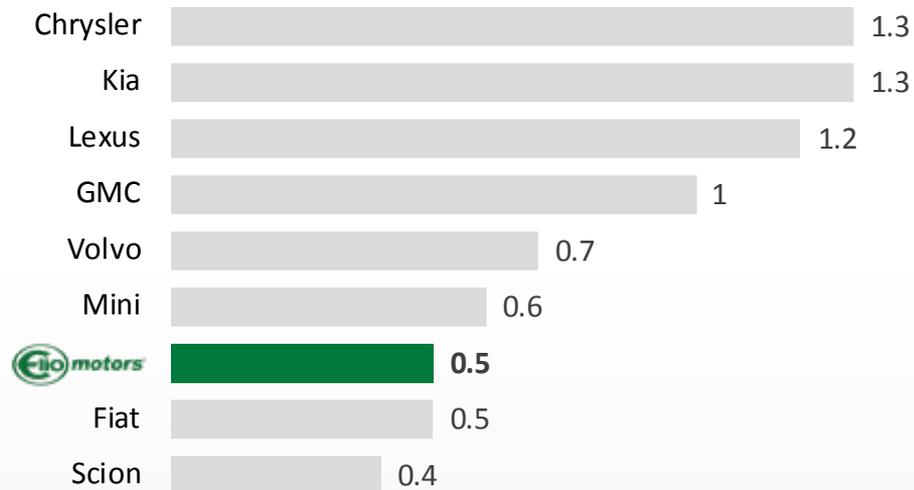
Strong Consumer Interest: Facebook “Likes” & Website Hits

Facebook “Likes”



“Unique” Visitors per Auto Manufacturer’s Website¹

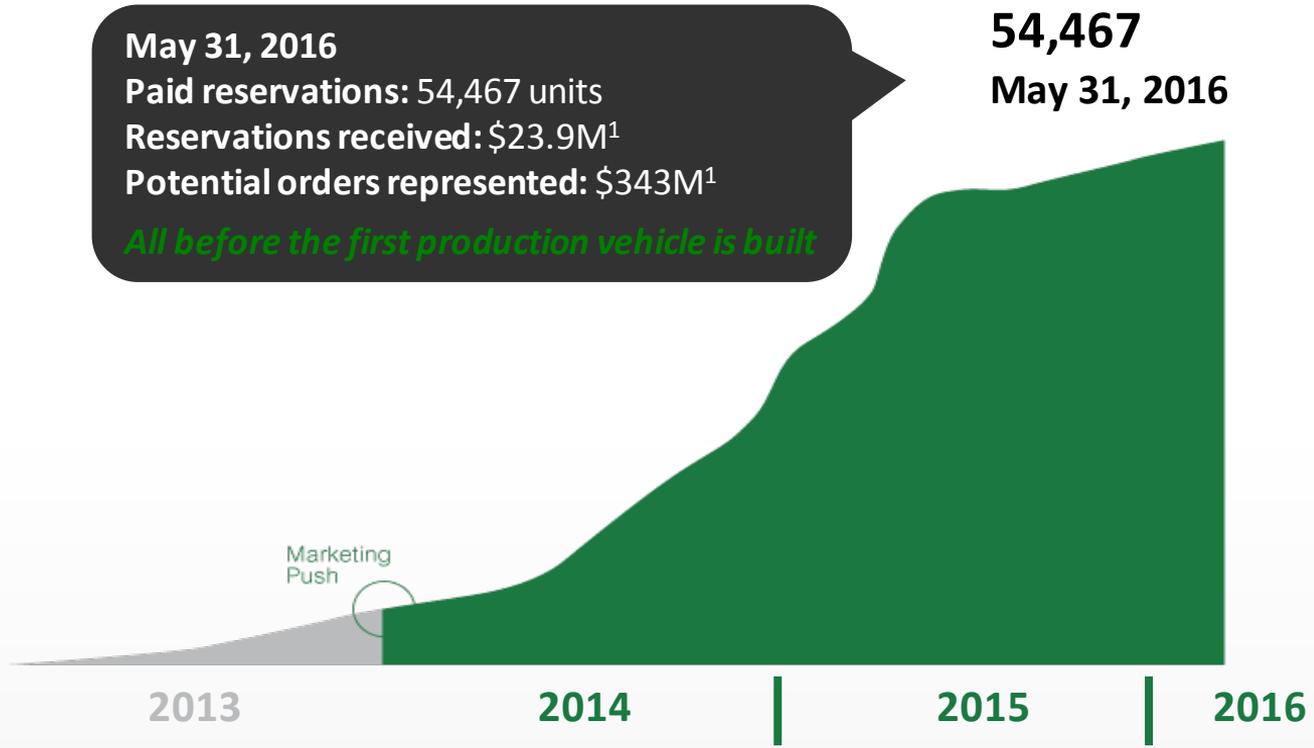
(in millions)



