

## PUDO Reports Second Quarter Sales Increase Significantly; EPS Loss Narrows and Network Expansion Accelerates

**TORONTO, Ontario, October 12, 2016** - PUDO Inc. (“PUDO” or the “Company” (CSE PDO; OTCQB PDPTF), which is building North America’s only “carrier-neutral” and fully staffed parcel pick-up/drop-off network, is pleased to announce that it has filed unaudited financial results and operational highlights for the second quarter which ended August 31, 2016.

### Financial Results Summary

“During the second quarter, we continued making important investments in our network expansion” stated Frank Coccia, PUDO Founder and CEO. Our PUDOpoint network openings accelerated to 234 in the second quarter from 148 in the first quarter.

Mr. Coccia continued, ***“Most impressive was our average daily parcel delivery numbers which increased 143% from the previous quarter despite only a 38% increase in active locations. We think this shows that the PUDOpoint network will become significantly more attractive to customers as the size of the network grows”*** he concluded.

Net sales for the second quarter ended August 31, 2016 increased more than tenfold to \$233,891 versus \$22,487 for the same quarter last year. Gross profit increased to \$157,011 for the second quarter this year versus \$13,588 last year. Gross profit margin increased 670 basis points to a record 67.1% versus 60.4% last year. SG&A expense nearly tripled to \$466,287 versus \$160,318 due to current and planned network expansion. Growth in sales and margin expansion allowed the second quarter operating loss to remain essentially unchanged at \$319,476 versus \$304,712 last year.

The net loss for the second quarter narrowed to \$(0.02) per share or \$326,482 versus \$(0.17) per share or \$1,617,682 during the same quarter last year. This loss resulted from expenses primarily related to growth initiatives associated with the planned expansion of the *PUDOpoint™* network. As at the quarter ended August 31, 2016, PUDO had 842 locations receiving packages compared to 608 at the end of the prior quarter, a 38% increase.

### Condensed Interim Consolidated Statements

(Expressed in Canadian

Dollars)

(unaudited)

	Three Months Ended August 31,		Six Months Ended August 31,	
	2016	2015	2016	2015
<b>Revenue</b>	<b>\$ 233,891</b>	<b>\$ 22,487</b>	<b>\$ 378,824</b>	<b>\$ 42,109</b>
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (326,482)</b>	<b>\$ (1,617,682)</b>	<b>\$ (706,289)</b>	<b>\$ (1,736,071)</b>
<b>Loss per share - basic and diluted</b>	<b>\$ (0.02)</b>	<b>\$ (0.17)</b>	<b>\$ (0.04)</b>	<b>\$ (0.27)</b>

## **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. PUDOp<sup>o</sup>ints include convenience stores, gas station mini-marts and grocery stores.

Through the PUDOp<sup>o</sup>int™ 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 PUDOp<sup>o</sup>int, 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 PUDOp<sup>o</sup>int.

With a growing network of PUDOp<sup>o</sup>int 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](http://www.pudoinc.com) or [www.pudopoint.com](http://www.pudopoint.com). Follow PUDO on [Facebook](#) and [Twitter](#).

*This press release contains forward-looking statements. 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. The forward-looking statements contained herein are based on certain key expectations and assumptions made by the Company, including but not limited to expectations and assumptions concerning the receipt of required regulatory approval. 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. 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 applicable securities laws.*