



November 2018

We would like to provide you with our latest update of what has been happening with Saleen Automotive. To start with, I am very grateful to all of you, our shareholders, as well as our employees, suppliers, and friends who have supported us and allowed the company to get to where it is today.

SALES AND PRODUCTION

During the first half of our fiscal year, we have had exciting new developments in our Signature Car line:

- 2018 newly designed Mustang Model production began in February 2018
- S7 Lemans Edition deliveries began in July 2018
- Debut of the Saleen STX Street Sport Truck and the Saleen XR Off-road Sport Truck, with production starting in March and August 2018, respectively
- Debut of the Saleen 35th Anniversary Mustang 2019, with production starting in September 2018

In the first half of this fiscal year, we began production of our new 2018 Saleen Mustangs and two new Saleen High Performance Sport Trucks (street and off-road models). All of these new Saleen vehicles have been very enthusiastically received by the public and the automotive press. This marks the first time in several years that Saleen has had two different vehicle programs in full production at the same time. As a result, we expect increased revenue growth in the upcoming year.

We have successfully begun delivering our LeMans **S7 Supercars** in a limited production run. These new supercars have a 1,500 horsepower engine. Additional deliveries of the **S7 Supercars** are anticipated by the end of this calendar year and will add top line revenue.

We unveiled our newest supercar, the **Saleen 1** at the LA Car Show and received overwhelmingly positive responses from the automotive press and car enthusiasts. We are continuing to work on the engineering, design and development of the **Saleen 1** in order for it to be ready for production later this year. In April of this year, we renewed our agreement with our Chinese partner to continue the engineering, design and development of the **Saleen 1** and received an advance on the contract of \$1.9 million.

Over the past year and continuing on in this fiscal year, we have entered into arrangements with new dealers and expanded our relationships with existing dealers. We have experienced increased social media presence and increased fan base.

In August of this year, our CEO and Chairman of the Board, Steve Saleen, was presented with the Legends of Auto Award at a ceremony held in Monterey, CA. Previous recipients of the Legends of Auto Award include such automotive luminaries as Lee Iacocca, Jay Leno, Roger Penske, and the late Carroll Shelby.

Our Open House on September 15, 2018 had a larger than expected turnout and was well received by all in attendance.

FINANCIAL RESTRUCTURING

The Company has completed the audit of its fiscal year-end March 31, 2018 financial statements and its financial restructuring program that was announced last year in October 2017. Virtually all of the Company's \$8.5 million of convertible notes was converted into equity, which had a dramatic positive impact on the Company's balance sheet. The Company's 2000:1 reverse split of its common stock was effective on December 19, 2017, with all preferred shares converting to common shares at that time.

Financial Statement Results:

- Current assets increased year-over-year. The majority of this increase related to an increase in cash and accounts receivable.
- Total liabilities decreased significantly year-over-year. The decrease in total liabilities was due to the conversion of \$8.5 million of convertible notes and accrued interest during the fiscal year ended March 2018 and the reduction of other current liabilities due to the use of funds received from the Company's private placement of preferred stock of \$2.3 million in December 2017.
- Total shareholders' deficit decreased year-over-year as a result of the conversion of \$8.5 million of notes and accrued interest in December 2017.
- Revenue increased year-over-year and was attributable to increased revenue under the Company's engineering, design and production arrangement.

For the year ahead, we anticipate increased revenue from both our Signature Cars and under our engineering, design and development contract. Increased revenue and reduced expenses, combined with a stronger balance sheet, should lead to increased value for our shareholders. The Company is working toward re-registering its stock and hopes to be trading again in the first quarter of 2019.

COME JOIN US

Every Saturday morning, from 7:00am to 9:00am, the Company hosts *Coffee & Cars* in conjunction with the City of Corona. Held in the parking lot of our Corona headquarters, this event draws 100 to 150 classic cars and their owners every week who get together to share their knowledge and show off their prized possessions. Everything from Model A Fords and Chevrolet Bel Aires to Vipers and Corvettes are on display, along with Saleen automobiles.

QUESTIONS?

Please contact Ronda Ferguson, CFO, for Saleen Automotive with any questions. She can be reached by email at rferguson@saleen.com or call her at 714-400-2121.

SAFE HARBOR STATEMENT - *This release contains "forward-looking statements" that include information relating to future events and future financial and operating performance. The words "may," "would," "will," "expect," "estimate," "can," "believe," "potential" and similar expressions and variations thereof are intended to identify forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which that performance or those results will be achieved. Forward-looking statements are based on information available at the time they are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause these differences include, but are not limited to: fluctuations in demand for Saleen Automotive products, the introduction of new products, the Company's ability to maintain customer and strategic business relationships, the impact of competitive products and pricing, growth in targeted markets, and the adequacy of the Company's liquidity and financial strength to support its growth.*