



PUDO Inc. Announces Closing of Private Placement and Debt Settlement

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TORONTO, Aug. 25, 2017 /CNW/ - PUDO Inc. ("**PUDO**" or "the **Company**") (CSE: PDO; OCTQB: PDPTF), North America's only courier neutral parcel pick-up and drop-off network, is pleased to announce that it has closed a non-brokered private placement financing of units ("**Units**") for gross proceeds of Cdn.\$869,160.00 (the "**Offering**").

Pursuant to the Offering, the Company issued 508,580 Units at Cdn.\$2.00 per Unit. Each Unit consists of two common shares in the capital of the Corporation (each a "**Common Share**") and two warrants (each a "**Warrant**"). Each Warrant entitles the holder to acquire one Common Share (a "**Warrant Share**") for Cdn\$1.00 until August 24, 2018 (the "**Expiry Date**"). If the volume-weighted average trading price of the Common Shares on the Canadian Stock Exchange is equal to or exceeds Cdn\$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. In connection with the Offering, the Company paid a finder's fee of 25,000 Units to a qualified finder.

The Company further announces that it has settled a total of Cdn.\$174,725 in debt through the issuance to certain creditors of 74,000 Units at a deemed issue price of Cdn.\$2.00 per Unit, and 26,725 Common Shares at a deemed issue price of Cdn.\$1.00 per Common Share (the "**Debt Settlement**").

The securities issued pursuant to the Offering and the Debt Settlement, 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 December 25, 2017.

"This funding will speed up network expansion and allow PUDO to offer additional services," said Frank Coccia, PUDO's founder and CEO. In recent months, the PUDO team has focused on developing additional service offerings that increase choice for consumers. PUDO will introduce Direct-2-PUDO this fall, allowing consumers who are not home to accept a delivery, to choose a PUDOpoint either directly at the check-out, or before the courier attempts a delivery.

"As work on IT development and systems integration with our partners for the next stage in our growth is nearing completion, we are anxious to renew our focus on network expansion," said Mr. Coccia. PUDO's current Canadian partners are taking advantage of the efficiency of PUDO's first-attempt-failure solution. First-attempt-failures occur when a consumer misses a delivery. PUDO's solution allows the consumer to pick up the parcel in their neighborhood, at their convenience. "This service has been so popular, our partners have asked for additional PUDOpoint locations in more than 200 postal codes. This will be our first priority," said Mr. Coccia.

U.S. expansion is also on the horizon for PUDO. After successfully piloting a number of locations in specific markets, PUDO is finalizing the structure for a network rollout in select markets across the U.S. "We are currently analyzing customer data to ensure we begin our network expansion in markets where our partners and consumers will most quickly realize the benefits of PUDO," said Mr. Coccia.

Certain related parties of the Company participated in the Offering and the Debt Settlement. Pursuant to the Offering, Thomas Bijou, a director of the Company, acquired 107,140 Units for Cdn.\$214,280; Bijou

Family Partnership, a partnership controlled by Mr. Bijou, acquired 35,715 Units for Cdn.\$71,430; and Murray Cook, a director of the Issuer, acquired 5,000 Units for Cdn.\$10,000; and Flight Solutions & Services (FSS) Inc., a corporation controlled by Ian McDougall, a director of the Issuer, acquired 5,000 Units for Cdn.\$10,000. Pursuant to the Debt Settlement, Douglas Baker, the Chief Financial Officer of the Company, settled Cdn.\$40,000 in debt in exchange for 20,000 Units.

The participation by Messrs. Bijou, Cook, Baker, and Flight Solutions & Services (FSS) Inc. (collectively, the "**Related Parties**") in the Offering and the Debt Settlement 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 and Debt Settlement by the Related Parties 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 and Debt Settlement, 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.

About PUDO Inc.

Founded in 2015, PUDO Inc. is developing North America's only "carrier-neutral" parcel pick-up/drop-off network. No other company in North America offers staffed retail locations; open for extended hours, to receive consumer deliveries by any carrier. PUDO *points* include convenience stores, gas station mini-marts, and grocery stores.

Through the PUDO *point* network, consumers can control parcel deliveries – receiving online parcels wherever they want, whenever they want – a fully customizable and convenient method of delivery. When packages arrive at the chosen PUDO *point*, customers are automatically notified via text or email that their package has arrived and is ready for pick-up. E-commerce companies and other shippers utilizing PUDO can save on residential "last mile" delivery costs. Consumers can avoid the frustration and inconvenience of missed or stolen deliveries. The final destination of the parcel becomes the safe, staffed retail environment of a PUDO *point*.

With a growing network of PUDO *point* locations across the U.S. and Canada, PUDO is revolutionizing the North American parcel shipping model. PUDO was recently named one of the Top 20 most innovative public technology companies by the Canadian Innovation Exchange.

For more information, please visit: www.pudoinc.com or www.pudopoint.com. Follow PUDO on [Facebook](#) and [Twitter](#).

*Information in this news release that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws. 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. Forward-looking statements in this press release include, without limitation, use of proceeds of the Offering, expansion of the PUDO *point* network, and the introduction of new services. In making such forward-looking statements, the Company has made assumptions about the cost of expansion, the market for its services, and its ability to partner with service providers in areas*

targeted for expansion. 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 expanded operations, changes in general economic, market, or business conditions, and those risks set out in the Company's public documents filed on SEDAR. 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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