Corporate Presentation
December 2016

Elio motors

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

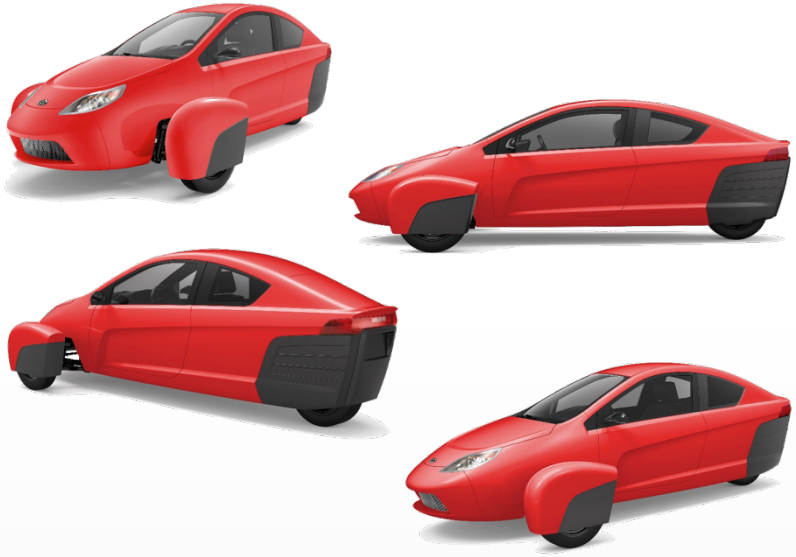
Low sticker price

- $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:

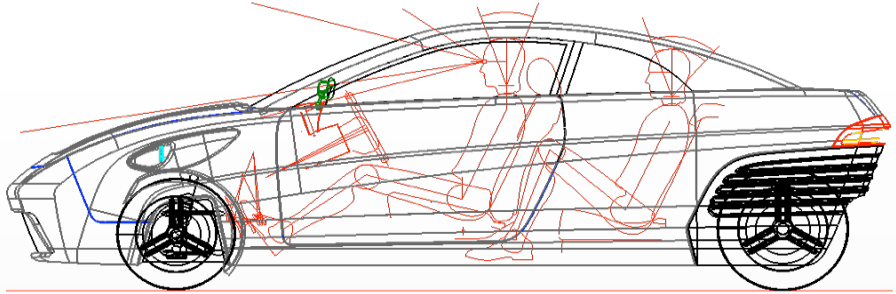
- Conceived, engineered and manufactured in America
- Targeting utilization of 90% North American components

Featured in these publications & programs:

CNBC · FOX BUSINESS · GOOD MORNING AMERICA · THE WALL STREET JOURNAL WSJ · FOX & friends · USA TODAY · The New York Times · FT FINANCIAL TIMES · FAST COMPANY · Forbes

Basic Architecture: Three Wheels & Tandem Seating

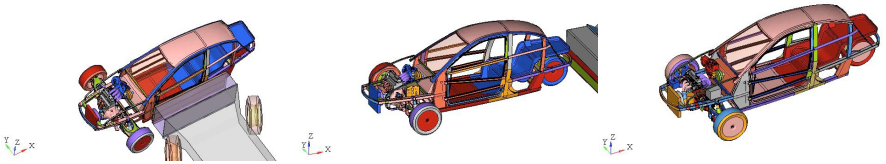
- **Premise**: most households have at least one vehicle that is primarily used by only one occupant
- Two seats, front-to-back, key to highway mileage: ½ as wide a vehicle, moves ½ as much air
- 3-wheels qualifies vehicle as a motorcycle
  - Lower compliance requirements saves millions in development & launch costs
  - Development time reduced by years
  - HOV/Carpool lane access
  - *The Elio* is designed to meet the highest safety standards



