

PRESS RELEASE
REDISHRED CAPITAL CORP. TSXV: KUT
Mississauga, Ontario
May 29, 2018

REDISHRED CAPITAL CORP. (“REDISHRED”) ANNOUNCES Q1-2018 RESULTS

Mississauga, Ontario - (Newsfile Corp. – May 29, 2018) - Redishred Capital Corp. (TSXV: KUT)

Quarterly Earnings Call:

4:30pm EST, May 30, 2018, Participant call in number is 1-800-319-4610

First Quarter Highlights:

Consolidated Highlights:

- Total system sales (the revenues produced by all franchise, license and corporate locations) were \$9 million *USD*, increasing 7% in Q1 of 2018, compared to Q1 of 2017. (Of the \$9 million *USD*, \$4.4 million *USD* or 49% was recurring revenue).
- The Company generated \$3 million *CDN* in revenue during Q1 of 2018, growing 14% over Q1 of 2017.
- Q1-2018 EBITDA was \$779,000 *CDN*, declining 3% over Q1-2017 as a result of a non cash stock compensation expense of \$141,000 *CDN* booked in full in the 1st quarter.

Corporate Locations Highlights:

- Revenues from corporate locations in Q1 of 2018 were \$2.5 million *CDN*, growing 19% over Q1 of 2017.
- Corporate locations EBITDA in Q1-2018 reached a record high of just over \$1 million *CDN*, growing 20% over Q1-2017.
- Subsequent to the 1st quarter, the Company acquired the assets of the Shred Con business in upstate New York which includes two on-site shredding vehicles, other equipment and customer relationships.

Capital Management:

- At March 31, 2018, the Company's working capital improved by just under \$400,000 *CDN* over December 31, 2017 to \$1.8 million *CDN*.
- The Company has continued to improve its debt ratios into Q1 of 2018 and has the resources required to conduct accretive acquisitions.

Management's Comments on the 1st Quarter of 2018

Jeffrey Hasham, the Company's CEO, had the following comments, "The Proshred system continues to post strong revenues in the important category of scheduled recurring revenue, increasing the mix of total revenue by 2% from Q1-2017. The Company has continued to focus its sales, marketing and technology resources on enhancing our recurring scheduled client base. Additionally, we continue to focus and promote the on-site shredding method, which continues to resonate with our target market of small and medium size enterprises. The focus on scheduled and recurring revenues coupled with an emphasis on finding route efficiency has led us to double digit growth on the corporate locations sales and EBITDA line."

Financial Highlights:

(in 000's except as noted)

For the three months ended March 31,	2018	2017 ⁽⁴⁾	% change
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System Sales Performance – in USD

Total locations in the United States	29	29	0%
System sales – total and same location	\$9,005	\$8,420	7%
<i>Percentage scheduled</i>	<i>49%</i>	<i>47%</i>	

Consolidated Operating Performance – in CDN

Revenue	\$3,016	\$2,635	14%
EBITDA ⁽¹⁾	\$779	\$807	(3)%
Operating Income ⁽²⁾	\$532	\$620	(14)%
<i>As a percentage of revenue</i>	<i>18%</i>	<i>24%</i>	
Operating Income per share fully diluted ⁽³⁾	\$0.011	\$0.014	(21)%

Corporate Locations Performance – in CDN

Revenue	\$2,506	\$2,106	19%
EBITDA ⁽¹⁾	\$1,022	\$854	20%
Operating income ⁽²⁾	\$780	\$669	17%
<i>As a percentage of revenue</i>	<i>31%</i>	<i>32%</i>	

As at March 31 and December 31,	2018	2017	% change
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Capital Management – in CDN

Working capital	\$1,802	\$1,411	28%
Debt to total assets ratio	0.39	0.42	7%
Fixed Charge Coverage ratio – rolling 12 months	2.16	2.30	(6)%
Total Funded Debt to EBITDA ratio – rolling 12 months	1.14	1.28	11%

(1) EBITDA is determined as revenue less operating costs. Consolidated EBITDA includes a stock compensation expense of \$134,000.

(2) Operating income is determined as revenue less operating costs less depreciation related to tangible assets. Consolidated Operating income includes a stock option compensation expense of \$134,000.

