

PRESS RELEASE
REDISHRED CAPITAL CORP.
Mississauga, Ontario
May 26, 2016

REDISHRED CAPITAL CORP. (“REDISHRED”) ANNOUNCES Q1-2016 RESULTS

First Quarter Highlights:

- Total system sales ⁽¹⁾ in the **PROSHRED**[®] system were \$6.9 million *USD* in the first quarter of 2016, growing 19% over the comparative period in 2015.
 - Scheduled (recurring) system sales for the first quarter reached a record of \$3.35 million *USD*, growing 22% over the first quarter of 2015;
 - Unscheduled system sales for the first quarter reached a record of \$2.5 million *USD*, growing 31% over the first quarter in 2015 and;
 - Recycling system sales for the first quarter were \$1 million *USD*, declining 7% over the first quarter of 2015.
 - The **PROSHRED**[®] system shred and recycled 9,830 tons of paper during the first quarter of 2016, an increase of 17% over the first quarter of 2015.

- Redishred’s six directly operated corporate locations in Syracuse, Albany, Milwaukee, New York City, Charlotte and Miami produced \$1.89 million *CDN* in revenues during the three months ended March 31, 2016, generating \$696,500 *CDN* in earnings before interest, taxes, depreciation and amortization (“EBITDA”), an increase of 21% over the comparative period in 2015.

- Franchise and license revenue for the first quarter of 2016 was *CDN*\$456,128 compared to *CDN* \$398,888 during the first quarter of 2015. This category of revenue is generated by franchisees and licensees of the **PROSHRED**[®] system, originally denominated in US dollars.

- Awarded St. Louis, MO franchise, to commence training and operations in Q3 2016.

- Awarded Orlando, FL franchise to the Company’s current owner of the Tampa, FL franchise who is also a board member of the Company.

Management’s Comments on the First Quarter of 2016

Jeffrey Hasham, the Company’s CEO, had the following comments, “The first quarter of 2016 reflects the positive impact of the acquisition concluded in Florida to start the year, the sales growth in our corporate locations as well as the continued sales and EBITDA growth by our franchisees. Our clients continue to request our on-site destruction methodology, which provides them with the peace of mind that their information is destroyed before we leave their premises,”

Mr. Hasham also noted that, “During the first quarter management implemented a truck refurbishment program on its older trucks to continue to ensure the highest uptime and client service in Q2 and beyond.”

(1) System sales are revenues generated from franchisees, licensees and corporate owned locations. Redishred Capital Corp. derives its royalty and service fee revenues based on a percentage of system sales from franchisees and licensees. Redishred Capital Corp. derives revenues from corporate location system sales.

Financial Highlights:

For the 3 months ended March,	2016	2015	Percentage change
	\$	\$	%
Corporate location financial results:			
Corporate location revenue	1,892,024	1,374,062	38%
Corporate location operating costs	(1,195,510)	(798,527)	(50)%
Corporate location EBITDA	696,514	575,535	21%
Depreciation – tangible assets	(144,157)	(120,778)	(19)%
Operating income from corporate locations	552,357	454,757	21%
Franchise and license sales:			
Franchise and license fees	2,636	26,896	(90)%
Royalties and service fees	453,492	371,992	22%
Franchise related revenue	456,128	398,888	14%
Operating income	472,447	448,366	5%
Net income (loss)	(72,582)	605,838	(112)%
Income per share	(0.00)	0.02	
System sales (USD)	6,865,531	5,749,246	19%

System Sales

Redishred's management team continued to focus its efforts through its franchisees and its corporate locations on (1) building recurring service revenues, (2) maximizing route density and logistical efficiencies and (3) implementing dedicated hard drive destruction trucks/equipment throughout the system. The strong service system sales results are driven by Redishred's sales and marketing programs that are aimed at educating clients on their requirements to destroy confidential information using a secure on-site solution. Additionally, an increasing number of clients are requiring their facilities to recycle all products, including office paper and, by using our service, clients are assured that documents are securely destroyed and the materials are recycled. Proshred also offers hard drive destruction services in almost all of its locations, and has been deploying high speed on-site hard drive destruction trucks. Currently twelve franchised locations have deployed high-speed on-site hard drive destruction trucks.

