

**Corporate Presentation
November 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.

The Company may change its intentions, beliefs or expectations at any time and without notice, based upon any changes in such factors, in its assumptions or otherwise, and it undertakes no obligation to revise or update publicly any forward-looking statements for any reason. The cautionary statements contained or referred to in this presentation should be considered in connection with any subsequent written or oral forward-looking statements that the Company or persons acting on its behalf may issue.



The *Elio*: Compelling Value Proposition



Compelling Value Proposition: Unequaled Cost, Performance & Quality

Low sticker price

- \$7,300* base price including ABS/ESC, A/C, AM/FM stereo and power windows & lock
- 75% supplier quotes in place

High mileage with Elio-IAV engine

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

Aerodynamic Design



*MSRP for non-refundable reservations only and applies only until non-refundable and refundable reservations total 65,000. Total current reservations can be seen at: <https://www.eliomotors.com/>. MSRP excludes destination/delivery charges, 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:

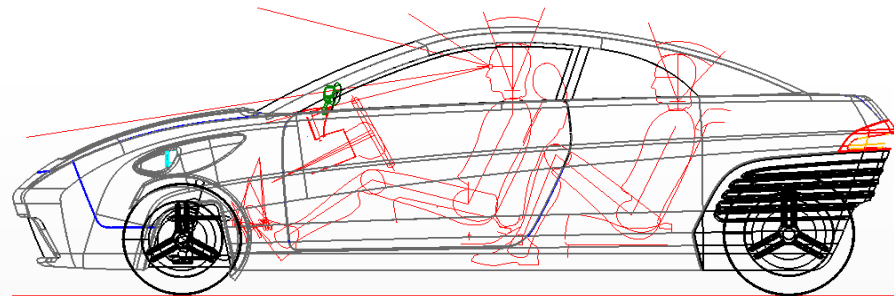
- Conceived, engineered and manufactured in America
- Targeting utilization of 90% North American components

Featured in these publications & programs:



Basic Architecture: Three Wheels & Tandem Seating

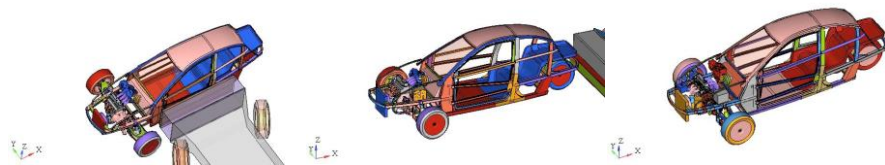
- **Premise:** most households have at least one vehicle that is primarily used by only one occupant
- Two seats, front-to-back, key to highway mileage: $\frac{1}{2}$ as wide a vehicle, moves $\frac{1}{2}$ as much air
- 3-wheels qualifies vehicle as a motorcycle
 - Lower compliance requirements saves 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

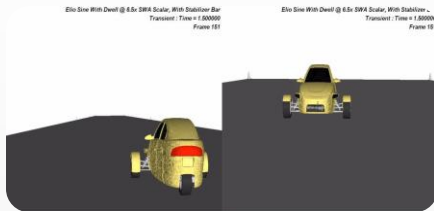
Safety

After substantial simulation, the Company and its safety system supplier believe that the vehicle will achieve desired safety standards in all directions



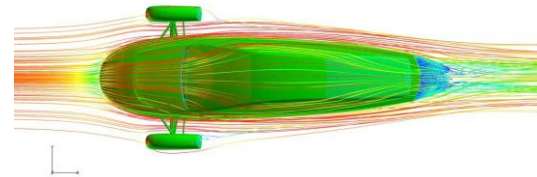
Handling

Built to achieve 0.85 lateral g's and perform well in aggressive high speed maneuvers



Aerodynamics

We believe that after numerous computational fluid dynamics (CFD) simulations, 80+ MPG EPA Highway is achievable



