



*Buyer's market creating many unhappy returns for online retailers;
PUDO technology key to fixing crippling reverse logistics costs*

TORONTO, ONTARIO, May 30, 2018 — PUDO Inc. (CSE:PDO)(OTCQB:PDPTF) ("PUDO" or the "Company"), North America's first carrier-neutral Pick-Up Drop-Off Network ("Network"), is pleased to announce that, for online retailers drowning in unsustainable variable costs tied to disproportionately high returns of online purchases (30% of all online purchases, on average*), the fixed cost-of-goods-sold solution offered through PUDO's suite of member services, can return profits and predictability.

"The E-commerce ecosystem is definitely a buyer's market," says PUDO CEO Kurtis Arnold. "As online marketplace retailers have used free-shipping and returns as irresistible tools for buying market share, consumers have learned to expect the same from traditional retailers. That's just not sustainable for bricks-and-mortar retailers whose cumulative fixed costs per item sold — things like lease payments, utilities, warehousing, staff, etc. — can be greater than the costs of shipping and/or return per item sold by marketplace retailers who have no bricks-and-mortar to worry about."

Power to the consumer who, instead of visiting a bricks-and-mortar store to shop for clothes and carrying three sizes of a suit into a dressing room to try on (intent on purchasing the one size that fits), he or she now buys all three sizes online, knowing that he or she can not only expect free shipping on all three suits, but return two and possibly all three at no cost as well. "No wonder retail store closures are a major theme in economic news today. Analysts cite the explosive growth of E-commerce and migration of sales from bricks-and-mortar locations to online sites and marketplaces, as primary reasons for the shuttering trend, and predict things will get worse as leases expire and lenders cut their losses," adds Arnold.

PUDO management believes that the retail purchase and return dynamic fuelling the E-commerce explosion the world is experiencing today, is due for a correction, and online retailers — most particularly retailers who have invested heavily in their brands — are initiating shipping and return cost guidelines commensurate with their offerings. "PUDO is working with all supply chain stakeholders within the E-commerce ecosystem (retailers, couriers, fulfillment centers) to create a new and disruptive parcel-traffic-control network that is courier-neutral, sustainable, and most important 'affordable and predictable' from a costing perspective, and would scale to be free to consumers."

The PUDO Network comprised of parcel pick-up and return (drop-off) locations located very near to where consumers live, work, play, study — even vacation; forming a matrix of thousands of static data points for stakeholders to use to calculate shipping and reverse logistics (returns to retailer or fulfillment centers, or re-directs to marketplace vendors or discount re-sellers) costs and transit timelines.

"In addition to providing extended hours for convenient parcel pick-up and/or return for consumers looking for alternate delivery solutions for 'any' courier or postal service, the matrix forms a sub-network of small 'forward and reverse' fulfillment centers, allowing regional fulfillment centers serving individual or multiple brands to consolidate by as much as 300:1 and cut the costly last-mile from the delivery equation entirely."

This kind of innovation can help stop the bleeding for retailers whose costs-of-goods-sold has spiralled out of control, and help level the E-commerce playing field so that consumers can continue to enjoy the choice, convenience, and level of service that made North America the best place in the world to shop in



the first place, and not succumb to one or two marketplace giants controlling how and what we buy. "Choice is at the heart of economic change," concludes Arnold. "Ultimately, we believe that, North American consumers will choose the choice and freedom of a competitive and diverse retail environment, over the one-size-fits-all E-commerce marketplace that could easily dominate. Great examples of this are the automobile and currency sectors, where disruptive, de-centralized green technologies like electric cars and crypto-currencies are relieving tensions created by lack of choice, and tightly managed oversight," concludes Arnold.

PUDO uses plug and play technology to link existing bricks-and-mortar locations like convenience stores, with consumers and retailers to form a Network. By becoming part of the Company's Network, merchants act as Pick-Up, Drop-Off locations for E-commerce shipments. PUDO software provides consumers with a 'clickable' option to ship their E-commerce parcels to an, 'at-home away from home' PUDO Point so they can pick it up at their convenience, and if return shipment is necessary for any reason, both the consumer and the retailer can be assured of a quick and painless transaction.

**UPS - Pulse of the Online Shopper 2017*

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 parcels arrive at the chosen PUDO Point, customers are automatically notified via text or email that their parcel 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.

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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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