These factors led to 25% growth in service sales in the first quarter of 2016 over the same quarter in 2015.

Recycling system sales decreased by 7% for the three months ended March 31, 2016 in comparison to the same period in 2015 due to the decline in paper pricing which reflects the overall softness in global commodity pricing. The **PROSHRED®** system shred and recycled 9,830 tons of paper, which equates to 147,500 trees saved.

Corporate Operations

During the three months ended March 31, 2016, Redishred directly operated six shredding locations in Syracuse, NY, Albany, NY, Milwaukee, WI, New York City, NY, Charlotte, NC and Miami, FL.

These locations represent the Company's corporately owned locations. During the quarter ended March 31, 2016, the corporate location revenues grew by 38% over the same comparative prior year period. The Company has also increased EBITDA by 21% over the three months ended March 31, 2015.

Corporate Locations Results:

	3 months ended March 31			
	2016	% of revenue	2015	% of revenue
	\$		\$	
Revenue:				
Shredding service	1,642,515	87%	1,136,674	83%
Recycling	249,509	13%	237,388	17%
Total revenue	1,892,024	100%	1,374,062	100%
Operating costs	1,195,510	63%	798,527	58%
EBITDA	696,514	37%	575,535	42%

Corporate Locations Trend:

	2016		2015				2014	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Corporate location revenue (\$)	1,892,024	1,549,379	1,554,557	1,443,384	1,374,062	1,257,312	1,247,349	1,263,114
Quarter over quarter % change	22%	(1)%	7%	5%	9%	1%	(1)%	9%
Corporate location EBITDA (\$)	696,514	626,711	646,108	678,855	575,535	533,728	527,868	567,231
Quarter over quarter % change	11%	(3)%	(5)%	18%	8%	1%	(7)%	10%

Community and Social Commitment

Our locations under the **PROSHRED**[®] banner conducted 18 community shredding events in the first quarter of 2016. These events provide an opportunity for our clients, clients' employees, local businesses and local residents to ensure their personal and confidential materials are securely destroyed. In addition to helping to reduce identity theft, several of these events allow for donations to various not-for-profit organizations. **PROSHRED**[®] is also proud that 100% of the shredded material is recycled, as our continued goal is to foster the use of fewer trees in the production of all paper products. Future community shredding event locations can be found at our website, www.proshred.com.

On June 4, 2016, **PROSHRED**[®] will be holding its' 3rd annual Shred for Cancer event at most of its locations, raising money for the American Institute for Cancer Research ("AICR"). It is our goal as a Company to support the AICR in their endeavor to conduct research to prevent and possibly cure this disease. Please visit www.proshred.com/aicr for more information on this effort.

Financial Statements

Redishred's March 31, 2016 Financial Statements, Notes and Management's Discussion and Analysis will be available at www.sedar.com and www.redishred.com.

Services

Redishred Capital Corp. is the owner of the **PROSHRED**[®] trademarks and intellectual property in the United States. **PROSHRED**[®] shreds and recycles confidential documents and proprietary materials for thousands of customers in the United States in all industry sectors. **PROSHRED**[®] is a pioneer in the mobile document destruction and recycling industry and has the ISO 9001:2008 certification. It is **PROSHRED**[®]'s vision to be the 'system of choice' and provide shredding and recycling services on a global basis. Redishred Capital Corp. grants **PROSHRED**[®] franchise businesses in the United States and by way of license arrangement in the Middle East. Redishred Capital Corp. also operates five corporate shredding businesses directly. The Company's plan is to grow its business by way of both franchising and the acquisition and operation of document destruction businesses that generate stable and recurring cash flow through a scheduled client base, continuous paper recycling and concurrent unscheduled shredding service.

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