



PUDO Inc. Reports FY 2019 First Quarter End Results and Outlook

TORONTO, July 06, 2018 - PUDO Inc. ("PUDO" or "the Company") (CSE: PDO; OCTQB: PDPTF), North America's only carrier neutral parcel pick-up and drop-off network, filed today unaudited interim financial results and operational highlights for the first quarter which ended May 31, 2018.

Financial Results Summary

Revenue for the three month period ended May 31, 2018 (FY 2019) was \$187,264 (May 31, 2017 – \$176,528), a 6% increase over the same period last year due to additional parcel volumes and a modest parcel fee rate increase. Gross profit for the three month period ended May 31, 2018, was \$137,416, up from \$128,003 in the first quarter of the prior fiscal year.

During the three months ended May 31, 2018, the Company reported a net loss of \$443,996 (\$0.02 basic and diluted loss per share), relative to the net loss of \$250,562 (\$0.02 basic and diluted loss per share) in the three month period ended May 31, 2017. This was primarily due to an increase in administrative expenses in the first quarter of FY 2019.

Administrative expenses for the three month period ended May 31, 2018, were \$549,567, up from \$372,378 in the three months ended May 31, 2017. The increase in costs relates primarily to the addition of full-time management and other customer support contractors.

Operational Highlights

"We have been focused on optimizing our network and positioning ourselves to better capture the addressable market from our existing customers," said PUDO CEO Kurtis Arnold. "We appreciate the support and cooperation of our network partners in this effort, and we are looking forward to using this discipline as we continue to grow the network in serving our current and new customers."

Parcel volumes in Q1 FY 2019 increased by 9% relative to Q1 FY 2018. Compared to the previous quarter, parcel volumes in Q1 2019 increased 1%, reflecting the seasonality of the business and as a result of the activation of new PUDO Points in strategic areas to address the requirements of a significant PUDO customer.

The Company continues to focus on developing the PUDO Point Network and new locations have been opened where customers have indicated a need for PUDO's services. This has been partially offset by locations that have had operations suspended due to a current lack of demand for services in their immediate area, or stores that were otherwise shutting down operations. These and other locations may be activated when required as PUDO attracts new customers, and sees growth in demand and locations for its suite of services.

Outlook

"Our analysis shows that there is additional addressable market with our current partners that we continue to pursue. We have seen consistent utilization and growth of the Kinek business, but we expect increased volatility due to the ongoing fluctuations in the Canadian dollar" says Arnold. "As we look to



future quarters, the whole team at PUDO is focused on pursuing agreements and finalizing integration plans with new partners to expand the suite of services PUDO offers.”

PUDO has been expanding its IT integration with transportation partners to enable it to offer end-to-end service directly to a PUDO Point selected by the consumer at checkout. These transportation partners are able to offer attractive delivery rates and speed through this program and these savings can be passed along to retailers looking to offer additional choices to their customers.

PUDO is developing a reverse logistics program with its partners for e-commerce customers facing escalating costs and demanding consumer expectations. PUDO’s technology allows partner retailers to let their customers drop-off returns at any PUDO Point. PUDO’s network facilitates the returns process while saving shipping costs.

“We will continue to move strategically and thoughtfully, as we expand the PUDO Network and navigate the e-commerce ecosystem. Indications are that we are uniquely positioned as a company, and technologically we are on an upward trajectory,” concludes Arnold.

About PUDO Inc.

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 PUDOpoinpoints 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 mis-managed reverse logistics on returns, and provides couriers, 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 PUDOpoinpoint 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 in order to lower costs and satisfy customer expectations.



For more information, please visit: www.pudopoint.com or www.pudoinc.com.

Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. 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. The forward-looking statements contained in this press release 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.

**For further information about PUDO, please contact: Karen Speight, 1-506-694-1250,
karen.speight@pudopoint.com**

SOURCE PUDO Inc.