Highly Engineered

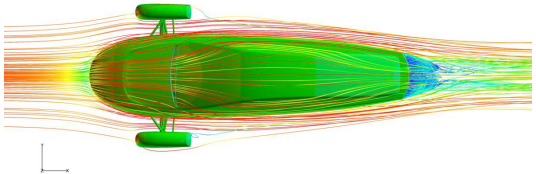
Safety

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



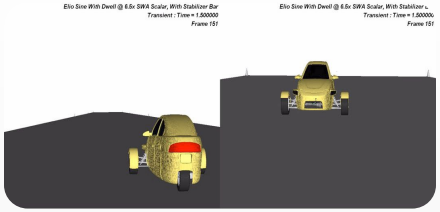
Aerodynamics

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

How to Disrupt a 100 Year Old Industry

RED OCEAN VS. BLUE OCEAN STRATEGY

2005 INSEAD research by Chan Kim and Renee Mauborgneon
150 strategic moves in over 30 Industries spanning 100 years

Red Ocean Strategy	VS	Blue Ocean Strategy
Compete in **existing** market space.		Create **uncontested** market space.
Beat the competition.		Make the competition **irrelevant.**
Exploit **existing** demand.		Create and capture **new** demand.
Make the value-cost trade-off.		**Break** the value-cost trade-off.
Align the whole system of a firm's activities with its **strategic choice of differentiation or low cost.**		Align the whole system of a firm's activities in **pursuit of differentiation and low cost.**

SOUTHWEST

UBER

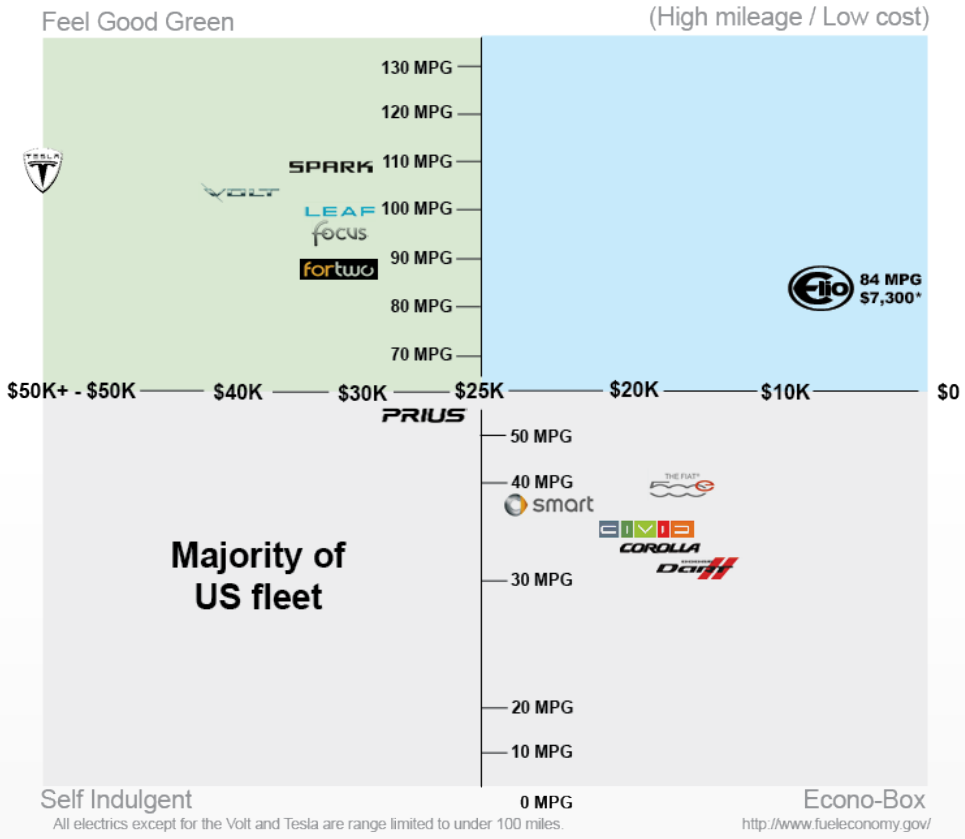
Reconstructing Market Boundaries, New Demand

1. **Creates an Alternative**, they have different functions or form to fulfill the same purpose
2. **Breaks out of the Strategic Group**, people will trade up and down for usage and **ePlus** system
3. **Multiple buyers**, no specific demographic
4. **Opens New Channels** for Purchase, no dealer network
5. **Stimulates New Emotional Appeal**, it's cool
6. **Eliminate Time Barrier**, can make an impact now

SOUTHWEST

UBER

The Elio Offers a Unique Value Proposition



SOUTHWEST

UBER

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Creating a Blue Ocean Market

