



PUDO Inc announces 400% increase in parcel returns volume in Canada

TORONTO, August 19, 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 a 400% increase in volume of returns designated parcels within its Canadian PUDOpoint Counters Network since the first week of July, 2020. Returns volumes grew incrementally as a result of the increased confidence of major retailer, courier and SaaS partners, and the Company’s ability to offer even more PUDOpoint Counters coast-to-coast, at which consumers can drop-off their parcels for return, and high-volume courier companies can stage parcels at the community hub level.

‘Increased returns volume was a longer-term goal of the Company as we were building out the Network and pilot testing for partners these past few years,’ says PUDO CEO Frank Coccia. ‘The key to returns logistics, both for us and for our retail partners, is consolidation across a vast Network. With a critical mass of PUDOpoint Counters operating efficiently and profitably as parcel pick-up locations, we can consolidate and bulk return ship to regional sorting for domestic or international return, both economically and expeditiously, across this same Network.’

Most often, the delivery truck that drops parcels to a PUDOpoint Counters location, is the same truck that picks up consolidated parcels for return; resulting in one, highly-efficient, cost-effective trip, conceivably replacing hundreds of individual trips, and reducing CO2 emissions considerably.

Building out the PUDOpoint Counters Network over the course of several years was an extraordinary balancing act, but now that a broader and deeper Network manages greater parcel volumes, and new PUDOpoint Counters locations are activated weekly, the Company is experiencing steady incremental growth across all core revenue streams.

About 60% of PUDO’s returns parcel traffic is headed back overseas to the UK, where partner retailers will undertake the process of assessment for re-sale or re-direct. ‘The returns portion of e-commerce is unsustainably expensive for online retailers, and can seriously offset or even eclipse revenues, so it is very gratifying to know that while we are earning healthy margins ourselves, we are helping our retail partners reduce their returns costs and hasten return delivery times so that they can better manage their inventory in-season,’ adds Coccia.

As the Company continues to grow its PUDOpoint Counters Network in Canada and the United States, and manage more parcels within the Network, and beyond it to and from overseas partners, the Network grows exponentially; vertically as each partner grows its own volume and relationships.

The scaling of the asset-light Network on ecosystem parcel volume grows high-margin revenues in real time, for the Company, as it delivers cost and efficiency savings of 30% or more for its partners. In contrast to many business models tied to the consumer goods supply chain, bigger most definitely equals better for PUDO, both economically and environmentally.

In North America alone, e-commerce is predicted to exceed \$827 billion US dollars by the close of this year, and globally the sector is predicted to exceed \$4 trillion USD. This growth in turn generates more of the so-called last-mile gridlock that plagues the e-commerce sector, and

greater opportunity for PUDO to resolve it. E-commerce returns, together with failed first attempt deliveries, and porch piracy, are the three major causes of last-mile gridlock.

“As we expand our PUDOpoint Counters Network in the United States, and introduce greater returns volumes, we will once again lean heavily on our experiences here in Canada — one of the most geographically, economically, and culturally challenging logistics markets in the world — to deliver substantial cost and time savings for our partners and customers, and generate revenue exponentially, for the Company,” concludes Coccia.

About PUDO Inc.

PUDO Inc. is North America’s only carrier-neutral parcel pick-up and drop-off counter Network, conceived to resolve the last-mile parcel-traffic-control gridlock that challenges North America’s \$827B retail e-commerce sector, and eliminate over \$6B in door-dropped parcel theft.

PUDO’s team of logistics and parcel traffic management experts have created a plug-and-play, pay-as-you-go platform and Network of parcel pick-up and drop-off storefront counters known as PUDOpoint Counters, strategically located very near to where people live, work and play.

The PUDO model reduces or eliminates crippling last-mile related expenses for online retailers, marketplaces and carrier/delivery partners, with fulfillment and distribution solutions that include parcel storage and consolidation for click-and-collect deliveries, online returns, and the nearly 35% of e-commerce parcels that are undeliverable on first attempt.

Membership in the PUDOpoint Counters Network program offers consumers ‘parcel receipt certainty,’ early/late/weekend pick-up and return convenience, 100% elimination of door-drop parcel theft, and a mobile home-away-from-home address Network that goes wherever they do.

The PUDOpoint Counters Network provides all carriers, retailers, and consumers with badly needed cost controls, choice, and convenience.

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For more information, please visit www.pudopoint.com

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 estimated revenues from new contracts, increased parcel volume, activation and implementation of PUDO’s technology 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 integrate its new customers into its network and successfully execute on its new and existing contracts. 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, in particular the information in respect of estimated revenues, 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 further information about PUDO, please contact:

Karen Speight
1-506-694-1250
karen.speight@pudopoint.com

Renmark Financial Communications Inc.

Joshua Lavers: jlavers@renmarkfinancial.com
Media – D. Elizabeth Culley-Sullo: dculley-sullo@renmarkfinancial.com
Tel: (416) 644-2020 or (212) 812-7680
www.renmarkfinancial.com

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