1) Alexa.com; Elio ranks 18th among top auto manufacturers for most unique website visitors (spots 1-11 not shown)



Reservation Growth



May 31, 2016
Paid reservations: 54,467 units
Reservations received: \$23.9M¹
Potential orders represented: \$343M¹
All before the first production vehicle is built

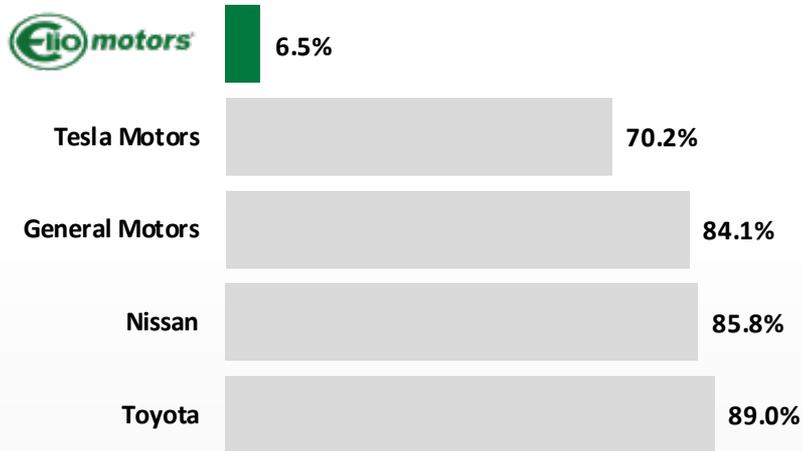


1) As of May 31, 2016

Reservation Growth

Elio Motors has generated 54,467 reservations, despite only 6.5% brand awareness among adults age 25-75 in U.S.

Brand Awareness Among U.S. Adults Age 25-75



Source: Independent Brand Awareness Study, conducted by Berline Communications May 2016, +/- 5% margin of error

Reservation Distribution



Distribution – Retail Centers

Current System

- Uses package system (LX, SX, DX) to minimize build configuration
- Forces consumers to purchase options they do not want

Elio Motors ePlus: My Elio. My Way.

- Retail centers will offer point-of-sale installed options which allows customers to purchase only the options they want
- Customers will choose from 14 combinations: 7 colors in either manual or automatic transmission
- The customer specific vehicle will be built out at the customization studios and delivered the next day

Value Proposition

- Under current system, ~25% of MSRP is for advertising and dealership network
- In Elio Motors' system, mass personalization will happen at the point-of-sale which decreases cost and improves customer satisfaction



Retail Strategy – ePlus

How it will work

- A customer visits one of Elio Motors' stores in any of the top 60 U.S. markets
- Selects color, transmission, and desired options
- Customer's order goes to one of 7 customization studios
- Stores are open until 9 p.m., customization studios build out vehicles until midnight
- With 7 customization studios, all stores are within 9 hours
- The customer gets the vehicle exactly the way they want within 24 hours, no matter what time they come into the store¹

1) Does not apply to vehicle wrap option

Key Partners



Pep Boys is anticipated service provider to provide factory authorized service



ADESA will use their existing infrastructure at their auction sites to install options

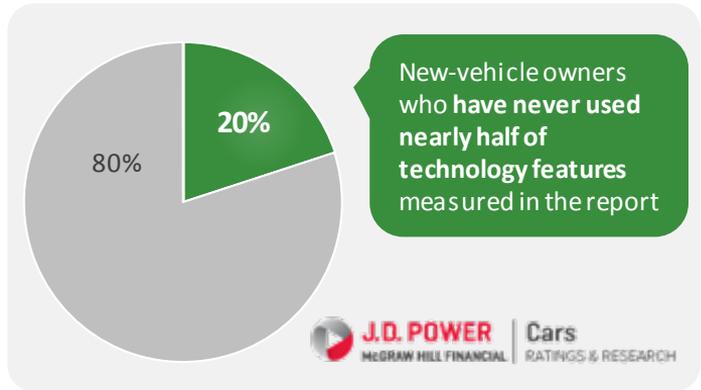


CarsArrive will transport vehicles from customization studios to Elio Motors' stores