	New Cars	Used Cars	Fleet	Clunkers	Commuter/And
Number of Vehicles	17,500,000 (annually)	38,000,000 (annually)	2,600,000 (annually)	100,500,000	128,000,000
Elio's Ability to Compete	Low-Medium	High	Very High	Very High	Very High
Primary Motivation	New vehicle, unbeatable price, fuel savings, environmental	Save money and unnecessary depreciation expense	Extremely affordable option, attracts attention	Affordability, Reliability, time and cost of repair, Fuel savings	Monday - Friday Commuting Workhorse
Elio's Value Proposition	New, ultra-low cost, made in USA, environmentally friendly	Instead of 8-10 years old with over 70,000 miles, buy new with 0 miles and a full warranty for the same price	Lowest acquisition and operating expenses, marketing opportunity	Brand new vehicle under warranty; savings in gas and repairs will make the car payment	Economical acquisition and operating expenses
Research	24% Likely to buy	$10,000 Target	Increased fuel efficiency and lower acquisition	38% of car parc	90% "and" buyers
Volume Targets	.1% - .2% 17,500 – 35,000	.25% - .5% 95,000 – 190,000	.25% - .5% 6,500 – 13,000	.05% - .15% 50,000 – 150,000	.15% - .2% 190,000 – 256,000

Used Cars source: http://www.nbcnews.com/business/autos/why-right-now-might-be-time-buy-or-lease-used-n571266

New Cars source: Manheim.com

Source: HIS Automotive – Length of Vehicle Ownership

Clunkers source: IHS Automotive - Length of Vehicle Ownership

*Commuter count from National Household Travel Survey, US Department of Transportation, Bureau of Transportation Statistics

** - US Car PARC –RITA.DOT.gov

SOUTHWEST

UBER

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

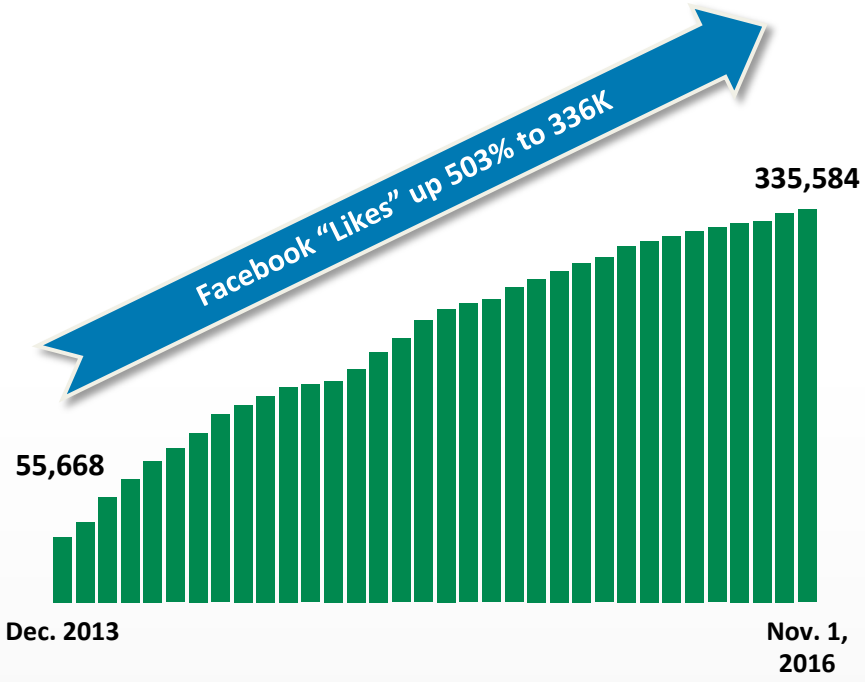
NEW SEGMENT – ELIO EXCLUSIVE

- 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

1) IHS Automotive – Length of Vehicle Ownership

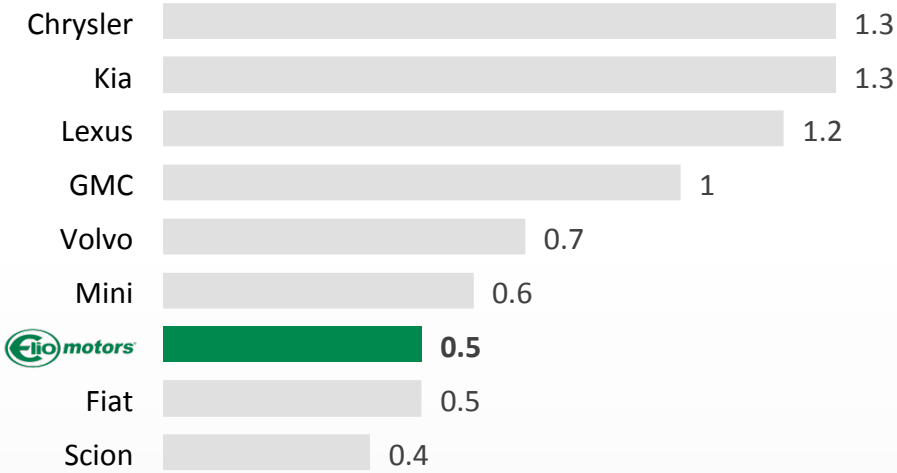
Strong Consumer Interest: Facebook "Likes" & Website Hits

