

FORM 51-102F3

MATERIAL CHANGE REPORT

**Item 1. Name and Address of Company**

PUDO Inc. ("**PUDO**" or the "**Company**")  
6600 Goreway Drive Unit D  
Mississauga, ON L4V 1S6

**Item 2. Date of Material Change**

January 24, 2020

**Item 3. News Release**

News release disseminated on January 24, 2020, via a Canadian news wire service and filed on SEDAR.

**Item 4. Summary of Material Change**

The Company announced that it has closed an oversubscribed non-brokered private placement financing of units ("**Units**") for gross proceeds of CAD\$2,264,158 (the "**Offering**").

**Item 5. Full Description of Material Change**

Pursuant to the Offering, the Company issued 3,903,722 Units at CAD\$0.58 per Unit.

Each Unit consists of one Common Share and one warrant (each a "**Warrant**"). Each Warrant entitles the holder to acquire one Common Share (a "**Warrant Share**") for CAD\$0.69 until January 24, 2021 (the "**Expiry Date**"). If the volume-weighted average trading price of the Common Shares on the Canadian Stock Exchange is equal to or exceeds CAD\$3.00 for any period of 20 consecutive trading days, the Corporation may, at its option, within five business days following such 20-day period, accelerate the Expiry Date by delivery of notice to the registered holders of the Warrants and issuing a press release (an "**Acceleration Press Release**"), and, in such case, the Expiry Date shall be deemed to be the 30th day following the date of issuance of the Acceleration Press Release.

The securities issued pursuant to the Offering including the Common Shares and Warrants underlying the Units, and the Warrant Shares underlying the Warrants, will be subject to a statutory four-month and one-day hold period expiring May 25, 2020.

A related party of the Company participated in the Offering. Pursuant to the Offering, RHC Spitfire Corporation, a corporation controlled by Richard Cooper, a director of the Company, acquired 98,807 Units for CAD\$57,308 and Cardinal Couriers Ltd. a company that Richard Cooper is also a director, acquired 760,734 for CAD\$441,225.

The participation by Mr. Cooper (the "**Related Party**") in the Offering constitutes a "**related party transaction**" as such terms are defined by Multilateral Instrument 61-101 -

Protection of Minority Security Holders in Special Transactions (“MI 61-101”), requiring the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the “related party transaction”. The Company is relying on an exemption from the formal valuation requirements of MI 61-101 available because the fair market value of the participation in the Offering by the Related Party does not exceed 25% of the Company’s market capitalization, as determined in accordance with MI 61-101. The participation by the Related Party in the Offering, as applicable, was approved by directors of the Company who are independent in connection with such transactions.

For further information, please see the press release attached as Schedule “A”.

**Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

**Item 7. Omitted Information**

No information has been omitted from this Material Change Report.

**Item 8. Executive Officer**

An executive officer of the Company is knowledgeable about the material change and the Material Change Report may be contacted through Karen Speight, Administration Director, Tel. 1 (506) 694-1250.

**Item 9. Date of Report**

January 24, 2020

**SCHEDULE "A"**

**Attached.**



*/Not for distribution to United States newswire services or for dissemination in the United States/*

## **PUDO Announces Closing of Oversubscribed Non-Brokered Private Placement**

TORONTO, Ontario, January 24, 2020 - PUDO Inc. ("PUDO" or "the Company") (CSE: PDO; OCTQB: PDPTF), North America's only carrier-neutral parcel pick-up and drop-off network, is pleased to announce that it has closed an oversubscribed non-brokered private placement financing. The Company has issued a total of 3,903,722 units (the "Units") at a price of CAD\$0.58 per Unit for gross proceeds of CAD\$2,264,158 (the "Offering").

Pursuant to the Offering each Unit consists of one common share in the capital of the Company (each a "Common Share") and one warrant (each a "Warrant"). Each Warrant entitles the holder to acquire one Common Share (a "Warrant Share") for CAD\$0.69 until January 24, 2021 (the "Expiry Date"). If the volume-weighted average trading price of the Common Shares on the Canadian Stock Exchange is equal to or exceeds CAD\$3.00 for any period of 20 consecutive trading days, the Company may, at its option, within five business days following such 20-day period, accelerate the Expiry Date by delivery of notice to the registered holders of the Warrants and issuing a press release (an "Acceleration Press Release"), and, in such case, the Expiry Date shall be deemed to be the 30th day following the date of issuance of the Acceleration Press Release.

The securities issued pursuant to the Offering, including the Common Shares and Warrants underlying the Units, and the Warrant Shares underlying the Warrants, will be subject to a statutory four-month and one-day hold period expiring May 25, 2020.

"We are extraordinarily pleased by the confidence shown in the Company these past several weeks, with the cumulative investment of \$2.7M CAD," says PUDO CEO Frank Coccia. "The last-mile ecosystem has been evolving at breakneck speed this past year in particular, which has challenged our Network and suite of B2C and B2B services to remain at the forefront of e-commerce parcel management and traffic solutions for all of our stakeholders, new and existing. This investment will help us continue to lead the way, optimizing last-mile innovations in benefit of the environment, economies, communities, and consumers."

A related party of the Company participated in the Offering. Pursuant to the Offering, RHC Spitfire Corporation, a corporation controlled by Richard Cooper, a director of the Company, acquired 98,807 Units for CAD\$57,308 and Cardinal Couriers Ltd. a company that Richard Cooper is also a director, acquired 760,734 Units for CAD\$441,226.

The participation by Mr. Cooper (the "Related Party") in the Offering constitutes a "related party transaction" as such terms are defined by Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"), requiring the Company, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the "related party transaction". The Company is relying on an exemption from the formal valuation requirements of MI 61-101 available because the fair market value of the participation in the Offering by the Related Party does not exceed 25% of the Company's market capitalization, as determined in accordance with MI 61-101. The participation by the Related Parties in the Offering, as applicable, was approved by directors of the Company who are independent in connection with such transactions.



This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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

To sign up for **PUDO News** please subscribe at <https://www.pudoinc.com/en/news>

### **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.

*Information in this press release 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 press release, 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 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 additional information about PUDO, please contact: Karen Speight, at 1-506-694-1250, [karen.speight@pudopoint.com](mailto:karen.speight@pudopoint.com).

SOURCE PUDO Inc.