Impact of Abandoning the Package System

- According to JD Power and Associates, at least 20% of new-vehicle owners have never used 16 of the 33 technology features measured¹
- Consumer Affairs states that option packages lose value at a much quicker rate than vehicles²
- Consumers are being forced to buy expensive option packages that include unwanted, unused features
- The “ePlus: My Elio. My Way.” mass personalization system provides option suppliers with accurate data on the desirability of their offering



ePlus creates a revenue stream for Elio Motors as owners continue to add new features on their vehicles after they have purchased their Elio

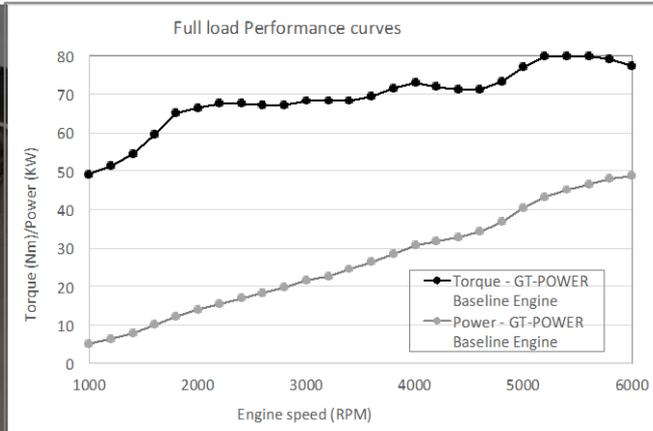
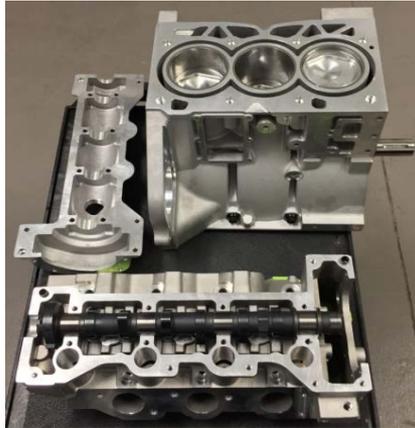
1) Source: <http://www.jdpower.com/press-releases/2015-driver-interactive-vehicle-experience-drive-report>

2) Source: <https://www.consumeraffairs.com/news/option-packages-lose-value-faster-than-the-car-does-090415.html>



Elio-IAV Engine

Elio features a purpose-designed engine by IAV



Specs:

- 0.9L
- 3 cylinder
- 55 hp power
- 55 ft-lb torque

Elio is the first start-up vehicle manufacturer to develop its own engine in over 60 years¹, using existing components

1) Nash Motors in 1951 was the last to do so



Highly Engaged Supply Base



Manufacturing Facility

Former GM assembly plant in Shreveport, Louisiana

- Prior GM use – Mid-size pickup trucks
- Long-term lease for ~1M sq. ft. of 4M sq. ft. facility to be utilized for General Assembly; Body Shop; Paint
- Rail service
- Plan to sell 100 pre-production vehicles in Q4 2016
- Plant capacity of 250,000 cars per year
- Estimated cost to greenfield required infrastructure
 - Equipment: ~\$300M
 - Plant: ~\$100M



High Quality American Design & Manufacturing

✓ Elio Motors can prove to ourselves and the world that America can design & manufacture world-class, low-cost vehicles



German Engineering. Swiss Innovation. American Nothing. Smart.

Photographed by Arthur Williamson, one of our readers in Johannesburg, South Africa. Cheap anti-Americanism? From a subsidiary of DaimlerChrysler, a company with a major American component?