Facebook "Likes"



"Unique" Visitors per Auto Manufacturer's Website[1]

(in millions)



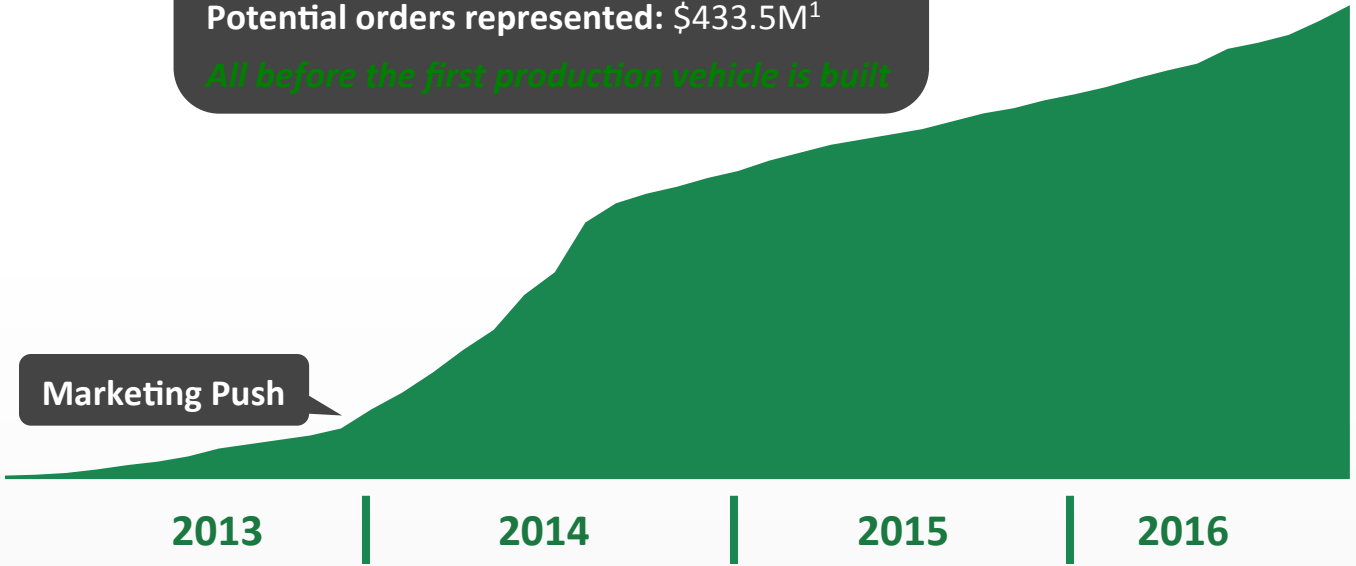
1) Alexa.com; Elio ranks 18th among top auto manufacturers for most unique website visitors (spots 1-11 not shown)

Reservation Growth

September 30, 2016
Paid reservations: 59,864 units
Reservations received: $26.0M[1]
Potential orders represented: $433.5M[1]

All before the first production vehicle is built

59,864
September 30, 2016

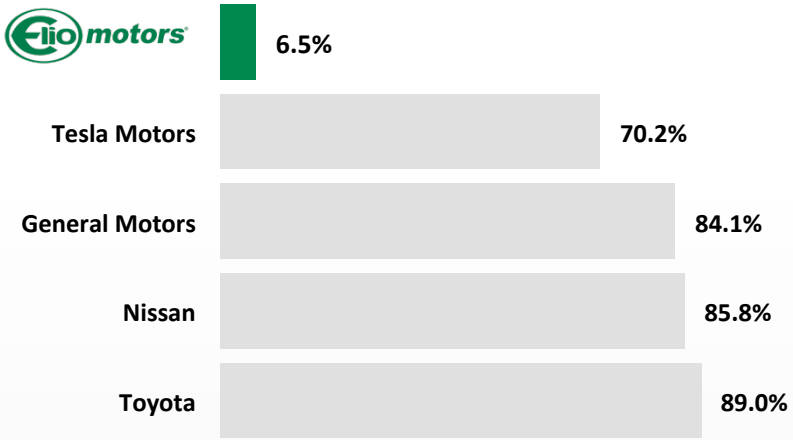


1) As of September 30, 2016

Brand Awareness

Brand Awareness Study (May 2016): When Elio Motors reservations totaled 54,467, **it had only 6.5% brand awareness among adults age 25-75 in U.S.**