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
(Annually)**
38,000,000

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

Used Cars Source: NBC News



**New Cars
(Annually)**
17,500,000

**ALL OTHER OEM'S
+ ELIO**

New Cars Source: manheim.com



Third Vehicle
??,000,000

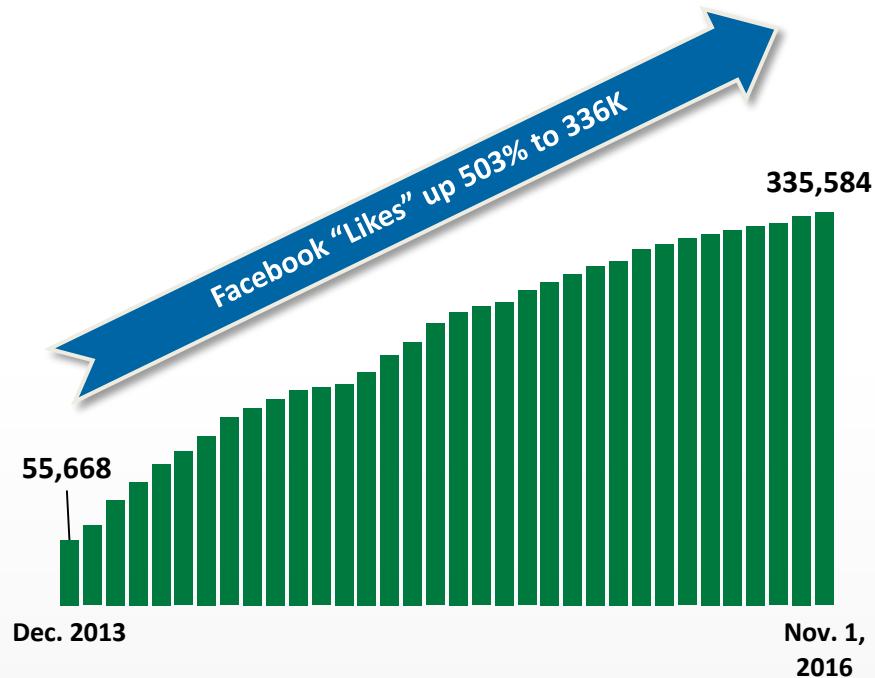
**NEW SEGMENT –
ELIO EXCLUSIVE**

- There are currently 264.2 million vehicles operating 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



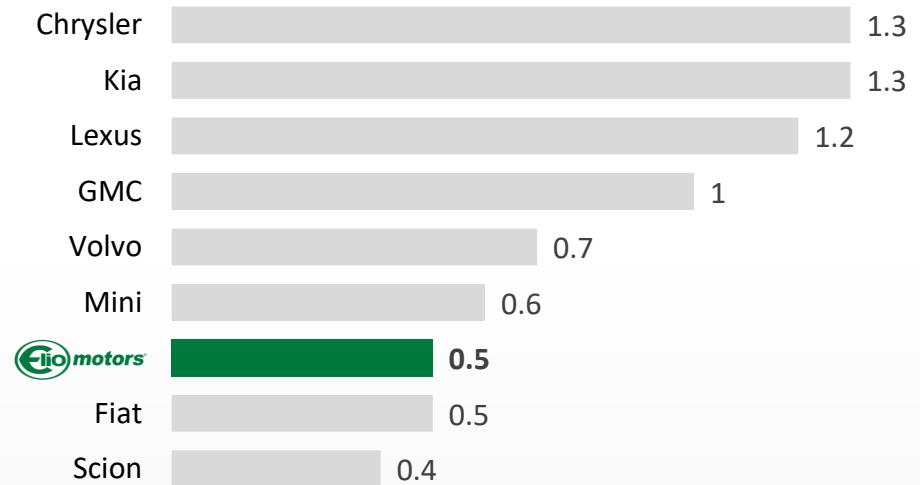
Strong Consumer Interest: Facebook “Likes” & Website Hits

Facebook “Likes”



