



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

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VANCOUVER, British Columbia and LISBON, Portugal, January 23, 2024 -- TUGA Innovations, Inc. (CSE: TUGA) (FRA: DQ5) (OTC: TUGAF) ("**TUGA Innovations**," or the "**Company**") is pleased to announce that it has arranged for a private placement offering of 53,500,000 units (the "**Units**") at a price of \$0.01 per Unit for gross proceeds of \$535,000, which will be 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 will entitle the holder to purchase one additional common share in the capital of the Company (each a "**Warrant Share**") at \$0.09 per share for a period of 24 months following the closing of the offering.

On closing of the offering, Mr. Barbosa will hold 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, will result 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 will not hold a vote of its shareholders to approve the sale of the Units to Mr. Barbosa. Additionally, a condition of Mr. Barbosa's participation in the offering is that he enters into an agreement with the Company, pursuant to which he will agree 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 he is a director of the Company, Mr. Barbosa's 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, will not exceed \$2.5 million. The Company will not file a material change report with respect to the participation of the insider at least 21 days prior to the issuance of the Units as timing of the offering was not determined until recently.

The proceeds of the offering will be used towards advancing the Company's next prototype, seeking additional financing, and making payment on existing accounts payable.

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

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. We invite the public to visit our website at 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](#).

For further information, please contact:
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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 terms of the offering, the completion of the offering, Mr. Barbosa’s participation in the financing, the Company’s reliance on a financial hardship exemption, Mr. Barbosa entering into an agreement with the Company to restrict his voting, the terms of such agreement, the intended use of funds, 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.