Patriotic or Green – *the Elio* is Both

- The average gas mileage of the fleet is 17.5 MPG¹
- With IAV-*Elio* engine, up to 84 MPG EPA highway; 49 MPG EPA city
 - We anticipate that *the Elio* will get **60+ MPG** composite
- If an *Elio* is purchased, **our dependence on foreign oil and harmful emissions can be reduced**

Percent Reduction in Total U.S. Fuel Consumption & Emissions²

Annual Volume	Years in Production						
	1	2	3	4	5	6	7
125,000	0.03%	0.07%	0.10%	0.14%	0.17%	0.21%	0.24%
250,000	0.07%	0.14%	0.21%	0.28%	0.35%	0.42%	0.49%
500,000	0.14%	0.28%	0.42%	0.56%	0.70%	0.84%	0.98%

1) Based on Highway Statistics 2014 published by the Federal Highway Administration

2) Table reflects impact of replacing a vehicle getting 17.5 MPG with an *Elio* getting 64.75 MPG



Mobility for the Masses

Ultra-Low Sticker Price

Targeted \$6,800¹ base price including ABS/ESC, A/C and power windows and lock

Lowered Costs of Vehicle Development

Many components, including chassis, powertrain and body, are either available off-the-shelf or can be modified from off-the-shelf items for use in production of *the Elio*

High Safety Standards

Three air bags, Anti-lock Brake System (ABS), electronic stability control, reinforced-steel full roll cage frame and side intrusion beams

Standard Equipment

A/C and heat, AM/FM stereo, power windows, power door lock, manual transmission, mechanically adjustable seats, fold-down rear seat, parking brake, cruise control

Add-on Options

Automatic transmission, personalized colors, power seats, leather seats, back-up camera, keyless entry, remote engine ignition, navigational aids, blind spot detecting mirrors



1) Starting MSRP excludes destination/delivery charge, taxes, title, registration, and options/installation

Financing

- Recent automotive product launches cost **\$750M-\$1B**
 - Tesla raised over \$800 million in equity and debt prior to cash flow positive
 - GM spent over \$1B on the development and launch of the Chevy Volt
- Elio Motors has raised a total of **\$99.0M** through May 31, 2016. The Company estimates that it needs to raise additional capital of **\$272M** to start production
 - Motorcycle vs. passenger car substantially reduces engineering development cost
 - B Round Debt was partly used to purchase equipment, originally **\$850M** installed cost, at Shreveport manufacturing facility for **\$26M** as a result of GM bankruptcy and slump in the automotive market
- We intend to raise the remaining capital primarily through customer reservations and/or additional equity and/or debt offerings

(1) As of May 31, 2016; Total Reservations

Capital Raised through May 31, 2016

Source	Net Funds	Notes
Series A & B Equity	\$20.4M	Includes Convertible Notes
A & B Round Debt	\$37.8M	Some debt has been paid down
Customer Reservations ⁽¹⁾	\$23.9M	
Reg A+	\$16.9M	
Total Raised	\$99.0M	



ELIO: Key Stats (OTCQX: ELIO)

Stock Price (7/8/16)	\$19.58	Cash Raised¹	\$99.0M
52 Week Low-High	\$13.01-\$75.00	Net Loss (mrq)	\$9.1M
Avg. Vol. (30d)	~4,441	Total Assets (mrq)	\$35.4M
Shares Outstanding (mrq)	26.4M	Total Debt (mrq)	\$38.1M
Free Float (est.)	2.9M	Total Liabilities (mrq)	\$77.7M
Insider Holdings (est.)	89%	Reservations Received ⁽²⁾	\$23.9M
Institutional Holdings	<1%	Potential Orders Represented ²	\$343M
Market Cap	\$514M		
Founded	2009		
Reg. A+ Offering Closed	Feb 2016		
Fiscal Year End	Dec 31		

1) Capital raised through May 31, 2016

2) As of May 31, 2016

Stock Data Source: OTC Markets, Capital IQ, Company Estimates

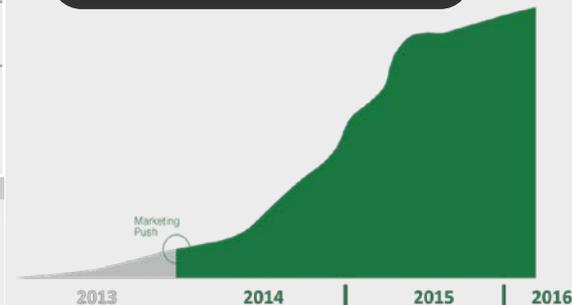
(mrq) = most recent quarter at March 31, 2016