(3) The Company issued 17,962,929 common shares on January 23, 2017 through an equity raise for a total of \$4.03 million. The Company made a discretionary \$3 million repayment on its line of credit in February, improving the Company's Balance Sheet.

(4) Certain amounts have been reclassified to conform to the current period's presentation.

Stronger System Sales driving Revenue

System sales increased due to the Company's continued focus on providing recurring scheduled service to small and medium sized enterprise clients. In addition, the Company continued to invest in sales and marketing initiatives designed to capture scheduled revenue as well as one-time unscheduled revenue.

Total System Sales increased by 7%

By Service Type:

Scheduled (recurring) increased by 11%
 Unscheduled increased by 11%
 Recycling decreased by 8%

By Location Type:

Franchise location system sales increased by 5%
 Royalty revenue decreased by 4%
 Corporate location system sales increased by 19%
 (Same Store 4%)

Franchise Operations

The Company's roots are founded in Franchising and at March 31, 2018, the Company supported 22 Franchisees across the United States. The Franchise system continued to perform well in Q1-2018 with the following high level sales results (Note: same location system sales represent 100% of total system sales):

For the three months ended March 31, (In 000's, in USD)	2018	2017	% Change
Total locations	22	22	0%
Total system sales (USD)	\$6,974,148	\$6,626,400	5%
Total scheduled service sales (USD)	\$3,457,577	\$3,040,737	14%
Total unscheduled service sales (USD)	\$2,272,486	\$2,214,104	3%
Total recycling sales (USD)	\$1,244,085	\$1,371,559	(9)%

Corporate Operations

The Company operates seven shredding locations in Syracuse, Albany, Milwaukee, New York City, Charlotte, Miami and Northern Virginia. These locations represent the Company's corporately owned locations.

During the three months ended March 31, 2018, the total corporate location revenues grew by 19% over the prior comparative period. The Company also increased EBITDA and operating income by 20% and 17%, respectively, over the 1st quarter of 2017. Both EBITDA and operating income reached a record high in Q1-2018.

Q1 corporate operation results

In CDN, In 000's	Total Corporate Locations			Same Corporate Locations			Non-same Corporate Locations	
	2018	2017	% Change	2018	2017	% Change	2018	2017
For the 3 months ended March 31,	\$	\$		\$	\$		\$	\$
Revenue:								
Shredding service	2,120	1,750	21%	1,845	1,750	5%	275	-
Recycling	386	356	8%	335	356	(6)%	51	-
Total revenue	2,506	2,106	19%	2,180	2,106	4%	326	-
Operating costs	1,484	1,252	19%	1,242	1,252	1%	242	-
EBITDA	1,022	854	20%	938	854	10%	84	-
% of revenue	41%	41%	0%	43%	41%	2%	26%	-
Depreciation – tangible assets	242	185	31%	205	185	11%	37	-
Operating income	780	669	17%	733	669	10%	47	-
% of revenue	31%	32%	(1)%	34%	32%	2%	15%	-

Corporate Locations Trend:

	2018		2017			2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Corporate location revenue (\$)	2,506,453	2,280,150	2,349,342	2,579,361	2,106,123	1,876,057	1,870,736	1,842,693
Quarter over quarter % change	10%	(3)%	(9)%	22%	12%	0%	2%	(3)%
Corporate location EBITDA (\$)	1,022,647	768,539	952,118	967,171	905,789	514,917	707,997	688,142
Quarter over quarter % change	33%	(19)%	(2)%	7%	76%	(27)%	3%	(1)%

Community and Social Commitment

Our locations under the **PROSHRED**[®] banner conduct many community shredding events. 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 2, 2018, **PROSHRED**[®] will hold its' 5th annual Shred Cancer event at most of its locations, raising money for the American Institute for Cancer Research ("AICR"). It is our goal as a Company and Franchise System to support the AICR in their endeavor to conduct research to prevent and possibly cure this disease. So far, **PROSHRED**[®] has raised in excess of \$125,000 for this cause. Please visit www.proshred.com/aicr for more information on this effort.

Financial Statements

Redishred's March 31, 2018 Financial Statements, Notes and Management's Discussion and Analysis will be available at www.sedar.com and www.redishred.com.

About Redishred

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 9001:2015 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 seven 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.

FOR FURTHER INFORMATION PLEASE CONTACT:

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