July 20, 2016

Elio Motors CEO to SEC Panel: Regulation A+ Can Help Bring Wall Street Back to Its Roots

Crowdfunding Investment Policy Helps Companies Find Needed Capital, Provides Greater Opportunity for Small Investors

WASHINGTON, July 20, 2016 /PRNewswire/ -- Regulation A+ (Reg A+) is an important strategy for companies to raise capital at critical junctures of their growth, according to Paul Elio, founder and CEO of startup vehicle manufacturer Elio Motors, Inc. (OTCQX: ELIO), which plans to build a $6,800, three-wheeled vehicle in the U.S. capable to achieving up to 84 mpg.

Elio made his remarks yesterday in a presentation to the Securities and Exchange Commission (SEC) Advisory Committee on Small and Emerging Companies (ACSEC). As part of the ACSEC program, the SEC Division of Corporate Finance also delivered an update on the utilization of Reg A+.

Reg A+ is an initiative made possible under Title IV of the 2012 Jumpstart our Business Startup (JOBS) Act, which paved the way for private companies to raise up to $50 million from non-accredited investors.

"The point of the equity markets has gotten lost. In the 1700s, when people were trading securities underneath a tree at the corner of Broad and Wall [Streets], the equity markets were a place for companies to raise capital, not a place for venture capitalists and private equity firms to cash out their winnings," Elio said. "I think Reg A+ has a chance to bring it back to its roots, where equity is about a place for companies to find capital – to start and to

expand."

Elio Motors is using a portion of the nearly $17 million it raised in a public offering through Reg A+ to build 23 prototypes for use in testing and validation. Elio said the funding raised in the Reg A+ process was critically important in helping the company get to this development stage. Elio introduced the company's first E-Series test vehicle – dubbed the E1A – at an event in Livonia, Mich., last month, which he called "an event brought to you by Reg A+."

After completing the Reg A+ raise, Elio Motors proceeded to list its shares on the OTC Markets, making it the first crowdfunded security to go from public solicitation under Reg A+ to a publicly traded security. The company has raised nearly $100 million total to date from various sources.

"The single-biggest hurdle in creating Elio Motors was attracting capital. This is absolutely key to our continued success. Reg A+ put us over the hump," Elio said, referring to the fact that the company is now attracting the attention of institutional investors.

The company also continues to gain grassroots support, as more than 55,000 people have made reservations for an *Elio*.

About Elio Motors

Founded by car enthusiast Paul Elio in 2009, Elio Motors Inc. represents a revolutionary approach to manufacturing an ultra-high-mileage vehicle. The three-wheeled *Elio* is engineered to attain a highway mileage rating of up to 84 mpg, while providing the comfort of amenities such as power windows, power door lock, cruise control and air conditioning accompanied by the safety of multiple air bags and an aerodynamic, enclosed vehicle body. Elio Motors' first manufacturing site will be in Shreveport, Louisiana.

Note to editors: The agenda for the Advisory Committee on Small and Emerging Companies at which Paul Elio spoke can be viewed at the following link to the SEC press release. When it becomes available, a video archive of the meeting can be viewed at the SEC Webcasts page under the meeting details.

Forward-Looking Statements

Certain statements in this press release including, but not limited to, statements related to anticipated commencement of commercial production, targeted pricing and performance goals, and statements that otherwise relate to future periods are forward-looking statements. These statements involve risks and uncertainties, which are described in more detail in the Company's periodic reports filed with the SEC, 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. Forward-looking statements are made and based on information available to the Company on the date of this press release. Elio Motors assumes no obligation to update the information in this press release.

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