



# PUDO Update to Shareholders

## **PUDO update to shareholders highlights growth and clarifies opportunity**

TORONTO, March 31, 2020 /CNW/ - 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 Update highlights parcel volume growth of 66% to 443% in key areas during February, typically the slowest month of the year, and summarizes the essential business of the Company in the context of the global pandemic. The full text of the Update follows:

### **Dear Shareholders:**

It is my sincere hope that wherever in the world you are right now, you and those you care about are safe.

These are extraordinary times for the Company and for its shareholders. While it is true that this global pandemic will be one of the defining events of 2020, I am pleased to assure you that at the time of writing this, PUDO is weathering the crisis with few operational disruptions.

I will highlight Company progress related to parcel volume and previously disclosed contracts and developments, following a brief summary of PUDO's critical role in maintaining the global supply chain for North America in particular.

### **Neutral backbone of the supply chain**

While it is definitely not business as usual here at PUDO headquarters, we are actively providing support to PUDOpoint operators within our expanding Network. During this time, we are also aggressively pursuing new business opportunities and are confident that as the Company is called upon to provide innovative solutions for existing and potential partners facing unprecedented challenges, we will respond to those needs and assist in finding strategic solutions.

Since PUDO first commenced operations, we envisioned a 'new normal parcel pick-up and drop-off counter Network' to support North American e-commerce. Recent catastrophic events have served to confirm the PUDOpoint Network model's validity and value to a logistics supply chain charged with moving 38 million e-commerce parcels per day (14 billion annually) through the North American supply chain. Now more than ever before, PUDO is uniquely positioned to affect drastic and positive change, and define a safer, cleaner, more accountable future not only within its logistics sector, but for all North Americans.

As North America's one and only carrier-agnostic pick-up and drop off counter Network, PUDO can respond to the global crisis in real time to answer the urgent call for secure, scalable, bi-directional delivery of goods, the volume and characteristics of which have never been seen before. Within our expanding and 'open' Network we can 'immediately' reduce human touch-points, chain of custody uncertainty, CO2 emissions, and delivery costs, while concurrently increasing profitability, accountability, and consumer peace of mind.

The recent conclusion of a successful pilot program with e-commerce giant Amazon, designed to integrate PUDOpoints and services into their network, confirms the global legitimacy of our business model and lays the groundwork to move forward more quickly with expansion.

As the top of the e-commerce funnel has widened exponentially this past decade, promising more customers and more products for less money in less time, the narrow bottom of the funnel (the so-

called last-mile), hasn't expanded to suit. PUDO, by virtue of its open counter Network, consolidates fluid parcel traffic within the ecosystem. As that volume expands the funnel exponentially, PUDO is widening the bottom of the funnel with the on-boarding of each new Network partner to meet the logistical system's capacity needs.

This past year has proven challenging for the logistics sector as a whole, as individual carriers and companies struggled to keep up with or integrate individual operating systems into the global network. During this period PUDO has experienced impressive growth in parcel volume and key partnership procurement, thus validating our model.

I am confident that, current crisis notwithstanding, the e-commerce logistics sector is finally ready for the kind of virtual counter integration that only PUDO can offer.

### **Recent Company highlights**

- In spite of interruptions experienced by PUDO partners updating their internal operating systems, PUDO parcel volumes continue to grow with new business, new partnerships, and PUDOpoint Network expansion as confirmed by the following statistics:
  - Failed first attempt parcel re-direct volume increased 66% over February 2019.
  - Parcel 'drop-off for pick-up' volume increased 181% over February 2019.
  - Parcel return volume increased 443% over February 2019.
- Earlier this month, following a many month long pilot program, PUDO signed an agreement with Purolator, Canada's largest integrated freight, package and logistics solutions provider, to formally integrate PUDOpoints across Canada into their national network of parcel pick-up and drop-off counters. This agreement is bringing considerable new parcel volumes and revenues into the Company, but also affords PUDO the opportunity to demonstrate our suite of services to millions of Purolator clients as well as associated providers of logistics services.
- In January, the Company completed a 14-state pilot program together with Amazon, whereby 30 PUDOpoint locations appeared in the Amazon check-out as suggested home-away-from-home parcel delivery and pick-up addresses for consignees. The pilot proved the feasibility and value of adding PUDO's Network of PUDOpoints to the Amazon Hub Counter program. The program is presently expanding to more PUDOpoint locations across the United States.
- PUDO's partnership with Give Back Box ("GBB") continues to grow and evolve in tandem with the growth in e-commerce. GBB's innovative platform leverages the multi-trillion-dollar e-commerce volume and the mountains of packaging and landfill it creates. This results in a direct and immediate benefit to millions of disadvantaged people and the charitable organizations that serve them, while simultaneously reducing the negative impact of increasing the waste volume on our environment.
- PUDO is leveraging its PUDOpoint Network, cross-dock and Third Party Logistics ("3PL") assets, volume rates, and logistical expertise to streamline GBB logistical volumes. The vast and dynamic web of parcels of indeterminate size and weight challenges the logistical ecosystem while daily changes in consumer behaviours (like online and in-store shopping) adds to the complexity of those challenges. The associated participation in various environmental responsibility and social justice programs offered by the more than 50 participating retail and brand partners compounds that complexity. It is good to know that PUDO is up to the challenge with its innovative "can do" team.
- As the Company continues to grow our Network with our flagship and new partners (thus adding the rapidly growing incrementally parcel volume) and reaches bi-directional critical mass volumes of parcel traffic, the coast-to-coast PUDOpoint Network is growing organically with more carriers and consignees recognizing the value and advantages of our suite of services. This growth is by design, and once again, confirms the value, timeliness, and need for PUDO's Network and Services.

### **Moving forward**

We will continue to respond to the current situation and the shifting landscape. Moment to moment,

logistics are changing in response to global and domestic closures, quarantines and interrupted supply chains. Our flexibility, vision, and success in execution speak volumes about the opportunities in front of PUDO. Our management team has used their time very wisely in refining our technology platform, discovering the needs of our clients, and applying all the lessons learned into a more and more efficient Platform and Network to address all the needs of the participants in our Network from beginning to end.

Together with our heroic community-based PUDOpoint partners — many of whom are considered essential services — and our equally heroic carrier and logistics partners, we will do whatever it takes to safely and securely deliver e-commerce parcels into the hands of the end customers as we continue to grow the Network.

Now more than ever, we take our responsibilities to heart, not just to the global supply chain, but to our valued shareholders. The true value proposition of this remarkable company is just beginning to be discovered. All the preparation and groundwork accomplished previously is just now beginning to be recognized for what its full potential really is. The explosion of opportunity is almost upon us, and we are ready to meet the challenge.

Thank you for your continued confidence and support.

Sincerely,

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## **About PUDO**

PUDO Inc. is developing North America's only carrier-neutral parcel pick-up/drop-off technology and logistics Network, as a means of solving the last-mile parcel-traffic-control gridlock that challenges the \$550B e-commerce sector.

PUDO's team of logistics and parcel traffic management experts have created carrier-neutral plug-and-play technology and a strategically located Network of parcel pick-up and drop-off locations or PUDOpoints. PUDO reduces or eliminates last mile expense for e-retailers and partners with fulfillment and distribution solutions that include parcel storage and consolidation for click and collect deliveries, online returns and the nearly 30% of e-commerce parcels that are undeliverable on first attempt. PUDO's technology and Network provides carriers, retailers, and consumers with badly needed cost controls, choice, and convenience.


PUDO was founded in 2015 and was recently named one of the Top 20 most innovative public technology companies by the Canadian Innovation Exchange.

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