

## **PUDO Update to Shareholders**

### **PUDO Network and customer base continue to grow as Company restructures to facilitate expansion**

Dear Shareholders:

It is my pleasure to update you on developments related to previously disclosed PUDO Inc. “the Company” news.

As summer comes to a close and we prepare for the busiest time of the year for e-commerce, we find ourselves at an exciting growth-fueled crossroads, where a convergence of successfully concluding pilot projects undertaken with some of the country’s biggest e-commerce players is accelerating domestic expansion and pressuring expansion into select US markets. Our efforts to raise operating and expansion capital continue in tandem with PUDO’s progress domestically and in the US, so that we can maintain our impressive upward trajectory without losing momentum.

A four PUDOpilot project that the Company undertook quietly in the spring with Purolator, Canada’s largest integrated freight, package and logistics solutions provider, grew successfully to encompass 11 PUDOpoints and considerable parcel volumes, and will soon comprise a total of more than 60 PUDOpoints integrating with Purolator parcel delivery and return logistics, in time for peak e-commerce season.

Under the terms of the partnership, Purolator customers who are not home when drivers attempt delivery can pick-up parcels at extended-hours PUDOpilot locations near to where they live, work, play or study, and likewise, they can leave pre-labeled parcels for Purolator to collect. PUDO technology integration facilitates these transactions for the benefit of consignees, Purolator, and PUDO.

We are confident that the success of our Purolator partnership will grow from coast-to-coast, benefiting our PUDOpilot Network in Canada. We are confident too that this highly successful Canadian pilot will demonstrate to other national and international e-commerce giants that PUDO’s technology, Network, and e-commerce parcel traffic controls can help them resolve their own last-mile gridlock, reduce costs, and optimize their own networks through seamless and agnostic integration with ours.

Another noteworthy example of lateral growth through embedded confidence demonstrated by entrenched PUDO partners is the organic increase in parcel volumes that PUDO has managed for Canpar, a TFI International (“TransForce”) owned transportation and logistics company operating in Canada. Canpar has been growing its e-commerce business as an integral part of the PUDO Network since 2015.

Also during these past several months, the Company has been diligently evolving and refining its integration and suite of services delivered to other contracted partners, including Landmark Global and Apple Express, and has as predicted, grown PUDO revenues and parcel volumes in tandem. This exponential growth across several verticals, is further testament to PUDO’s agnostic Network intelligence and scalability in pay-as-you-go real-time. Apple Express has both grown their businesses and parcel volumes in large part due to integration into the PUDOpilot Network, allowing them to cost-effectively manage failed first attempt deliveries (nobody home to accept parcels).

The Company’s success with Canpar, Purolator, Landmark Global and Apple Express should give PUDO proponents confidence that as last-mile gridlock grows within the e-commerce ecosystem, so too grows PUDO potential.



As we re-assigned Company financial and human resources to ensure the successful execution of critical pilot programs and domestic expansion, we have more recently made some operational and organizational changes to better align our costs with the short term business opportunities for the Company in Canada.

After we had cleared the due diligence phase of our expansion capital raise and were expectant of expansion funds in the Spring, the lead investor failed to close due to sudden and unforeseen health issues. This set us back considerably, but we continued to re-group and re-organize so that services provided to new and existing customers were not adversely affected. It is unknown whether or not we can resume discussion with this particular investor, so we continue to aggressively pursue other avenues for capital to add new services as well as jump start our US business plan.

As a result of restructuring, our New York-based COO Matt McDonough has left his full-time position with PUDO but will continue in an advisory capacity. We are extraordinarily grateful to Matt for the tremendous work he did for PUDO helping us build our team and processes, and for designing the groundwork for aggressive US expansion. We wish Matt the best of success, and look forward to working incrementally with him, as we continue to stay the course he laid out for PUDO's operations.

Our innovative partnership with Give Back Box ("GBB"), launched just two months ago, has grown considerably; testing and proving our return logistics and parcel consolidation efficiencies, and providing both GBB and potential PUDO clients confirmation that the Company can and has emulated similar systems long-established in the UK. The Give Back Box partnership has proven mutually beneficial, providing cost and time savings for our client, and additional parcel volume and revenue for the Company. We expect both to grow exponentially in tandem, as we extend our Network domestically and in the US.

