



## TUGA Innovations Completes \$535,000 Strategic Private Placement by Founder

### NOT FOR DISTRIBUTION IN THE U.S. OR TO U.S. NEWSWIRE SERVICES.

VANCOUVER, British Columbia and LISBON, Portugal, January 30, 2024 -- TUGA Innovations, Inc. (CSE: TUGA) (FRA: DQ5) (OTC: TUGAF) ("**TUGA Innovations**," or the "**Company**") is pleased to announce that further to its news release dated January 23, 2024, it has closed its private placement offering (the "**Offering**") of 53,500,000 units (the "**Units**") at a price of \$0.01 per Unit for gross proceeds of \$535,000. The Offering was fully subscribed to by Vice President, director and founder of the Company, Cesar Barbosa.

Each Unit is comprised of one common share in the capital of the Company and one transferrable purchase warrant (each warrant a "**Warrant**"). Each Warrant entitles the holder to purchase one additional common share in the capital of the Company (each a "**Warrant Share**") at \$0.09 per share until January 30, 2026.

Following closing of the Offering, Mr. Barbosa now holds approximately 59.95% of the total issued and outstanding shares of the Company on an undiluted basis, or approximately 74.98% on a partially-diluted basis, inclusive of the exercise of all of Mr. Barbosa's, warrants and management performance warrants.

The sale of the Units, and the common shares and Warrant Shares issuable thereby, resulted in the issuance of more than 100% of the current number of issued and outstanding common shares of the Company. The Listings Committee of the Canadian Securities Exchange (the "**CSE**") has approved the Company's reliance on an exemption from the shareholder approval requirements in Section 4.6(2) of CSE Policy 4 – *Corporate Governance, Security Holder Approvals and Miscellaneous Provisions* on the basis that TUGA Innovations is in serious financial difficulty, and the CSE has granted a waiver for the insider participation from the requirement of Section 4.6(2)(b)(iii) of CSE Policy 4. Accordingly, the Company did not hold a vote of its shareholders to approve the sale of the Units to Mr. Barbosa. Additionally, as a condition of Mr. Barbosa's participation in the Offering, he entered into an agreement with the Company, pursuant to which he agreed to not vote more than 19.9% of the Company's outstanding shares. This restriction on Mr. Barbosa's voting will remain in place until shareholder approval for the creation of Mr. Barbosa as a new 'Control Person' of the Company has been obtained, in accordance with the policies of the CSE.

As Mr. Barbosa is a director of the Company, his participation in the Offering is also considered to be a "related party transaction" as defined under Multilateral Instrument 61-101 ("**MI 61-101**"). The Company is relying on exemptions from the formal valuation requirements contained in section 5.5(b) of MI 61-101 and the minority shareholder approval requirements contained in section 5.7(1)(b) of MI 61-101. These exemptions are applicable as the Company is not listed on specified markets, and the securities distributed, and the consideration to be paid by Mr. Barbosa for these securities, does not exceed \$2.5 million. The Company did not file a material change report with respect to the participation of Mr. Barbosa at least 21 days prior to the issuance of the Units as timing of the Offering was not determined at that time.

The proceeds of the Offering will be used to advance the Company's next prototype, seek additional financing, and make payment on existing accounts payable. The CSE approved the Company's reliance on an exemption from Section 6.2(2)(c)(ii) of CSE Policy 6 – *Distributions & Corporate Finance* so that the Company may use a portion of the proceeds to make payment on existing accounts payable to insiders of the Company.

All securities to be issued under the offering will be subject to a four month and one day hold period, expiring on May 31, 2024, in accordance with applicable Canadian securities laws.

#### **Early Warning Disclosure**

Cesar Barbosa through, Own Investments and Consulting Limited, a Macau company controlled by Mr. Barbosa acquired an aggregate of 53,500,000 Units of the Company pursuant to the Offering. Each Unit is comprised of one share and one common share purchase warrant (a "**Warrant**") of the Company. Each Warrant entitles the holder to acquire one additional share at a price of \$0.09 per share until January 30, 2026.

Immediately prior to the Offering, Mr. Barbosa owned and/or had control over an aggregate of 5,955,992 shares, representing approximately 13.04% of the issued and outstanding shares of the Company on an undiluted basis. In addition, Mr. Barbosa also owned and/or had control over 122,492 warrants, and 6,000,000 management performance warrants, representing approximately 23.31% of the total issued and outstanding shares of the Company on a partially-diluted basis.

