



PUDO Inc. reports FY 2022 first quarter end results and outlook

- Revenue up 64.6% to \$516,247 this quarter compared to the first quarter of FY 2021
- First quarter net loss increased by \$41,892 to \$371,069 relative to the first quarter of FY 2021
- Q1 FY 2022 overall parcel volume increased by 74.6% relative to the same quarter in the prior year

TORONTO, June 23, 2021 - PUDO Inc. (“PUDO” or the “Company”) (CSE: PDO; OTCQB: PDPTF), North America’s only carrier neutral parcel pick-up and drop-off network (the “**Network**”), today filed interim financial results (unaudited) and operational highlights for its first quarter which ended May 31, 2021 (“Q1 FY 2022”).

A summary of selected financial information for the three month periods ended May 31, 2021 and 2020 is included below:

PUDO Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended May 31,	
	2021	2020
Revenue	\$ 516,247	\$ 313,633
Cost of sales	(359,887)	(209,157)
Gross profit	156,360	104,476
Administrative expenses	(449,688)	(388,038)
Share-based compensation*	(77,408)	(39,351)
Operating loss	(370,736)	(322,913)
Finance costs	(333)	(6,265)
Net loss and comprehensive loss for the period	(371,069)	\$ (329,178)
Loss per share basic and diluted	\$ (0.01)	\$ (0.01)

*non-cash expense related to the amortization of performance options for management and directors.

During the three month period ended May 31, 2021, revenue was \$516,247 (May 31, 2020 - \$313,633), representing an increase of 64.6% over the same period last year due to new partner volumes and the successful increased sale of additional PUDO services to current partners, offset by the decrease in Failed First Attempt parcels to PUDOpoints as a result of a higher number of consumers being at home to accept their parcels during COVID-19 along with decreased Border Member parcels due to the ongoing USA-Canada border closure.

Gross profit for the three month period ended May 31, 2021 was \$156,360 (May 31, 2020 - \$104,476) representing an increase of \$51,884 or 49.7% over the same period last year. This is a result of increased parcel volumes utilizing the PUDO services including FFA, FPU, and returns that increased revenue which was offset by reduced border member shipping and higher costs associated with the recently launched cross border services while in pilot phase of implementation.



The Company reported a net loss of \$371,069 (\$0.01 basic and diluted loss per share), an increase of \$41,892 compared with a net loss of \$329,177 (\$0.01 basic and diluted loss per share) in the corresponding quarter in the prior fiscal year. The majority of this increased loss was attributable to an increase in administrative expenses as a result of the additional salaries due to increased customer support and finance staff, and an increase in non-cash expense related to share-based compensation, offset by a decrease in consulting, outsource fees and travel.

Operational Highlights

The Company continued to focus on optimizing the PUDO Network to increase alignment with partner parcel volumes while leveraging the Network to develop new partner relationships and services that further enhance revenue opportunities. These focused efforts resulted in a new service being added and increased parcel volumes in PUDO's core revenue streams in the first quarter of this fiscal year from many of its current partners. IT integration and enhancements remain a strategic focus as the Company looks to increase efficiencies, add new partners, and grow revenue. Through strategic partnerships the Company is positioned well to add new PUDOpoint locations in Canada and the USA. This will provide new e-commerce retail partner locations for residential redirects, increased parcel volumes for direct to PUDOpoint deliveries, and add new revenue service offerings in the coming quarters. The Network remains uniquely positioned to offer cost effective convenient services for returns and to consumers who are looking for an alternative to home delivery.

While the Company continued to strategically manage the growth and development of the Network throughout Q1 FY 2022, overall parcel volumes increased by 74.6% compared to the three month period ended May 31, 2020 ("Q1 FY 2021"). During this quarter, Q1 FY 2022, partner shipments increased 98.5% over the same quarter in the previous year. During the same three month period, member shipment volumes were down 47% relative to the year earlier quarter as a result of the Canada-USA border continuing to be closed to non-essential travel due to the COVID-19 pandemic. In Q1 FY 2022, partner shipments represented 95% of the Company's total volumes, up from 83.6% in the same quarter in the prior fiscal year.

Below is a summary of PUDO's current parcel services being utilized by partners and customers:

- 📍 Courier Pickup ("For Pickup" or "FPU"): During Q1 FY 2022, PUDO continued to see growth within the FPU service with parcel volumes increasing by 505% compared to Q1 FY 2021. In sequential quarters, courier pickup parcel volumes in Q1 FY 2022 as compared to period ended February 28, 2021 ("Q4 FY 2021") increased by 21.5%. These volumes increased as PUDO's courier partners increased their utilization of the PUDOpoint Network in Canada enabling their customers to use PUDOpoints locations as drop off sites for pre-labeled parcels for courier pickup and delivery.
- 📍 Failed First Attempts ("FFA"): During Q1 FY 2022, total FFA parcel volumes increased by 20.7% relative to Q1 FY 2021. In sequential quarters, parcel volumes in Q1 FY 2022 compared to Q4 FY 2021 decreased by 11.7%. This decrease between these sequential quarters is related to the prior quarter having holiday shopping along with the impact of COVID-19 and customers being home to accept their parcels, reducing the requirement of redirects to PUDO locations.
- 📍 Third Party Logistics ("3PL"): During Q1 FY 2022, 3PL parcel shipments increased by 101% over the prior year, Q1 FY 2021. The increase is a result of PUDO partners increasing the volume of parcel shipments that utilize PUDO's preferred shipping rates. In sequential quarters, 3PL parcel shipments in Q1 FY 2022 as compared to Q4 FY 2021 decreased by 28.2%. This decrease is a result of decreased online shopping following the holiday season in Q4 FY 2021.
- 📍 Returns: During Q1 FY 2022 returns parcels increased by 297% as compared to the prior year, Q1 FY 2021. In sequential quarters, returns parcel volume in Q1 FY 2022 as compared to Q4 FY



2021 increased by 238%. These increases are a result of PUDO's partners increasing the integration of their own clients' return requirements for use of the PUDO service as the value of this service offering provided by PUDO reduced costs for their clients.

- 📍 **Border Member:** During Q1 FY 2022 total member parcel volumes decreased by 47% relative to Q1 FY 2021. This decrease is a direct result of COVID-19 and the closure of the Canada – USA border to non-essential travel effective April 2020. In sequential quarters, parcel volumes in Q1 FY 2022 compared to Q4 FY 2021 increased by 5.8%. This is a result of the increased rate of vaccination against COVID-19 and the expectations that the Canada-USA border will open in the near future.
- 📍 **Pickup Counters:** Over 700 PUDOpoint Counter locations are available as "Hub Counters" in the USA and Canada as alternative delivery options for online shopping customers of a large US and Canada e-commerce retailer. These Hub Counters provide a location for safe and secure storage for parcels for pickup by the customer. During Q1 FY 2022 total Pickup Counter parcel volumes increased by 1,279% relative to Q1 FY 2021. The increase is a result of recruiting of new locations being added to the Hub Counter network during the prior year and now being fully utilized by the retailer's customers. In sequential quarters, Hub Counter parcel volumes in Q1 FY 2022 as compared to Q4 FY 2021 remained relatively the same.

"Triple and quadruple percentage increases in parcel volumes across multiple verticals over Q1 last year, confirm that the Company is gaining traction and validating its carrier-neutral click-and-collect parcel pick-up and drop-off model in both the United States and Canada," says PUDO CEO Frank Coccia.

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

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 over \$800B 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.

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.

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