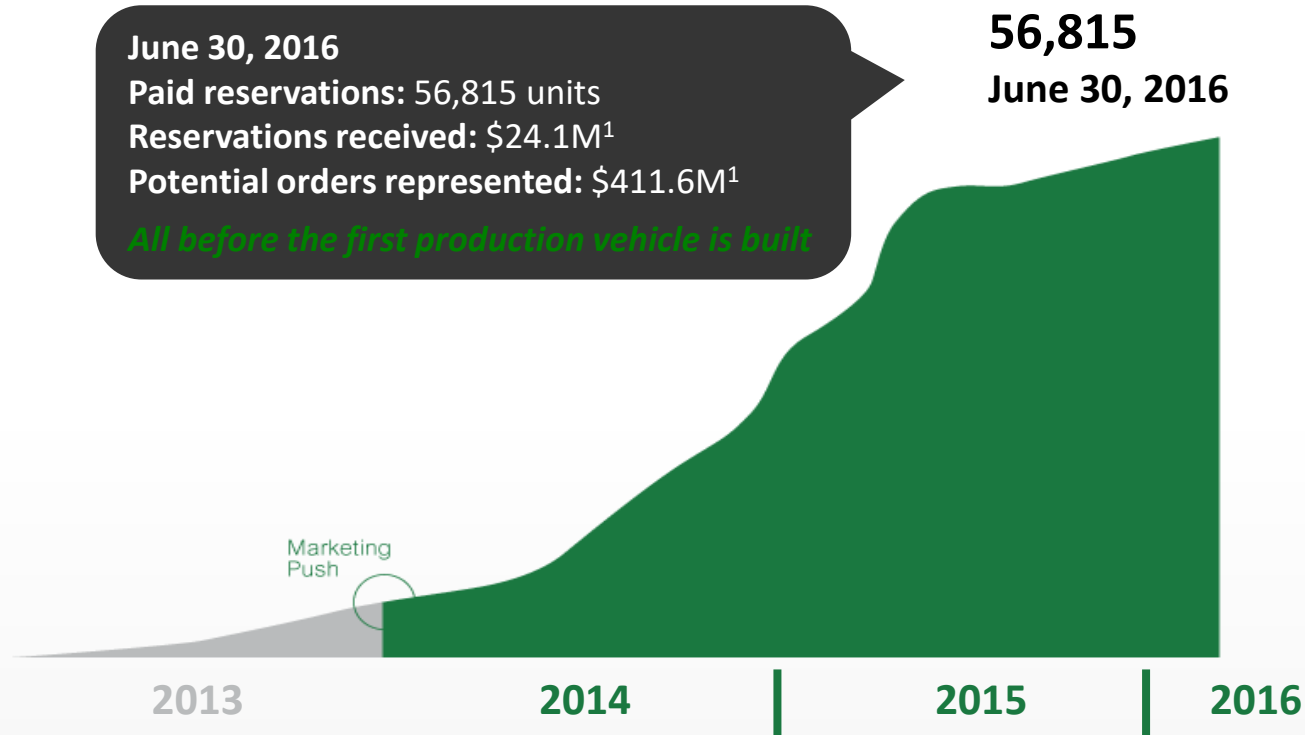
“Unique” Visitors per Auto Manufacturer’s Website¹

(in millions)



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

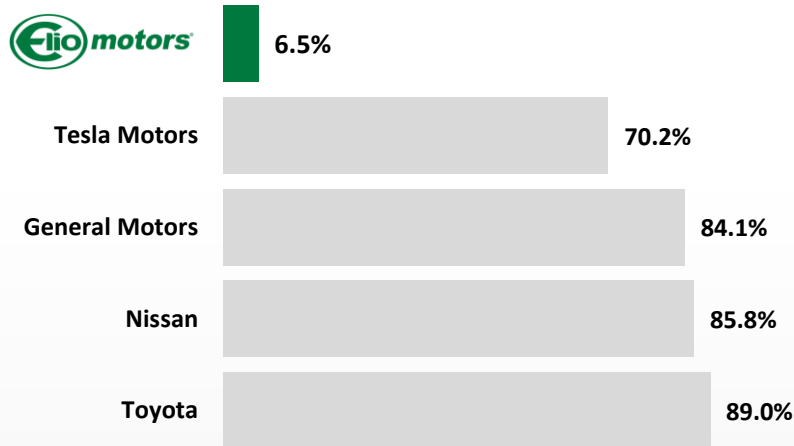
Reservation Growth



Reservation Growth

Brand Awareness Study (May 2016): 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⁽¹⁾



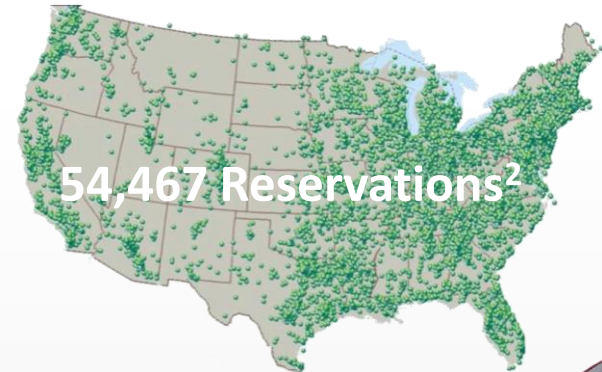
1) Source: Aided awareness data from Brand Awareness Study conducted by BERLINE utilizing Survey Monkey, May 2016.