Paid Reservation Growth

\$ millions

May 31, 2016
 Paid reservations: 54,467 units
 Reservations received: \$23.9M⁽²⁾
 Potential orders represented: \$343M⁽²⁾



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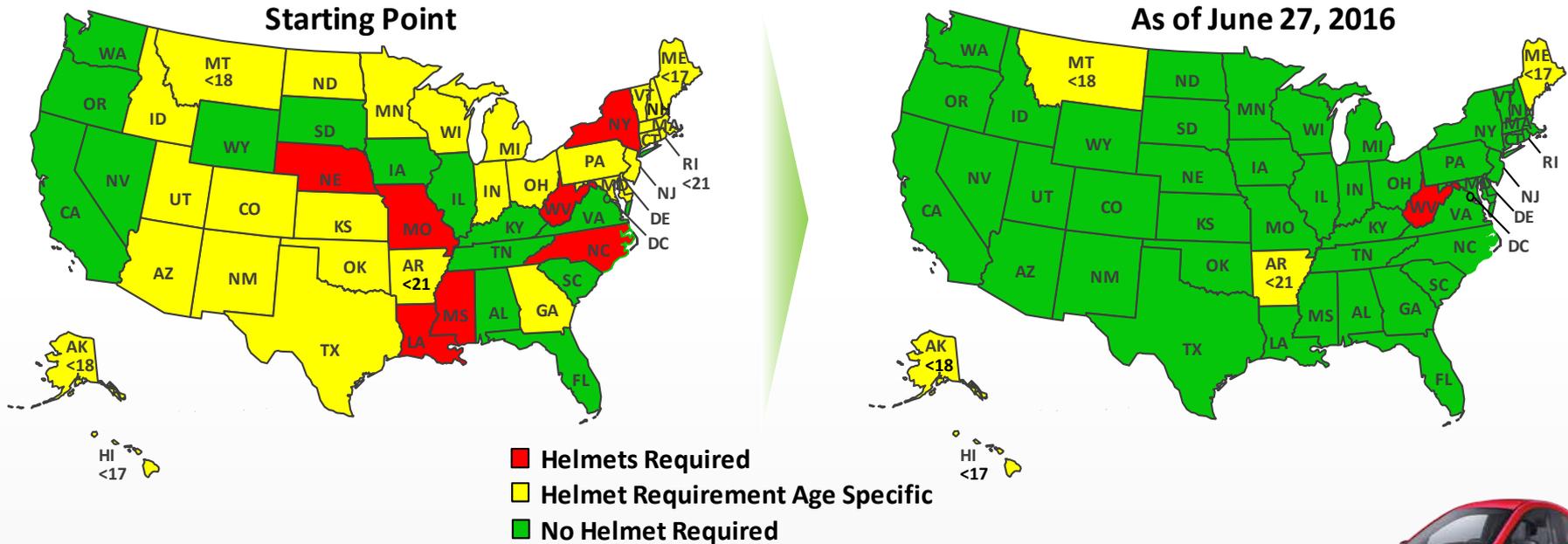




Appendix

Regulatory Considerations – Helmet Exemptions

Since *the Elio* is a motorcycle by NHTSA definition, state laws and regulations pertaining to the operation of a motorcycle and wearing a helmet apply

