

BARO VEHICLES LTD

REPORT TO SHAREHOLDERS

3Q & 4Q 2018



BARO
VEHICLES

EXECUTIVE SUMMARY

BARO is a technological self-driving company. BARO develops new generation machines to transport people and goods: robots with AI to replace traditional cars and vehicles.

We are aiming to bridge the gap between standard cars and autonomous vehicles.

BARO pursues supreme excellence in all of its products and use Artificial Intelligence (AI) technology to offer all people who love comfort, a unique mobility experience.

BARO was formed in 2015, our team of experts in electronic, software and mechatronics systems has designed a chassis with all the necessary hardware and software to assemble an electric compact vehicle without the need of a steering wheel. We are now evolving the software to deliver a self-driving Level 3 system.

Our vision is to manufacture intelligent robots that transports people and goods.

BARO will be at the forefront of humanizing the communication between the vehicle and the users to provide a supreme experience for people who seek maximum comfort and optimization of their time through intelligent means of transportation.

The main problem BARO must address is the need for a safer and smart mode of transport. BARO needs to prevent human errors and avoid collisions when moving goods and people. Another problem is the number of hours that any driver loses driving the vehicle. The self-driving car could free that time to perform other more productive or leisure activities for the person. Finally, the compact and shared car will contribute to solving the problem of congestion in the big cities.

But the real challenge is to reshape the car in the people's brains, for us the first step is to remove the manual control of its traditional position.

Today most of the automotive industry is investing heavily in R & D of autonomous cars that use AI to avoid the human driver and BARO Vehicles is part of that race as a technology-based company!

The technological development team of BARO has been working for many years on AI applied to different uses. One of the uses is to improve the quality of life of all people by applying these intelligent systems in the home. The safety of autonomous vehicles is the biggest differential and is one of the best applications of artificial intelligence to improve the quality of people's lives.

Deaths from traffic accidents can quite easily be reduced to zero and autonomous vehicles can be used by people with disabilities through voice commands. That is why the founding team of BARO has specialized in this area.

During the last three years Baro Vehicles has developed a technological platform for autonomous vehicles that can be used for any low speed vehicle. We have 3 products ready: The autonomous platform BARO CAV, the Steering box for autonomous vehicles set and the Digital Pedals for autonomous vehicles set.

The product BARO ONE is a compact car with the comfort and technology of high-end vehicles, is a compact vehicle specifically designed to transport people in private spaces such as university campuses, business parks and golf courses. Using sophisticated engineering, BARO ONE offers

unprecedented levels of technology, comfort and design. BARO One has a 12" screen ("Tablet") and an on-board computer for assistance in handling, that gives Level 3 autonomous capabilities. As an auxiliary steering system BARO One Car has a joystick replacing the old steering wheel, revolutionizing the traditional handling concept.

Our R & D and testing plant was the Horiba-Mira Technology Park in the UK. The first pre-series for UK customers will be manufactured in the Midlands. BARO's first market is the universities and companies who want to develop autonomous vehicles, this is for our OEM products and the main market is the big cities with challenging traffic congestion problems.



Mission

We are aiming to bridge the gap between standard cars and autonomous vehicles.

Vision

Collaborate in the transformation of society's mobility systems, manufacturing intelligent robots for the safe and secure transport of people and goods.

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3Q & 4Q 2018 REPORT TO SHAREHOLDERS

Dear shareholders of BARO VEHICLES LTD, we bring you the progress report corresponding to Q3 and Q4 of 2018. Many news for a semester full of challenges.

Highlights:

- We present the autonomous platform BARO CAV at the 10th Edition of Advanced Engineering in Birmingham
- We have been chosen as Official Distributors of Robosense for the UK and we have already closed the first sales.
- We were able to obtain a loan for £ 75,000
- We hired an English seller for the OEM product line.

Lowlights:

- We have not received new investments, which delays the continuity of the bodywork of the second Baro One prototype for a few months.
- The seller's learning period is longer than expected

Metrics and KPI's

Finance

- Cash in the bank: £87k
- Burn rate: £11K monthly, we have 7 months runway.
- Debt: £40.000

Traction product	Baro CAV Platform	Golf Car	Set Drive-by-wire
Pre-Orders	0	0	0
Purchase intent	3	0	2
Intention to be Distributors	1	3*	1

*Intention to be Distributors: Sidney (Australia), Dubai (EUA), Louisiana and Florida (USA)

PRODUCT

Adjustments were finalized on the BARO CAV technology platform and were obtained the first marketable product.

The electronic boards that were standardized by ASM are being validated

PRESENTATIONS

The company participated in the 10th Edition of Advanced Engineering 2018 in Birmingham (#AEUK18).

AEUK is an annual event that brings together manufacturers and advanced engineering professionals. During the event we made the official presentation of our autonomous platform and we were accompanied by partners and suppliers who came to the stand to see the progress and try first hand the interface we have proposed for this autonomous platform.

Representatives of the Department of DIT, the Council of Coventry and the company ASM Technologies were present during the two days of the exhibition.

You can read the complete note in this link <http://www.barovehicles.com/baro-vehicles-launch-the-autonomous-platform-baro-cav/>

TEAM

Mr Mark Hoverd joined us as a seller for the OEM product line. Mark aims to create the client portfolio for the autonomous platform, drive-by-wire systems, anti-collision, digital pedals and Robosense radars. Mark has experience in marketing to SME's.

During the month of October Luciano Escudero, who is part of the mechanical development team, travelled to England to finish with Carlos Escudero the manufacture of the autonomous platform that was presented at the Advanced Engineering.

Also, as a result of the presentation in the AEUK18, we received several CVs of graduates and students of mechanical engineering and careers related to the development of autonomous vehicles. These last weeks we have made the first interviews and we will be hiring a person who will join the mechanical development team.

FINANCE

We continue with presentations to potential investors to continue adding investments to the project. The presentation event in Birmingham opened up new opportunities. Showing the work that the team is doing and starting the stage of commercialization of the products that we have developed so far, has allowed to further strengthen the economic justification of the investment.

- Deck update for investors: <https://goo.gl/ze6WL4>
- Previous reports: <http://wtc.barovehicles.com/about-us/relationship-with-our-investors/>

To obtain more information about the investment round or to coordinate a meeting to present the project to someone interested, you can contact us:

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After several months of work we obtained a loan for £ 75,000 from CWRT, this institution provides loans of up to £ 75k to companies operating in Coventry & Warwickshire. This loan will go towards the development of the OEM's products for autonomous vehicles. Thanks to this we started the commercialization of our autonomous platform, the drive-by-wire set for autonomous vehicles, the anti-collision sets and the Baro Brain set that integrates all the devices of our autonomous platform. At the same time, in order to increase our product offer, we have opened the possibility to market third-party products such as Robosense's LiDars, ORION motherboards and we are closing agreements with other suppliers of this emerging industry.

We encourage you to follow our news through networks and share our project to be able to add new investments.

"We chose to create an Automotive Self Driving Company not because it is easy, but because it is difficult."

Best regards,

Board of Directors Baro Vehicles Ltd.