Brand Awareness Among U.S. Adults Age 25-75(1)



Reservation Distribution

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

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 store[1]

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

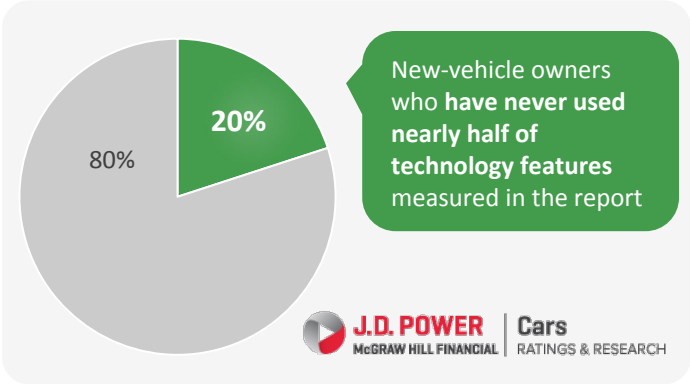
CarsArrive will transport vehicles from customization studios to Elio Motors' stores

1) Does not apply to vehicle wrap option

ePlus Can Change the Industry

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 measured[1]
- Consumer Affairs states that option packages lose value at a much quicker rate than vehicles[2]
- 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

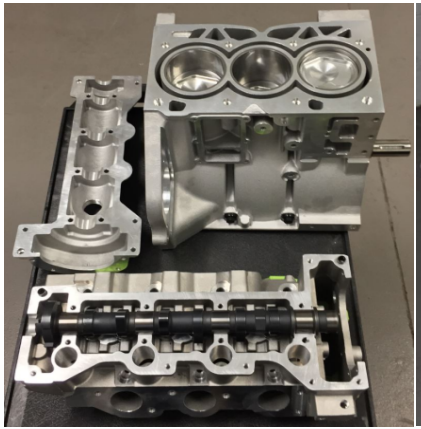


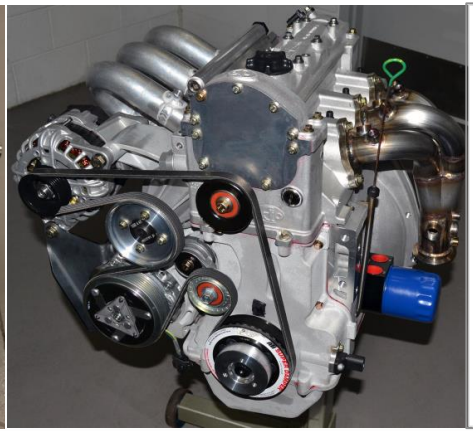
ePlus creates a revenue stream for Elio Motors as owners continue to add new features on their vehicles after they have purchased their Elio

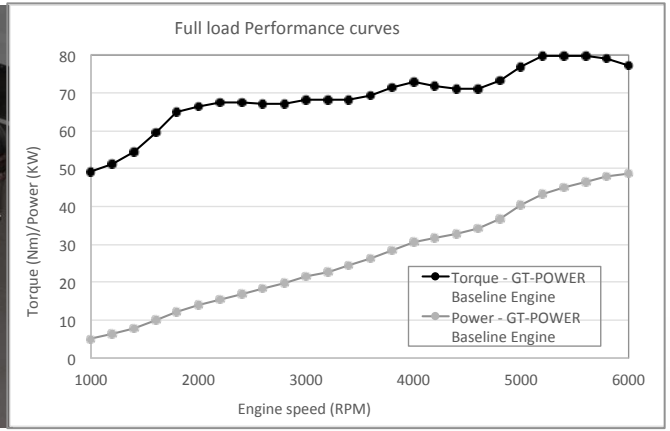
1) Source: http://www.jdpower.com/press-releases/2015-driver-interactive-vehicle-experience-drive-report
2) Source: https://www.consumeraffairs.com/news/option-packages-lose-value-faster-than-the-car-does-090415.html