The Brand Awareness Study has a margin of error of plus or minus 5 percentage points at the 95% confidence level.

2) As of May 31, 2016

Reservation Distribution

Elio is in **BIG** demand
Coast  Coast



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: My Elio. My Way.

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

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

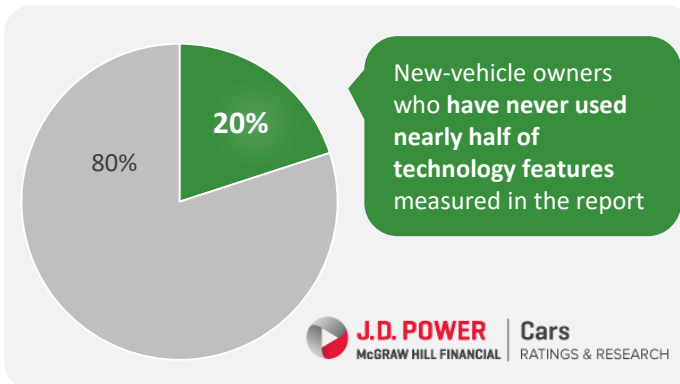


CarsArrive will transport vehicles from customization studios to Elio Motors' stores



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

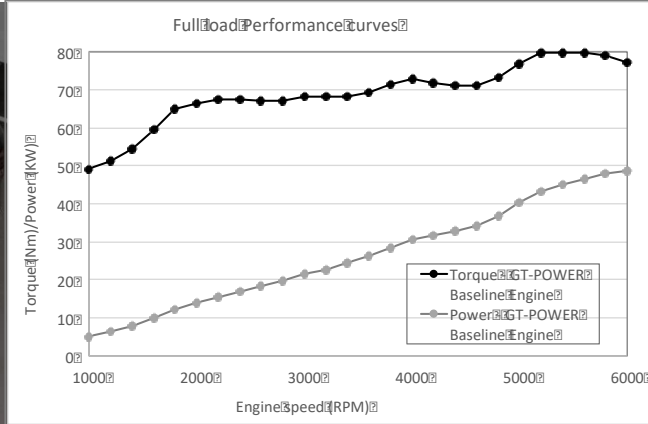
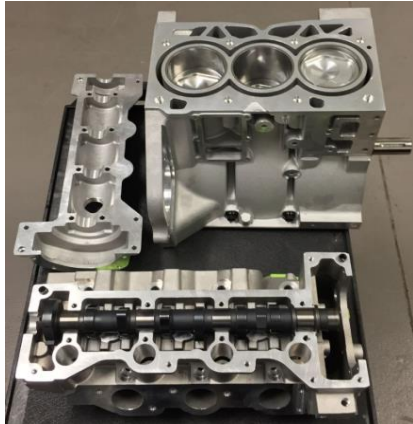
1) Source: <http://www.jdpower.com/press-releases/2015-driver-interactive-vehicle-experience-drive-report>

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:

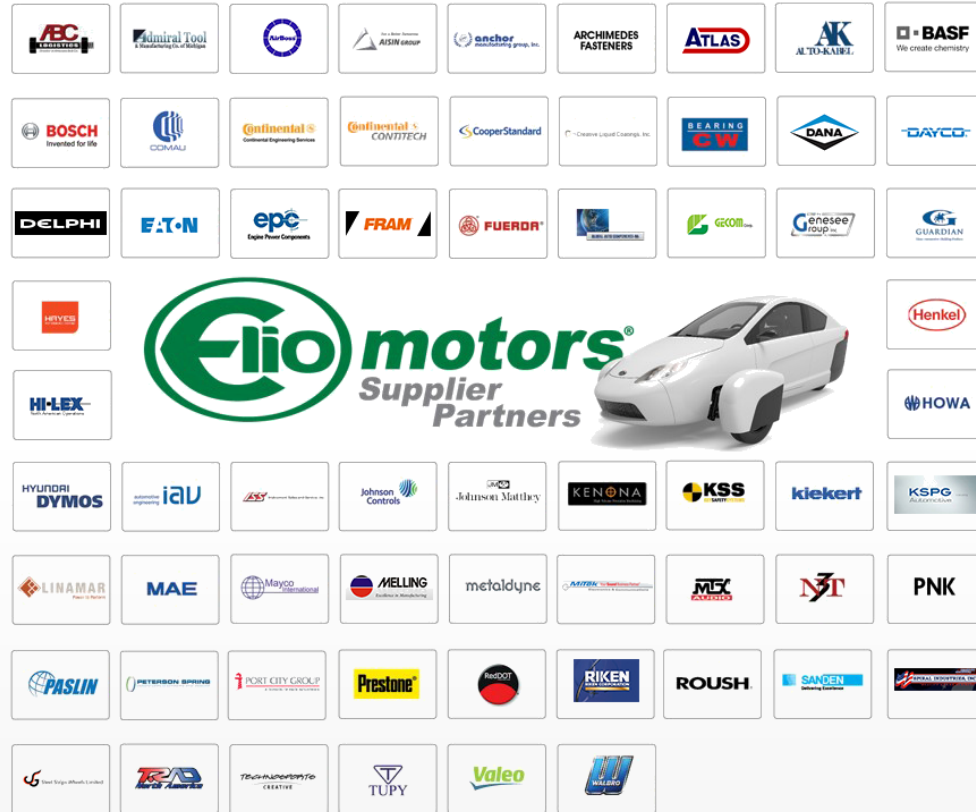
- 0.9L
- 3 cylinder
- 55 hp power
- 55 ft-lb torque

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 Q3 2017
- 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

X



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 21.6 MPG¹
- With Elio-IAV 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 & Emissions ²							
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 21.6 MPG with an *Elio* getting 64.75 MPG



Mobility for the Masses

Ultra-Low Sticker Price

\$7,300* 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 and 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

*MSRP for non-refundable reservations only and applies only until non-refundable and refundable reservations total 65,000. Total current reservations can be seen at: <https://www.eliomotors.com/>. MSRP excludes destination/delivery charges, 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 **\$102M** through June 30, 2016. The company estimates that it needs to raise additional capital of **\$300M** 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

Capital Raised through June 30, 2016

Source	Net Funds	Notes
Series A & B Equity	\$20.8M	Includes Convertible Notes
A & B Round Debt	\$34.8M	Some debt has been paid down
Customer Reservations ⁽¹⁾	\$24.1M	
Reg A+	\$16.9M	
Sale of excess equipment	\$4.9M	
Other income	\$0.5M	
Total Raised	\$102M	



⁽¹⁾ As of June 30, 2016; Total Reservations

ELIO: Key Stats (OTCQX: ELIO)

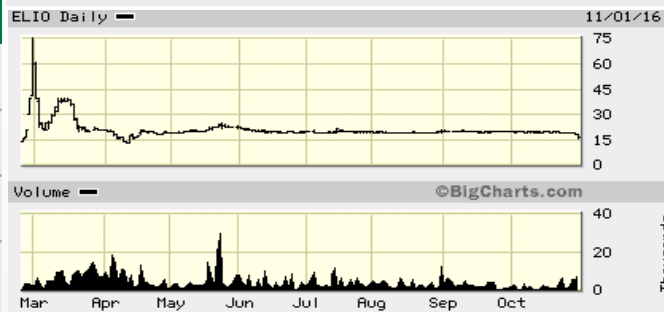
Stock Price (11/1/16)	\$16.95	Cash Raised⁽¹⁾	\$102M
52 Week Low-High	\$13.01-\$75.00	Net Loss (mrq)	\$23.3M
Avg. Vol. (30d)	~3,100	Total Assets (mrq)	\$27.4M
Shares Outstanding (mrq)	27.2M	Total Debt (mrq)	\$36.2M
Free Float (est.)	3.0M	Total Liabilities (mrq)	\$80.0M
Insider Holdings (est.)	89%	Reservations Received ⁽²⁾	\$24.1M
Institutional Holdings	<1%	Potential Orders Represented ⁽²⁾	\$411.6M
Market Cap	\$450M		
Founded	2009		
Reg. A+ Offering Closed	Feb 2016		
Fiscal Year End	Dec 31		