Following completion of the Offering, Mr. Barbosa owns or has control or direction over, directly or indirectly, 59,455,992 shares, representing approximately 59.95% of the issued and outstanding shares of the Company on an undiluted basis. Assuming exercise of 53,622,492 warrants and 6,000,000 management performance warrants, Mr. Barbosa would own or have control or direction over, directly or indirectly 119,078,484 shares of the Company, representing approximately 74.98% of the issued and outstanding shares of the Company on a partially-diluted basis, assuming that no further shares of the Company have been issued.

As a condition of his participation in the Offering, on January 30, 2024, Mr. Barbosa entered into an agreement with the Company pursuant to which he will not be permitted to vote more than 19.9% of the outstanding shares of the Company, until such time that the Company has obtained shareholder approval for Mr. Barbosa to become a 'Control Person' of the Company, as that term is defined in the policies of the CSE, whether that consent be obtained by way of a consent resolution or at the next meeting of the shareholders at the latest.

The Units were acquired for investment purposes. Mr. Barbosa may acquire additional securities or dispose of securities of the Company in the future either on the open market, privately or otherwise depending on market conditions, reformulation of plans, other available investment and business opportunities and/or other relevant factors.

The disclosure respecting Mr. Barbosa's security holdings of the Company contained in this news release is made pursuant to Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids* and a report respecting the above acquisition will be filed with the applicable securities commissions using the Canadian System for Electronic Document Analysis and Retrieval (SEDAR+) and will be available for viewing at [www.sedarplus.ca](http://www.sedarplus.ca).

On behalf of the Board of Directors,  
Sincerely,

~John Hagie~

John Hagie

Chief Executive Officer & Director  
TUGA Innovations, Inc.

As part of the Company's disclosure obligations as a public issuer, ongoing financial and material filings can be found under the Company's profile on the System for Electronic Document Analysis and Retrieval (SEDAR+) at [www.sedarplus.ca](http://www.sedarplus.ca). We invite the public to visit our website at [www.tugainnovations.com](http://www.tugainnovations.com) and to sign up to our "news alerts" to be advised of future news and events. Please watch our [video](#) which is now available on the website, and follow us on [Instagram](#), [Twitter](#), and [LinkedIn](#).

**About TUGA Innovations, Inc. (CSE: TUGA) (FRA: DQ5) (OTC: TUGAF)**

TUGA Innovations is a development-stage electric vehicle ("EV") company undertaking the conception, design, and production of specialized EVs to improve the urban mobility experience. The Company is looking to reduce urban mobility difficulties by developing a [family](#) of three-wheeled, fully electric fore-and-aft 2-seat vehicles. The vehicle is no wider than a motorcycle for agility and offers a patent pending expanding rear axle for high-speed stability along with a patent pending expandable chassis designed for passenger comfort. The vehicle will offer advanced connectivity technology to maximize safety, performance, environmental impact, comfort, maintenance, and navigation. The TUGA vehicle is being designed to deliver an estimated 160 km range, have an estimated top speed of 140km/hour with the comforts of a car, and with more protection than a motorcycle in an interchangeable multi-body, multi-function platform. Find out more at: <https://tugainnovations.com>, watch our [video](#), and follow us on [Instagram](#), [Twitter](#), and [LinkedIn](#).

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### **Forward-Looking Statements**

Certain information contained herein constitutes “forward-looking information” under Canadian securities legislation. Forward-looking information includes, but is not limited to, the intended use of funds, a report under Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids* being posted to SEDAR+, the Company’s next prototype, the Company reducing urban mobility difficulties, the Company’s commercialization of its automotive concepts including the creation of a branded family of vehicles, the design of the vehicle including the three wheels, the number of seats, an optional suite of advanced digital communications and navigation aids, the width of the vehicle, the expanded rear axle feature of the vehicle and its anticipated passenger comfort and cargo handling capability, the advanced connectivity features of the vehicle and anticipated benefits, the km range and top speed of the vehicle, and the safety, performance, and comfort offered by the vehicle. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “will” or “will be” or variations of such words and phrases or statements that certain actions, events or results “will” occur. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made and they are from those expressed or implied by such forward-looking statements or forward-looking information subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different, including receipt of all necessary regulatory approvals. Although management of the Company have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

**The CSE does not accept responsibility for the adequacy or accuracy of this release.**