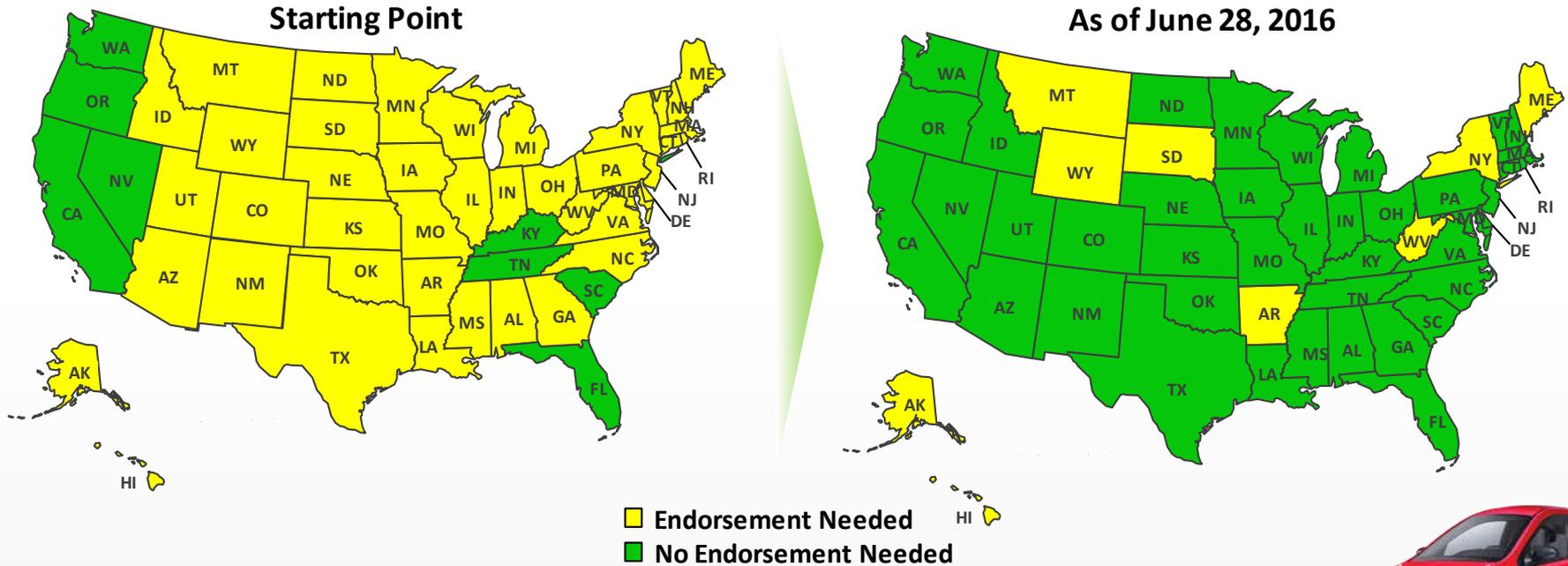


Note: Currently, 5 states have age specific helmet requirements. Legislation is in process in 4 of these states and the Company is actively working with the remaining, by seeking exemptions from the application of these requirements.



Regulatory Considerations – Motorcycle License Requirement

Elio Motors continues with its successful plan of obtaining exemptions from motorcycle licensing in the remaining 9 states

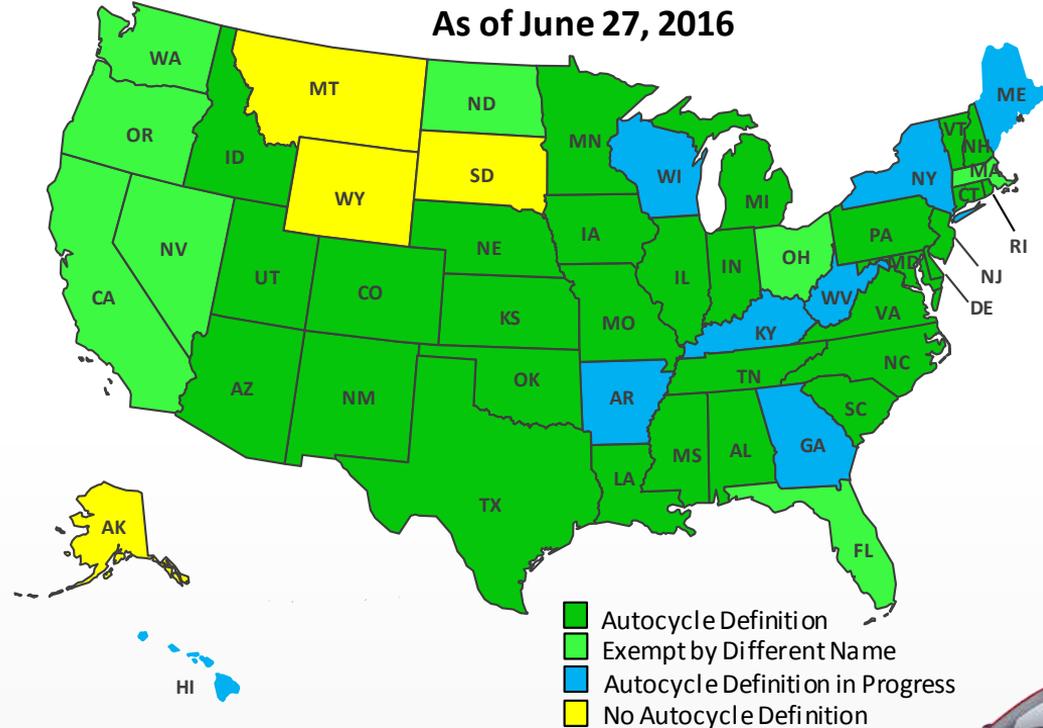


Note: Elio Motors has identified sponsors and is in the process of gaining exemptions in 6 of the 9 remaining states that require a license.