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 years[1], using existing components*

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

Highly Engaged Supply Base

Elio motors® Supplier Partners

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 MPG[1]
- 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

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Value of CAFE Credits

Model Year	CAFE MPG Standard-Passenger Cars	Elio MPG[1]	MPG Credit	Credit per Vehicle[2]	Volume (k)[3]	CAFE Credits (MM)[4]	Realizable Value (MM)
2018	45	90	45	$2,487	250	$622	$467
2019	47	90	43	$2,377	250	$594	$446
2020	49	90	41	$2,267	250	$567	$425
2021	51	90	39	$2,157	250	$539	$404
2022	53	90	37	$2,047	250	$512	$384
2023	56	90	34	$1,882	250	$470	$353
2024	58	90	32	$1,772	250	$443	$332
2025	60	90	30	$1,662	250	$415	$311

Net Present Value of CAFE Credits with 20% Discount Rate	
Acquire CAFE Credits Legislatively 2018	$1,314
Acquire CAFE Credits w/Dualy 2020	$732

Variables	
Realizable Value	75%
Discount Rate	20%
CAFE Penalty/mpg	$55.00

1) Represents combined highway and city MPG per CAFE standards.
2) Results will differ from EPA MPG due to drive cycle differences
3) Volume estimates used for illustration purposes and will vary based on actual production levels
4) Credit per Vehicle times Volume

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 **$106M** through Sept. 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 September 30, 2016

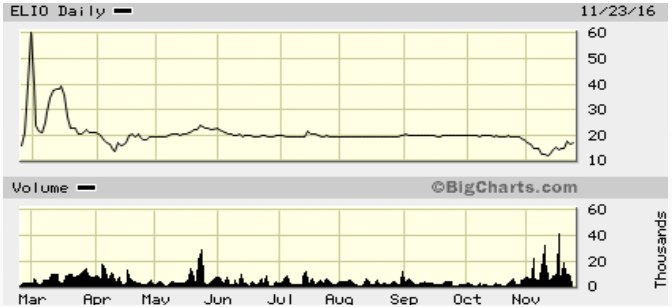
Source	Net Funds	Notes
Series A & B Equity	$23.2M	Includes Convertible Notes
A & B Round Debt	$34.8M	Some debt has been paid down
Customer Reservations(1)	$26.0M	
Reg A+	$16.9M	
Sale of excess equipment	$4.9M	
Other income	$0.5M	
Total Raised	**$106.3M**	

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

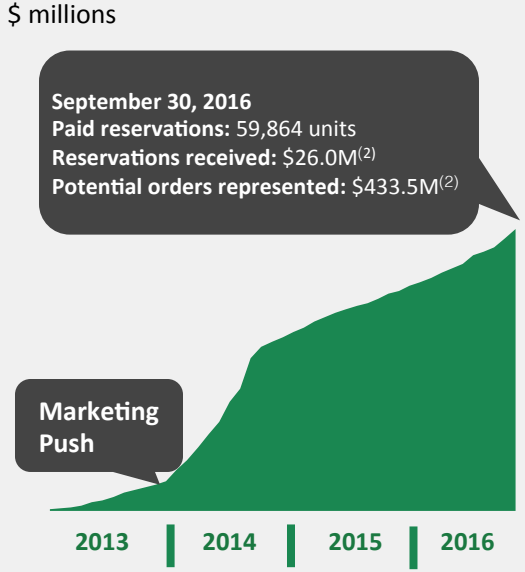
ELIO: Key Stats (OTCQX: ELIO)

Stock Price *(11/23/16)*	***$17.25***
52 Week Low-High	*$11.70-$75.00*
Avg. Vol. *(30d)*	*~9,032*
Shares Outstanding *(mrq)*	*26.5M*
Free Float (1)	*3.2M*
Insider Holdings *(est.)*	***89%***
Institutional Holdings	*<1%*
Market Cap	***$458M***
Founded	*2009*
Reg. A+ Offering Closed	*Feb 2016*
Fiscal Year End	*Dec 31*

Cash Raised(2)	***$106.3M***
Net Loss *(mrq)*	*$12.1M*
Total Assets *(mrq)*	*$25.4M*
Total Debt *(mrq)*	***$38.7M***
Total Liabilities *(mrq)*	*$88.6M*
Reservations Received(1)	*$26.0M*
Potential Orders Represented(2)	*$433.5M*



