



September 28, 2018

PUDO CEO Update to Shareholders

Dear Shareholders,

Recently, we have been sharing more information about the opportunities in the marketplace, the new services that PUDO is uniquely positioned to provide, and some information we are in a position to disclose regarding new contracts and customers who are now positioning themselves to take advantage of PUDO's carrier-neutral network. We have heard from our shareholders, with many wondering if we could provide a synopsis of how these new customers shape the future of our business.

The majority of new parcels supplied by these new partners will flow inside of Canada where PUDO already has an extensive network. Recent analysis performed with these new partners has shown that our current network, before further planned expansion, places a PUDOpoint within 3 km (2 miles) of 50% of Canadian consumers working with these companies, and within 5 km (3 miles) of more than 75% of consumers. The contracts that we have already publicly disclosed, when fully implemented with their introductory suite of services, have the potential to add another million parcels per year across our growing network. Adding additional services for these customers, as well as replicating these capabilities for others has potential to result in the flow of millions more parcels through our PUDOpoint Network.

The sales cycle for the category of partners/customers PUDO is focused on can be lengthy, with build outs expected to take between eight and twelve months for each new partner. Specifically, in addition to the initial negotiations to establish each of these opportunities with PUDO, there are a series of unique steps required by each new customer to fully establish parcel flow within the PUDOpoint Network. Because many of these service offerings are new, PUDO has also been busy updating our IT capabilities and forming new partners to connect this greater eco-system.

We remain in constant communication with our new customers as they make the changes within their own operations to integrate our network and services. While we expect the first of their parcels to start flowing into PUDOpoints in the next few weeks, additional IT integration work and associated activities which must be completed by these partners (and their customers) to realize the full potential of the contracts with us will require several additional months to complete. Fully-implemented with their introductory suite of services, these contracts have the potential to provide more than \$3 Million in new revenue to PUDO.

This new revenue should make it possible for PUDO to support itself operationally, although PUDO will require additional capital in order to implement its proposed expansion plan discussed below. Management is excited to have achieved these milestones and we feel confident that, assuming the successful implementation of these new contracts, PUDO now has the right formula to leverage our technology-enabled network and bring long-term sustainability to the company's operations. The success of these new contracts would not only benefit PUDO and our shareholders, but also our partners who operate the PUDOpoint Network. Additional parcel volumes will provide reasons for neighborhood residents to visit PUDOpoint stores more often and make more un-related purchases.

The team at PUDO is focused on the successful implementation of these new contracts. Part of this focus involves working with our new and existing partners to scale and manage a deliberate expansion of PUDOpoint locations where there is parcel demand. The majority of the IT integration, process



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development and training required by PUDO is complete. As our partners complete system testing with us and begin a controlled rollout of parcels within these service offerings, we are already discussing with them additional service offerings we can provide, to help them save even more time and money, and help grow their businesses.

Canada has been an ideal market for PUDO to develop its technology, approach to market, and establish its internal processes. Management believes that strong growth potential remains for PUDO's services in this market. As we begin to expand our focus towards the next steps in the company's evolution, we believe that the US marketplace would also benefit from our services. Any expansion into the US market would require that PUDO raise additional capital or complete some form of strategic transaction. Management is currently evaluating its options.

All of our new customers in the Canadian market control huge parcel volumes around the United States. By continuing to do an outstanding job for our customers in Canada where we have an established PUDOpoint Network, we are demonstrating our value and working to earn their business to support a US network expansion. Collectively our partners currently manage the movement of about 10 million parcels a year in Canada, while their US operations are more than 20 times this scale, or nearly one-quarter billion parcels annually.

It is our expectation that, based on PUDO's successful delivery of excellent service and results attached to parcels in the Canadian marketplace, PUDO will be afforded the opportunity to provide similar services and solve similar problems for our new customers, once our PUDOpoint Network expands in the United States.

We remain delighted to share with you news of our progress as parcels start to flow and volume builds. We are excited about the problems our technology networked solution solve as well as the opportunities for our team, shareholders, partners, and consumers as we gain momentum and grow.

Please do not hesitate to be in touch by phone or email, should you have any questions.

Yours most sincerely,

A handwritten signature in blue ink that reads "Kurtis Arnold". The signature is fluid and cursive, written over a light blue horizontal line.

Kurtis Arnold

CEO

PUDO Inc.

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About PUDO

PUDO Inc. is developing North America's only courier-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.



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PUDO's team of logistics and parcel traffic management experts have created a market intelligence and trends driven solution comprising courier-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 couriers, 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 email that is not current or historical factual information may constitute forward-looking information within the meaning of securities laws, such as statements regarding estimated revenues from new contracts, increased parcel volume 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 integrate its new customers into its network and successfully execute on its new and existing contracts. 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 letter, in particular the information in respect of estimated revenues, 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.

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

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