

PRESS RELEASE

REDISHRED CAPITAL CORP.

Mississauga, Ontario

November 2, 2022

REDISHRED CAPITAL CORP. ANNOUNCES THE ACQUISITION OF PROSHRED PHILADELPHIA.

Redishred Capital Corp (“Redishred” or the “Company”) (TSXV: KUT) announces the completion of the acquisition of Proshred Philadelphia effective November 1, 2022. Proshred Philadelphia offers paper and hard drive shredding, product destruction, and paper recycling services. Proshred Philadelphia earned approximately \$2.8M USD in revenue during fiscal 2021, with revenue for the first half of 2022 being \$1.8M USD.

The Company also wants to highlight the *pro forma EBITDA margin* (See “Cautionary Note Regarding Non-IFRS measures”) of Proshred Philly for 2022 which is estimated to be in the range of thirty-two to thirty-seven percent. Consolidated EBITDA margin of Redishred for the first half of 2022 was thirty two percent, as previously announced by the Company.

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 and paper recycling business. Redishred views this acquisition as accretive to its cash flows and earnings on a per common share basis.

Jeffrey Hasham, Redishred’s Chief Executive Officer, noted, “First and foremost, we would like to thank Virginia Heron-Doerr and Jim Doerr, the former franchisees of this business, for their sixteen plus years of dedication to the Proshred system and brand; we are all thankful for their many contributions all these years. We wish them well as they enter the next stage of their lives and careers. The acquisition of Proshred Philadelphia provides Redishred with a platform to continue the strong growth seen in Philadelphia and the Company now has corporately owned locations in the New York, New Jersey, and Pennsylvania corridor, allowing for fleet, administrative and sales synergies.”

The purchase price for this acquisition including earnouts is estimated to be between \$7.3M USD and \$8.4M USD, based on the attainment of certain financial metrics. The Company financed this acquisition through a combination of cash and borrowings from 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. Redishred Capital Corp. also operates fifteen 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 generates 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 2021 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.*
- (iii) Pro-forma EBITDA margins, which may be impacted by industry growth levels, the demand for services, changes in local and federal regulations, the economic situation in the United States, and the realization of synergies, which may be impacted by the successful integration of operations, procedures, the economic situation in the United States and personnel.*

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.

Cautionary Note Regarding Non-International Financial Reporting Standards ("Non-IFRS") Measures

This press release makes reference to certain Non-IFRS measures that do not have a standardized meaning under IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies. The Company includes these measures as a means of measuring financial performance. More specifically, the Company makes reference to the following Non-IFRS measures:

EBITDA is defined as earnings before interest, taxes, depreciation and amortization.

EBITDA margin is defined as the percentage of revenue that has turned into EBITDA.

Pro forma EBITDA is defined as EBITDA, for the referenced company, for the twelve months ended with respect to the fiscal period being referenced, adjusted for the anticipated cost savings and other synergies that the Company anticipates as a result of the acquisition of the referenced company, as if the Company had acquired the referenced company at the beginning of the fiscal period.

Pro forma EBITDA margin is defined as the percentage of revenue that has turned into Pro forma EBITDA.