Paid Reservation Growth



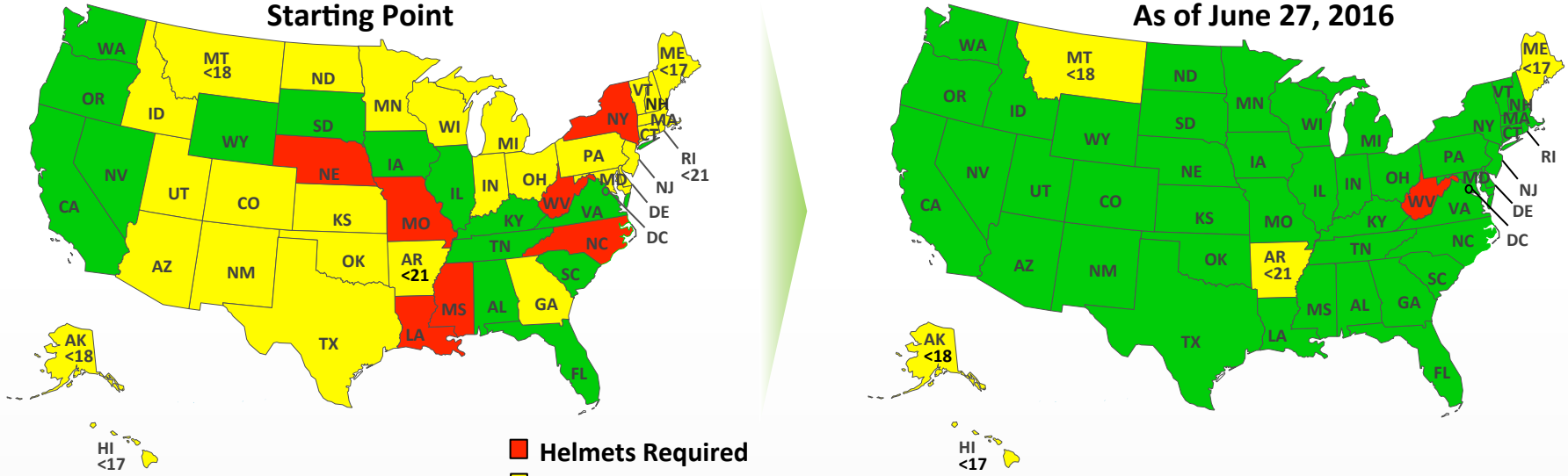
1) As of September 30, 2016
2) Capital raised through September 30, 2016
Stock Data Source: OTC Markets, Capital IQ, Company Estimates
(mrq) = most recent quarter at September 30, 2016

OTCQX:ELIO

Appendix

Regulatory Considerations – Helmet Exemptions

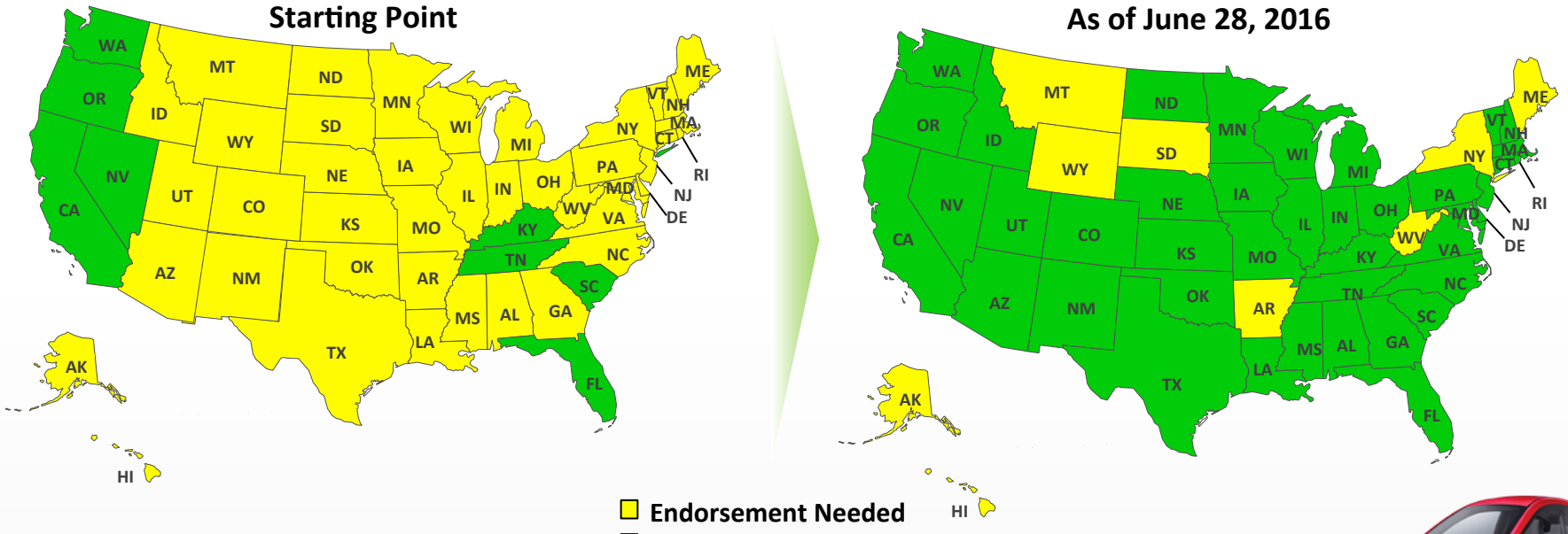
Since *the Elio* is a motorcycle by NHTSA definition, state laws and regulations pertaining to the operation of a motorcycle and wearing a helmet apply



