



PUDO Network parcel volume up 30% while combating porch piracy; \$5.6B USD in parcel theft could be a thing of the past

TORONTO, January 2, 2020 - PUDO Inc. ("PUDO" or "the Company") (CSE:PDO; OCTQB:PDPTF), North America's only carrier neutral parcel pick-up and drop-off Network, announces that its PUDOpoint retailers and courier partners managed 30% more packages this holiday season, and in so doing put a polite Canadian dent in the +\$5.6B USD porch piracy epidemic that has besieged North American e-commerce.

"Recently, the Canadian RCMP announced that it had engaged Amazon to help it fight porch piracy in Prince George, BC, as unattended e-commerce parcel theft from private property had reached untenable numbers," said PUDO CEO Frank Coccia. "We want Canadian consumers to know that we are 100% onside with a simple and convenient solution to help them secure their valuable parcels, one that all of our national and global courier partners tell us is working extraordinarily well for them, for their retail clients, and for consignees picking up from PUDOpoints."

"By expanding and tracking volumes within our existing Network, we were able to see very clearly the year over year parcel traffic trends within those ecosystems, and work with our courier partners to help them reduce friction, costs and losses, at the same time we grew our own revenues on volume. Now, on the heels of the holidays and as we approach 'returns season', we are supremely confident of our business model, and how it scales profitably in benefit of all stakeholders."

The Amazon Bait Package solution involves inserting 'trackable' packages in targeted e-commerce ecosystems, so that local law enforcement can track and apprehend porch pirates in real time. The program has run successfully in select US markets and is currently running in Prince George, Canada.

"The RCMP and the Bait Package program both, are to be applauded for their ingenuity, and certainly these criminals should be apprehended," adds Coccia, "but we would much rather see online shoppers utilizing PUDOpoints as their home-away-from home address for parcel delivery, so that they can pick-up parcels at their convenience, at locations that are open early, late and on weekends, and let police officers focus on the already pressured law enforcement systems."

PUDO has almost 900 PUDOpoints across Canada, including two in Prince George, and has thousands more awaiting activation by consumer-generated volume. PUDO Network growth is dictated by parcel traffic and logistics provided by its courier partners, so when there is demand in any given area, a PUDOpoint is activated to address the need. The service has the added benefit of helping communities avoid using taxpayer dollars to engage police to track down porch pirates.

Porch piracy is a crisis-level problem in North America. Canadian numbers are not available, but according to the now famous Ring study (2017), 20% of Americans have been victims of unattended parcel theft, each to the tune of 2.6 times over the course of a year. The reported average value of each parcel stolen was \$140USD, and the cumulative value of those thefts can be calculated at over \$5.6B USD.

Porch piracy has grown into an illegal industry of massive proportions, and it grows worse day by day as a full 50% of the 35% of packages that are undeliverable on first attempt (nobody home to answer the door) are left unattended for people to find when they return home. Sadly, many of those packages fall



prey to porch pirates, both highly organized rings, and independents who discreetly follow courier trucks, watching for opportunities. Unless we wish to divert public police resources to combatting this criminal activity, an alternate and integrated solution must be found.

Thankfully, PUDO has the solution. The Company has developed North America's only carrier-neutral, extended-hours parcel pick-up and drop-off counter Network, with PUDOpoints located near to where people live, work and play. All PUDOpoint locations are staffed and secure, and can integrate with any local or national carrier, or federal post.

In markets where the 900 counter strong PUDO Network is fully embedded, the Company's courier (and by default, their retail clients) automatically re-direct failed-first-attempt deliveries to PUDOpoints for convenient pick-up, and consumers are made aware of the re-direct by text or email. "In these cases, porch piracy is eliminated entirely, and couriers, retailers, consumers, insurers, PUDOpoint operators, and the environment all save big time," concludes Coccia.

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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 is crippling the \$550B e-commerce sector. E-commerce is faced with unprecedented cost control issues, based on disproportionately high last-mile delivery costs relating to undeliverable parcels, and parcels returning for refund or exchange. As labour and fuel costs increase in tandem with parcel traffic and volume, the problem worsens.

PUDO's team of logistics and parcel traffic management experts have created a market intelligence and trends driven solution comprising carrier-neutral plug-and-play technology for desktop and mobile, plus a strategically located Network of parcel pick-up and drop-off PUDOpoints for pay-as-you-go use by all players within the e-commerce ecosystem.

Adopting PUDO technology shortens the last mile for the behemoths of e-commerce — fulfillment and distribution centers representing thousands of retailers and millions of consumers — by instantly extending their parcel staging and consolidation Network and providing secure 'near end of the line' storage for the 30% of e-commerce parcels that are undeliverable on first attempt. PUDO's technology and Network virtually eliminate costs associated with second-attempt deliveries, un-attended parcel theft and spoilage, and mismanaged reverse logistics on returns, and 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. After two years of industry and market research, and successful beta testing the technology and PUDOpoint geography and protocols with major logistics stakeholders, PUDO is ready to activate its Network through strategic partnerships. Activation will enable all stakeholders within the Network to access and control scalable, fluid, strategic consolidation in real time when and where needed, to lower costs and satisfy customer expectations.



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 possible capital raising activity 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 raise additional capital. 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, 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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