Most recently, we have been managing prolonged inquiries from some of the largest e-commerce players in the world, working together with them to design pilot programs that would, if contracted and successful, resolve major logistics Network and last-mile gridlock issues for them, and in so doing force our hand further towards domestic and US expansion. For these potential new clients, PUDO represents the only agnostic parcel pick-up and drop-off Network solution in North America. For the Company, these opportunities represent tipping point issues that would necessitate further reorganization. We will communicate news and developments of these discussions as they become material.

In the interim, we continue to explore exciting and innovative opportunities that will help fund the Company and create pathways to incremental US expansion. I am very pleased that we have managed both our parcel volume growth and Network expansion during these times of intense organizational pressures. Also, I am confident that we can continue to leverage our Canadian Parcel Network to grow parcel volume and services over these next several months up to and including the busiest time of year for e-commerce.

Thank you for your continued commitment and confidence in PUDO. I look forward to sharing more updates with you soon.

Sincerely,

**Kurtis Arnold**  
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## **About PUDO**

PUDO Inc. is developing North America's only carrier-neutral parcel pick-up/drop-off technology and logistics network, as a means of solving the last-mile parcel-traffic-control gridlock that is crippling the \$550B e-commerce sector. E-commerce is faced with unprecedented cost control issues, based on disproportionately high last-mile delivery costs relating to undeliverable parcels, and parcels returning for refund or exchange. As labour and fuel costs increase in tandem with parcel traffic and volume, the problem worsens.

PUDO's team of logistics and parcel traffic management experts have created a market intelligence and trends driven solution comprising carrier-neutral plug-and-play technology for desktop and mobile, plus a strategically located network of parcel pick-up and drop-off PUDOpoints for pay-as-you-go use by all players within the e-commerce ecosystem.

Adopting PUDO technology shortens the last mile for the behemoths of e-commerce — fulfillment and distribution centers representing thousands of retailers and millions of consumers — by instantly extending their parcel staging and consolidation network and providing secure 'near end of the line' storage for the 30% of e-commerce parcels that are undeliverable on first attempt. PUDO's technology and network virtually eliminate costs associated with second-attempt deliveries, un-attended parcel theft and spoilage, and mismanaged reverse logistics on returns, and provides carriers, retailers, and consumers with badly needed cost controls, choice, and convenience.

PUDO was founded in 2015 and was recently named one of the Top 20 most innovative public technology companies by the Canadian Innovation Exchange. After two years of industry and market research, and successful beta testing the technology and PUDOpoint geography and protocols with major logistics stakeholders, PUDO is ready to activate its network through strategic partnerships. Activation will enable all stakeholders within the network to access and control scalable, fluid, strategic consolidation in real time when and where needed, to lower costs and satisfy customer expectations.

For more information, please visit [www.pudoinc.com](http://www.pudoinc.com) or [www.pudopoint.com](http://www.pudopoint.com).

*Information in this letter that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws, such as statements regarding possible capital raising activity and possible future expansions of PUDO's operations. This information is based on current expectations and assumptions of management, including assumptions concerning PUDO's ability to raise additional capital. The use of any of the words "anticipate", "believe", "expect", "plan", "intend", "can", "will", "should", and similar expressions are intended to identify forward-looking statements. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Risks, uncertainties, and other factors involved with forward-looking information could cause actual events, results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking information. Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Factors that could cause actual results to differ materially from such forward-looking information include, without limitation, uncertainties with respect to service implementation, the economic results of the relationship on the operations of the Company, changes in general economic, market, or business conditions, and those risks set out in the Company's public documents filed on SEDAR. This letter, may contain future-oriented financial information or financial outlook within the meaning of applicable securities laws. Such future-oriented financial information or financial outlook has been prepared for the purpose of providing information about management's reasonable expectations as to the anticipated results of its proposed business activities. Readers are cautioned that reliance on such information may not be appropriate for other purposes.*



*The forward-looking statements contained in this letter are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by law.*

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