Regulatory Considerations – Autocycle Definition

- **30 states with autocycle definition** and 8 states exempt by different name
- 4 states with no autocycle definition – legislation in progress
- 8 states with autocycle definition in progress, of which:
 - AR, HI, and ME are states with age specific helmet requirements
 - AR, NY, ME, and WV are states where Elio Motors is in the process of gaining motorcycle license exceptions



In general, “autocycle” means a motor vehicle, other than a tractor, that is: (1) designed to have when propelled not more than three wheels on the ground; (2) equipped with a steering wheel; (3) equipped with seating that does not require the operator to straddle or sit astride the seat



Board of Directors



Paul Elio
Chairman & CEO

James Holden
Director

Kenneth Way
Director

Stuart Lichter
Director

Hari Iyer
Director

David C. Schembri
Director

- 18+ years engineering & management in automotive
- CEO, ESG Engineering; Johnson Controls
- B.S. General Motors Institute

- 27+ years in automotive
- President & CEO, DaimlerChrysler Corporation ['99-'00]; Various current Board positions
- B.S., Western Michigan University; MBA, Michigan State University

- 37+ years in automotive
- Chairman ['88-'02] & CEO ['88-'00], Lear Corporation; Various current Board positions

- 37+ years in commercial and industrial real estate (>100 million sq. ft.)
- Founder & Chairman, Industrial Realty Group, LLC
- B.S., Hunter College; MBA, Pace University

- 25+ years product development, strategy & operations in automotive
- EVP, Envia Systems; VP, Engineering, Next Autoworks; COO, ESG Engineering; Johnson Controls
- MSME, Penn State; MBA, Stanford

- 30+ years in automotive marketing & operations
- Former President, Smart USA; EVP, Mitsubishi Motors America; Penske Group; Volkswagen
- B.S., MBA, University of Detroit



Senior Management Team

Paul Elio <i>Chairman & CEO</i>	Connie Grennan <i>CFO</i>	Tim Andrews <i>Senior VP, Marketing</i>	Gino Raffin <i>VP, Manufacturing</i>	Jeffrey Johnston <i>VP, Engineering</i>	Jerome Vassallo <i>VP, Sales</i>	Don Harris <i>VP, Retail Operations</i>	Steve Semansky <i>VP, Supply Chain</i>	Joel Sheltroun <i>VP, Governmental Affairs</i>
<ul style="list-style-type: none"> • 18+ years engineering & management in automotive • CEO, ESG Engineering; Johnson Controls • B.S. General Motors Institute 	<ul style="list-style-type: none"> • 30+ years financial and operational experience • CFO; Division of Lockheed Martin; OZMo Devices, ESG engineering, Anadigm • B.S. , Arizona State University 	<ul style="list-style-type: none"> • 22+ years in marketing • Managing Director, RR Partners; Owner, TLA Marketing; Prof. of Mktg, Grand Canyon University • B.A., Arizona State University 	<ul style="list-style-type: none"> • 48+ years experience in automotive • Plant Manager, Chrysler • Lawrence Institute of Technology 	<ul style="list-style-type: none"> • 30+ years experience working for Top 10 automakers and suppliers in the international automotive arena • Held positions at GM, TRW Automotive, Morton ASP (now Autoliv) and Takata Corporation • B.S., Lawrence Technological University 	<ul style="list-style-type: none"> • 25+ years experience in automotive • Area Executive, National Distribution Manager, VW of America; Mitsubishi; Suzuki • University of Michigan 	<ul style="list-style-type: none"> • 34+ years in automotive auction operations • President, CarBuyCo; COO, Adesa • Florida State University – College of Business 	<ul style="list-style-type: none"> • 22+ years supply chain management in automotive • Founder, J Marc Engineering & Sales • B.S., Wayne State University 	<ul style="list-style-type: none"> • Former 3-term State Representative, Michigan House of Representatives • Western Michigan University