1) Capital raised through June 30, 2016

2) As of June 30, 2016

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

(mrq) = most recent quarter at June 30, 2016



Paid Reservation Growth

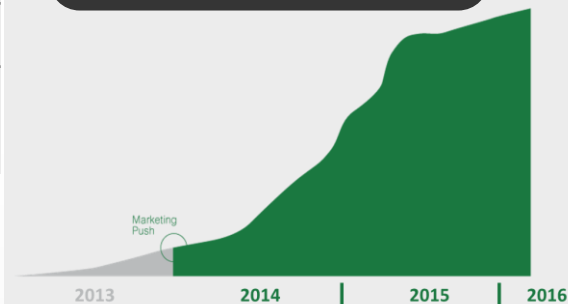
\$ millions

June 30, 2016

Paid reservations: 56,815 units

Reservations received: \$24.1M⁽²⁾

Potential orders represented: \$411.6M⁽²⁾



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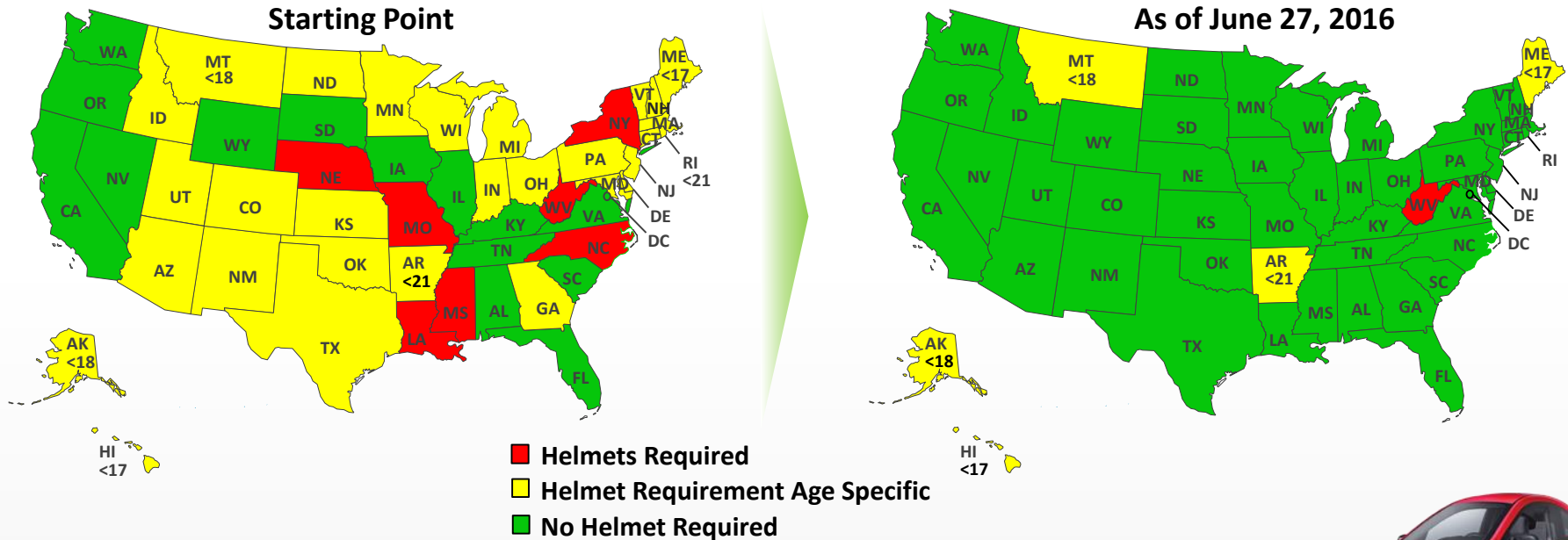




