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Elio Motors signs MoU with Automotive Fortune 500 OEM to Provide Powertrain; Projects \$120 million Research and Development Cost Savings

PHOENIX, Sept. 27, 2018 /PRNewswire/ -- Elio Motors, Inc. (OTCQB: ELIO), developer of the ultra-high-mileage, low-cost three-wheel Elio vehicle, announced that they had entered into a memorandum of understanding with a Fortune 500 OEM, to provide the engine foundation as part of a new powertrain for the Elio vehicle. Elio currently projects that the new powertrain will result in \$120 million in research and development cost savings. The company is working with the engineering team at Roush to develop a new Elio prototype employing the OEM powertrain.



"Purchasing an OEM's existing powertrain has an enormous impact on the project, it helps both expedite the timeline, and it directly reduces our capital requirement by about \$120 million dollars", said Elio Motors CEO, Paul Elio. "This powertrain will also greatly enhance the Elio's performance by nearly doubling its horsepower while still maintaining class-leading fuel economy at an affordable ultra-low price."

Roush will integrate the new powertrain into Elio's prototype in order to begin preliminary testing procedures. These testing procedures will prepare the Elio for production, which will occur at the Elio Motors manufacturing facility in Shreveport, Louisiana.

The new powertrain will push the Elio's performance specifications far beyond prior consumer expectations. The engine should offer nearly a 100% increase in horsepower rating when compared to initial Elio prototype vehicles. When combined with the Elio's low

curb weight, the new powertrain is expected to deliver excellent driver response and a highly improved acceleration time. Even with the Elio's substantial increase in performance, the advanced technology in the new powertrain should enable Elio Motors to achieve their promise of ultra-high fuel efficiency.

About Elio Motors

Founded by car enthusiast Paul Elio, Elio Motors Inc. represents a revolutionary approach to manufacturing an ultra-high-mileage vehicle. The three-wheel 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 locks, air conditioning and cruise control, accompanied by the safety of multiple air-bags and an aerodynamic, enclosed vehicle body. Elio's first manufacturing site will be in Shreveport, Louisiana.

About Roush

Roush, a full-service product development supplier headquartered in Livonia, Michigan, has over 4,000 employees in facilities located throughout North America, Europe and Asia. Widely recognized for providing engineering, testing, prototype, and manufacturing services to the transportation industry, Roush also provides significant support to the aerospace, defense and theme park industries.

Roush is a subsidiary of Roush Enterprises, Inc., parent company of Roush Fenway Racing; Roush Performance, developer and manufacturer of performance vehicles and products for the automotive aftermarket; and Roush CleanTech, developer and manufacturer of propane-powered trucks and vans for the fleet vehicle market. For more information please visit www.roush.com.

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.

*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: www.eliomotors.com. MSRP excludes destination/delivery charges, taxes, title, registration, and options/installation.

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