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PUDO Announces Closing of Private Placement and Debt Settlement

TORONTO, Ontario, November 11, 2019 - 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. The Company has settled a total of Cdn.\$772,000 in debt through the issuance to certain creditors of 1,715,555 Units ("Unit") at a deemed issue price of Cdn.\$0.45 per Unit (the "Debt Settlement") and has issued 333,333 Units at Cdn.\$0.45 per Unit for gross proceeds of Cdn.\$150,000 (the "Offering").

Pursuant to the Offering and the Debt Settlement each Unit consists of one common share in the capital of the Corporation (each a "Common Share") and one warrant (each a "Warrant"). Each Warrant entitles the holder to acquire one Common Share (a "Warrant Share") for Cdn\$0.54 until November 7, 2020 (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.

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 March 8, 2020.

Certain related parties of the Company participated in the Offering. Pursuant to the Offering, Howard Westerman, a director of the Company, acquired 133,333 Units for Cdn.\$60,000; and RHC Spitfire Corporation, a corporation controlled by Richard Cooper, a director of the Company, acquired 111,111 Units for Cdn.\$50,000.

The participation by Messrs. Westerman and Cooper (collectively, the "Related Parties") in the Offering 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, 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.



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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.

For more information, please visit www.pudoinc.com or www.pudopoint.com.

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.



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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.

For additional information about PUDO, please contact: Karen Speight, at 1-506-694-1250, karen.speight@pudopoint.com.

SOURCE PUDO Inc.