Appendix

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

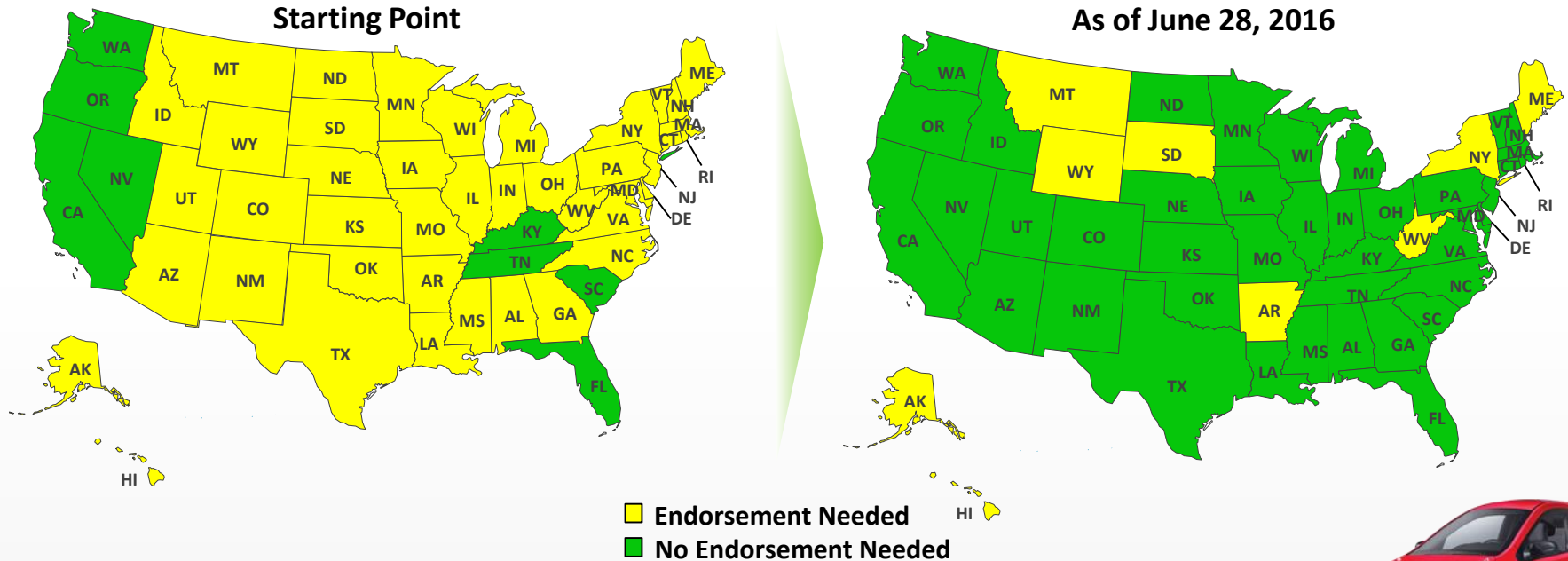


Note: Currently, 5 states have age specific helmet requirements. Legislation is in process in 4 of these states and the Company is actively working with the remaining, by seeking exemptions from the application of these requirements.



