



## PUDO Inc CEO Frank Coccia Issues Update to Shareholders

December 23, 2020 – TORONTO, Ontario – PUDO Inc. (“PUDO” or “the Company”) (CSE: PDO; OTCQB: PDPTF), CEO Frank Coccia is pleased to issue the following update (“the Update”) to shareholders. The full text of the Update follows:

Dear Valued Shareholders,

I can truly say I have never been happier to see the end of one year and the beginning of another. I'm sure you would agree that 2020 delivered a rollercoaster of emotions and frustrations, accentuated by anxiety and stressors that affected many businesses and lives in many negative ways. Also however, the year gifted us pause for reflection, correction, and improvement, and for that I am grateful.

When we finally return to a somewhat normal state of being, we look forward to a brighter future for ourselves and our loved ones. Indeed, I am referring to the pandemic, but also to the PUDO story. A story that is writing its sixth and most exciting annual chapter.

I am grateful for the commitment and loyalty of shareholders as we negotiated the first tumultuous five years. I take stock and think about where we started, how much the e-commerce sector has changed, how much the Company has changed, and where we are headed together. No doubt you are doing the same, and wondering perhaps, just what the plan is.

During this COVID-beleaguered year, I heard a fellow shareholder say, “Build it and they will come.” My eyes and ears perked up like those of a six-year-old, and my 63-year-old-body suddenly felt as it did in its prime. Truer words in the life of a start-up could not have been said, yet that same sentiment often escapes us as we push through pain and failure; through struggles and roadblocks and circumstances beyond our control. The truth is that, through perseverance and patience it is indeed possible to achieve the next to impossible — ok, a bit of cash doesn't hurt either.

“Build it and they will come” was indeed a metaphor for this crazy, tumultuous year, and I am happy to share with you just how and why our collective belief in the PUDO model has come to fruition. Pre-pandemic, our numbers were growing steadily and our plans were falling into place, but then the unthinkable happened. Our Network partners and our PUDOpoint Counters operators were considered essential services, and we moved quickly to scale mandated restrictions and accommodations throughout the Network, but in ways that did not compromise service levels or health and safety standards.

Our seamless, real-time, response to the e-commerce logistics crisis in Canada and the United States did not go unnoticed by some of the biggest players in the sector. Very quickly, in tandem with a major e-commerce partner, PUDO began activating joint PUDOpoint Counters locations at a rate of 20-50 per week, and we did it on existing parcel volumes. In 2021, we plan to up our game and activate even more locations per month. “Build it and they will come.”

Those of you who really understand PUDO’s unique selling proposition — our ‘open’ to any and all registered and authorized couriers — can see the reward in this accelerated Counters activation in pre-qualified high parcel traffic areas. These same Counters, activated in mere days and requiring almost no capital investment, are now open to and starting to manage parcel volumes from other carriers. And, as we mature from our start-up growth formula of per-parcel fees for primarily failed first attempt deliveries that are



redirected to a PUDOpoint, to high-revenue per-parcel returns and third-party logistics services, we should start seeing volume and top-line revenue growth, very quickly.

Today, with the pandemic hitting us harder than it did in the spring, our revenues have returned to pre-pandemic levels and we are well positioned to achieve our goals. With the recent release of the Company's three and nine month periods financial results, PUDO reported the highest revenue growth quarter in PUDO's history, and we have high expectations for the future.

I am confident that 2021 will be remarkable overall for the Company. We have a host of domestic, cross-border, and international initiatives in the pipeline, some of which have been in-process for years.

As is the nature of North America's siloed logistics sector, business between potential partners can develop slowly through trial periods with strict non-disclosure obligations for a very long time before final decisions are made one way or the other. For shareholders, this is extraordinarily frustrating — no less for me as I struggle to maintain funding and optimism in a hands-tied environment.

I can say that, short of a catastrophic interruption to world e-commerce, we will be releasing news of new partnerships, agreements, and integrations as they happen in the new year, but only when there are material changes to our business.

Moving forward, we expect much of our revenue growth to come from higher gross margin services. Returns, for example, are becoming a larger part of our parcel volume overall, and contribute significantly to top line revenue. We hold, consolidate, and through our technology, manage the pickups of these returns from our locations with our courier partners. The consolidated reverse-logistics transit of returns from PUDOpoint Counters to one or several central facilities, provides us with cost efficiencies to share with our retail partners. The very same courier partners that helped us grow our network, will help us expand it, and also benefit from it. Our vast open network model allows us to do this, and provides a price point that we believe competitors cannot easily match, regardless of their size.

Company news has been speaking to the slow demise of parcel volume at our Kinek border-point locations for some time now, initially as a result of the low Canadian dollar, then more recently due to pandemic-triggered Canada-U.S. border closures. Just this last quarter, as part of a strategic pivot to address an increase in our cross-border services, we commenced a plan to re-purpose our cross-border locations as customs-clearance-enabled cross-border PUDOpoint Counters to expedite uninterrupted carrier-agnostic transit of parcels travelling across the border in either direction, destined to any PUDOpoint Counters location, or to a strategic partner.

This new cross-border service will allow Canadian shoppers to continue to purchase from US retailers of their choice, with the assurance that their parcels will be delivered to the PUDOpoint Counters location near to where they live or work. Utilizing the carriers and SaaS partners that have supported us throughout our growth, the PUDO API will cost-effectively and seamlessly manage all transit and customs-clearance elements needed on both sides of the border.

This new service is unique to PUDO, enabled solely by our network, and will offer small retailers and businesses unprecedented cost reductions. In pivoting in this way, we more-or-less own the returns and delivery traffic utilizing the cross-border network, and mitigate the risk the Company would face should a pay-per-use carrier or retailer decide to stop using PUDO services down the road. We have grown large



enough as a company and as a network where we can design our own destiny and reduce our risk in that design. Loyalty begets loyalty, and for our company this has been especially true.

We expect to launch an innovative new 'Canada to US Direct Injection' service in Q1, whereby our Canadian PUDOpoint Counters locations can be used as drop-off locations for U.S. destined e-commerce packages that will enter and be metered by the USPS (United States Postal Service) system. Parcels will travel together with our returns volumes, benefiting from lower per-piece costs gained through consolidation. Our tenured relationship with stamps.com has enabled this unique service, allowing us once again, to offer a price point that competitors cannot easily match.

In closing, I thank you for your continued loyalty during this truly difficult year. More than ever, your support was meaningful, motivating, and essential.

I hope that this update has given you some insight into what transpired for PUDO during 2020, and some idea of what we look forward to together, in 2021.

Wishing you and yours a safe, healthy, and happy holiday season, and all the best for the New Year!

Sincerely,

**Frank Coccia**

CEO PUDO Inc.

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### **About PUDO**

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 in high density areas.

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.

To signup for PUDO News Feed please subscribe at <https://www.pudopoint.com/en/news>.



For more information about the PUDOpoint Counters Network, please visit [www.pudopoint.com](http://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 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, grow its network of PUDOpoint Counters and successfully launch new services. 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.*

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