

PRESS RELEASE

REDISHRED CAPITAL CORP.

Mississauga, Ontario

December 3, 2021

REDISHRED CAPITAL CORP. ANNOUNCES THE ACQUISITION OF AMERICAN SECURITY SHREDDING CORP.

Redishred Capital Corp. (“Redishred” or “Company”) (TSXV: KUT) announces the completion of the acquisition of American Security Shredding Corp. (“American Shredding”) effective December 1, 2021. American Shredding offers paper and hard drive shredding, product destruction, and electronic waste recycling services. American Shredding serves primarily the New York and New Jersey markets, and earned approximately \$4.1M USD in revenue during fiscal 2020 and has a current run rate of \$4.6M USD in revenue for 2021.

The acquisition includes on-site paper and hard drive shredding trucks, box trucks, containers, client relationships, paper baling equipment and other assets used in the shredding business. Redishred views this acquisition as accretive to its cash flows and earnings on a per share basis.

Jeffrey Hasham, Redishred’s Chief Executive Officer, noted, “The acquisition of American Shredding provides us with additional scale and penetration into the large metropolitan markets of New York and New Jersey, allowing us to realize synergies with our existing operations and elevate our brand awareness and presence. We are very excited to bring the American Shredding team and customers to the Proshred family, and we look forward to capitalizing on the excellent value proposition this acquisition represents.”

The purchase price for this acquisition included \$5.15M USD paid on closing and earn-out consideration of up to an aggregate of \$3.4M USD payable over three years, based on the attainment of certain financial metrics. In order to maximize the savings opportunities and ensure a seamless transition, the Company will capitalize on the knowledge of the former owner of American Shredding who the Company has retained for an 18-month period under a management consulting agreement.

The Company financed this acquisition primarily through its acquisition loan facility.

About Redishred

Redishred Capital Corp. is the owner of the **PROSHRED®** trademarks and intellectual property in the United States and Internationally. **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. **PROSHRED®** currently services over 40 markets in the United States. 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 fourteen 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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Note: The TSX Venture Exchange has neither approved nor disapproved of the information contained herein.

This news release contains forward looking statements that reflect the current expectations of management of Redishred and Redishred's future results, performance, achievements, prospects and opportunities. Wherever possible, words such as "may", "will", "estimate", "believe", "expect", "intend" and similar expressions have been used to identify these forward looking statements. These statements reflect current beliefs and are based on information currently available to management of Redishred. Forward looking statements necessarily involve known and unknown risks and uncertainties. A number of factors, including those discussed in the 2020 management discussion and analysis under "Risk Factors", could cause actual results, performance, achievements, prospects or opportunities to differ materially from the results discussed or implied in the forward looking statements.

These factors should be considered carefully and a reader should not place undue reliance on the forward looking statements. There can be no assurance that the expectations of management of Redishred will prove to be correct.

In particular, certain statements in this document discuss Redishred's anticipated outlook of future events. These statements include, but are not limited to:

- (i) An increase to Redishred's cash flow and earnings per share, which may be impacted by the level of costs, industry growth levels, the demand for recycled paper products, changes in local and federal regulations, and the economic situation in the United States; and*
- (ii) The realization of synergies, which may be impacted by the successful integration of operations, procedures, and personnel, and the demand for services.*

Readers are cautioned that such forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from these statements. Redishred can give no assurance that actual results will be consistent with these forward-looking statements.