



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

- Revenue up 65.7% to \$447,034 this quarter compared to the second quarter of FY 2021
- Second quarter net loss decreased by \$4,782 to \$331,486 relative to the second quarter of FY 2021
- Q2 FY 2022 overall parcel volume increased by 74.6% relative to the same quarter in the prior year

TORONTO, October 1, 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 second quarter which ended August 31, 2021 ("Q2 FY 2022").

A summary of selected financial information for the three and six month periods ended August 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 August 31,		Six Months Ended August 31,	
	2021	2020	2021	2020
Revenue	\$ 447,034	\$ 269,685	\$ 963,281	\$ 583,318
Cost of sales	(306,452)	(169,796)	(666,341)	(378,953)
Gross profit	140,582	99,889	296,940	204,365
Administrative expenses	(408,734)	(355,214)	(876,850)	(743,253)
Share-based compensation*	(63,334)	(78,223)	(140,742)	(117,574)
Operating loss	(331,486)	(333,548)	(720,652)	(656,462)
Finance costs	-	(2,720)	(333)	(8,985)
Net loss and comprehensive loss for the period	\$ (331,486)	\$ (336,268)	\$ (720,985)	\$ (665,447)
Loss per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.02)

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

Revenue increased by 65.1% over the same six months in the prior year, as a result of the increase in returns, FPU, and 3PL PUDO services. Revenue increased by 65.7% over the same three-month period last year due to new partner volumes and the successful sale of additional PUDO services to other partners.

Gross profit increased 40.7% for the three-month period ending August 31, 2021 over the same period last year. Gross profit increased by 45.3% for the six-month period ended August 31, 2021 over the same period in the prior year. These increases are a result of increased use of PUDOpoint Counters by courier partners and for 3PL parcel shipment processing and the fixed costs associated with the shipping fees, which generates a lower gross profit margin than PUDO's FFA, FPU, and border member parcels.

During the three-month period ended August 31, 2021, the Company reported a decrease in the net loss by \$4,782 (\$0.01 basic and diluted loss per share), compared with the corresponding quarter in the prior fiscal year. Most of this decreased loss was attributable to an increase in revenues and gross profit, offset by an increase in administrative expenses.



The net loss for the six months ended August 31, 2021 was \$720,985 (\$0.03 basic and diluted loss per share), an increase of \$55,538 from a net loss of \$665,447 (\$0.02 basic and diluted loss per share) in the corresponding quarter in the prior fiscal year, primarily due to an increase in salaries and benefits costs and administrative expenses overall and non-cash share-based compensation, offset by increased revenues and gross profit relative to the corresponding period of the prior fiscal year.

Outlook

“These past 18-months have been the very best for the Company,” offers PUDO Founder and CEO Frank Coccia. “The same events that re-shaped our nations, our healthcare systems, global logistics, and the retail supply chain, have accelerated the need for and acceptance of the parcel ‘pick-up and drop-off’ (PUDO) model, also known as ‘click and collect’.” “We found somewhat solid ground with like-minded partners with whom we could share data and development strategies, and now we have a highly adaptive plug-and-play module to meet the needs of the shared economic future of e-commerce logistics. After a carefully planned start with retailers that control direct cart checkout on their websites, the SaaS platforms and technology solution we are integrating to add PUDO on a retailer’s checkout while still providing the courier agnostic platform PUDO represents, will allow us to see a large ramp up in volumes and revenues in earnest starting this October.”

Over the course of the 18-months that have passed since the COVID-19 related lockdown of 2020, the logistics industry has bobbed and weaved to accommodate unprecedented supply chain issues, wholesale changes to B2C and B2B e-commerce parcel deliveries, and to the online shopping habits of the tens of millions of North Americans working remotely from home.

At the same time, the biggest and most experienced of the online retailers, as well as global couriers and traditional mail carriers undertook historic and heroic spending and innovation to anticipate the quality and quantity of growth and innovation. The Company worked tirelessly in tandem with these changes, pivoting quickly to meet the ever-changing IT and integration requirements of all stakeholders, while at the same time anticipating and responding to the needs of consumers.

Q2 results show Network-wide growth year over year, but what remains unseen are significant and essential gains in IT integration of the PUDO platform with the major SaaS and other stakeholder partners who have reinvented themselves time and again, to optimize the future of e-commerce.

Technology has and will continue to drive change, but the crippling uncertainty of it appears to be over. Systemic IT and logistics unknowns are now known to the industry and to PUDO, and their challenges can be met to a larger or lesser degree as needed, in real time, to respond to this or future similar crisis.

All indications are that growth and development will be plug-and-play for the Company moving forward, with a new PUDO API that can and will appear in the check-out of independent retailers who use SaaS partner platforms to shop for the best possible rate to ship goods purchased online. This represents a significant and hard-won development above and beyond the North American partnership that PUDO has with North America’s largest consolidated marketplace retailer/courier company – one that should benefit all partners as efficiencies and economies of scale optimize service, profitability, and confidence.

Tried and tested, the new PUDO API integration is now available for widespread adoption by retailers looking for time and money saving parcel delivery and return options that are convenient, satisfying and dependable for consumers.

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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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