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

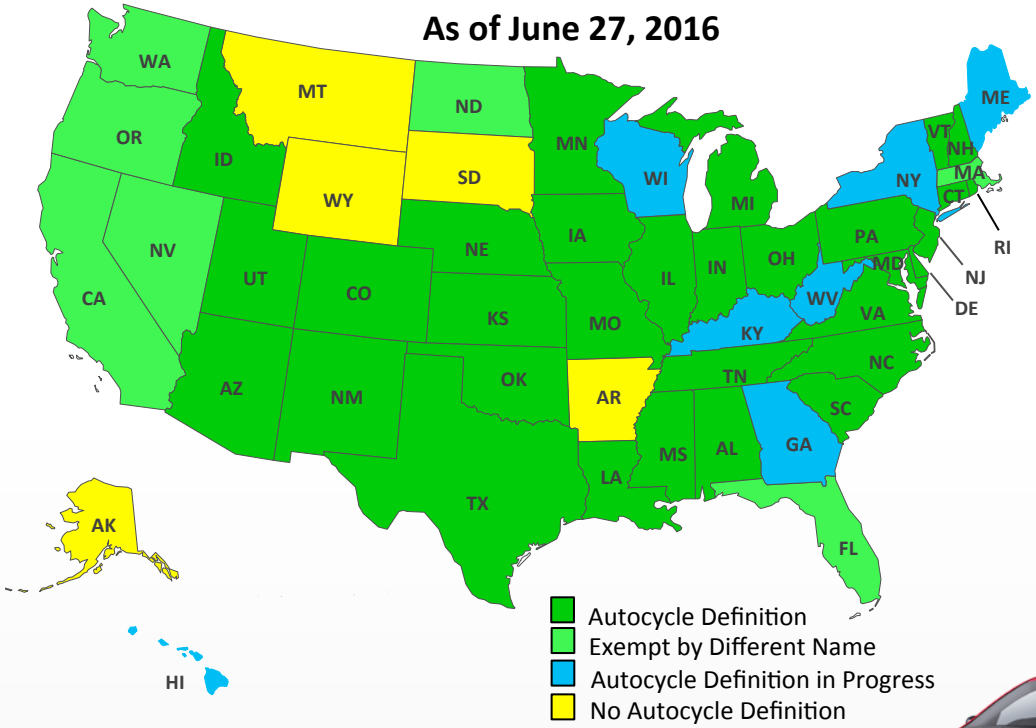
Elio Motors continues with its successful plan of obtaining exemptions from motorcycle licensing in the remaining 9 states



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

- **31 states with autocycle definition** and 7 states exempt by different name
- 5 states with no autocycle definition – legislation in progress
- 7 states with autocycle definition in progress, of which:
  - HI, and ME are states with age specific helmet requirements
  - 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

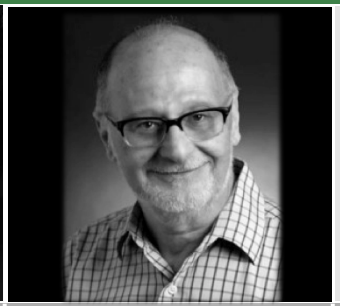
- 18+ years engineering & management in automotive
- CEO, ESG Engineering; Johnson Controls
- B.S. General Motors Institute

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

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