Regulatory Considerations – Motorcycle License Requirement

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

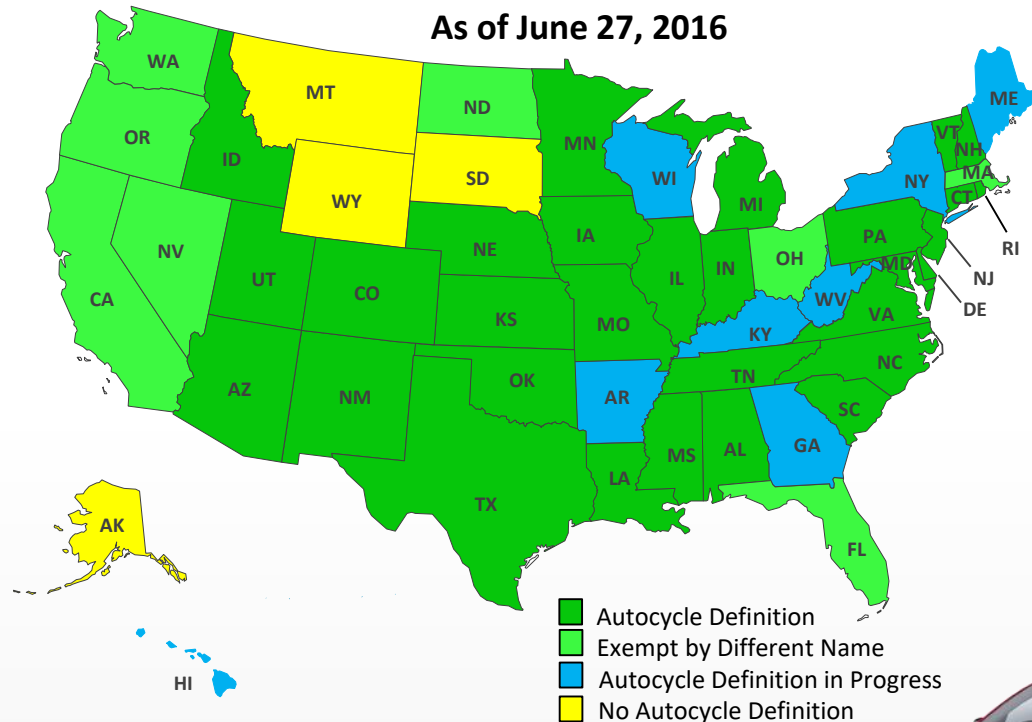


Note: Elio Motors has identified sponsors and is in the process of gaining exemptions in 6 of the 9 remaining states that require a license.



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

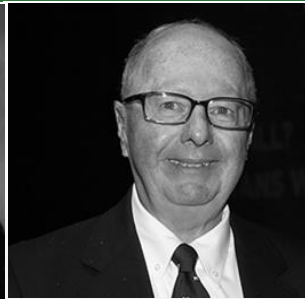
- 18+ years engineering & management in automotive
- CEO, ESG Engineering; Johnson Controls
- B.S. General Motors Institute



James Holden

Director

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



Kenneth Way

Director

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



Stuart Lichter

Director

- 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



Hari Iyer

Director

- 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



David C. Schembri

Director

- 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	Connie Grennan	Tim Andrews	Gino Raffin	Jeffrey Johnston	Jerome Vassallo	Don Harris	Steve Semansky	Joel Sheltrown
<i>Chairman & CEO</i>	<i>CFO</i>	<i>Senior VP, Marketing</i>	<i>VP, Manufacturing</i>	<i>VP, Engineering</i>	<i>VP, Sales</i>	<i>VP, Retail Operations</i>	<i>VP, Supply Chain</i>	<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"> • 21 years of political experience • Former 3-term State Representative, Michigan House of Representatives • Western Michigan University



Non-Dilutive Financing Sources

ATVM Loan Application Process

01

ATVM Application–Part I

- Determine basic eligibility
- \$50, 000 fee (Fee does not apply to ATVM)

02

ATVM Application–Part II

- Confirmatory due diligence
- Balance of application fee (\$100,000/\$350,000); (Fee does not apply to ATVM)

03

ATVM Conditional Commitment

- Negotiate term sheet

04

ATVM Loan Guarantee

- Negotiate final agreements
- Remaining fees

CAFE Credits Table – CHG Credits (not shown) is Additive

Model Year	CAFE MPG Standard-Passenger Cars	Elio MPG ¹	MPG Credit	Credit per Vehicle ²	Volume (k) ³	CAFE Credits (MM) ⁴	Cumulative CAFE Credits (MM)
2015	39	90	51	\$2,817	0	\$0	\$0
2016	41	90	49	\$2,707	114	\$308	\$308
2017	44	90	46	\$2,542	250	\$635	\$943
2018	45	90	45	\$2,487	250	\$622	\$1,565
2019	47	90	43	\$2,377	250	\$594	\$2,159
2020	49	90	41	\$2,267	250	\$567	\$2,726
2021	51	90	39	\$2,157	250	\$539	\$3,265
2022	53	90	37	\$2,047	250	\$512	\$3,777
2023	56	90	34	\$1,882	250	\$470	\$4,247
2024	58	90	32	\$1,772	250	\$443	\$4,690
2025	60	90	30	\$1,662	250	\$415	\$5,105

1) Represents combined highway and city MPG per CAFE standards. Results will differ from EPA MPG due to drive cycle differences

2) MPG Credit times \$55 per 1 MPG above CAFE MPG standard

3) Volume estimates used for illustration purposes and will vary based on actual production levels

4) Credit per Vehicle times Volume

