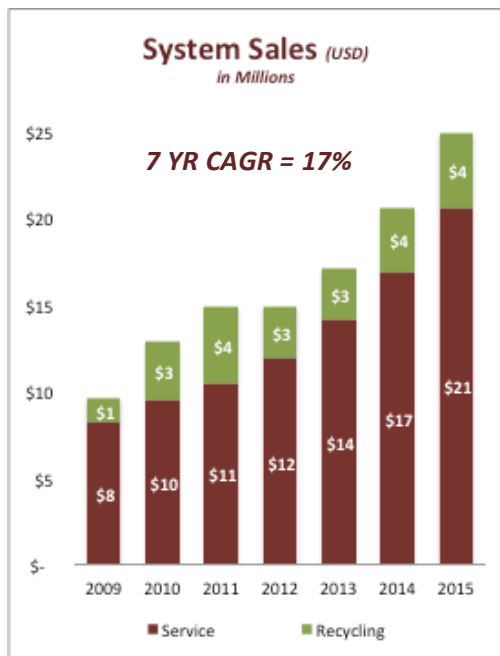


2015 HIGHLIGHTS

(All in Canadian Dollars unless otherwise stated)

- Service related system sales for 2015 increased by 21% over 2014 (*US Dollars*), as the system continued to invest in sales and marketing activities.
- Total system sales in 2015 were \$24.9 million (*US Dollars*), which was an increase of 21% over 2014's results; the system continued to destroy increased volumes of paper, saving 17% more trees in 2015 from recycling activities versus 2014.



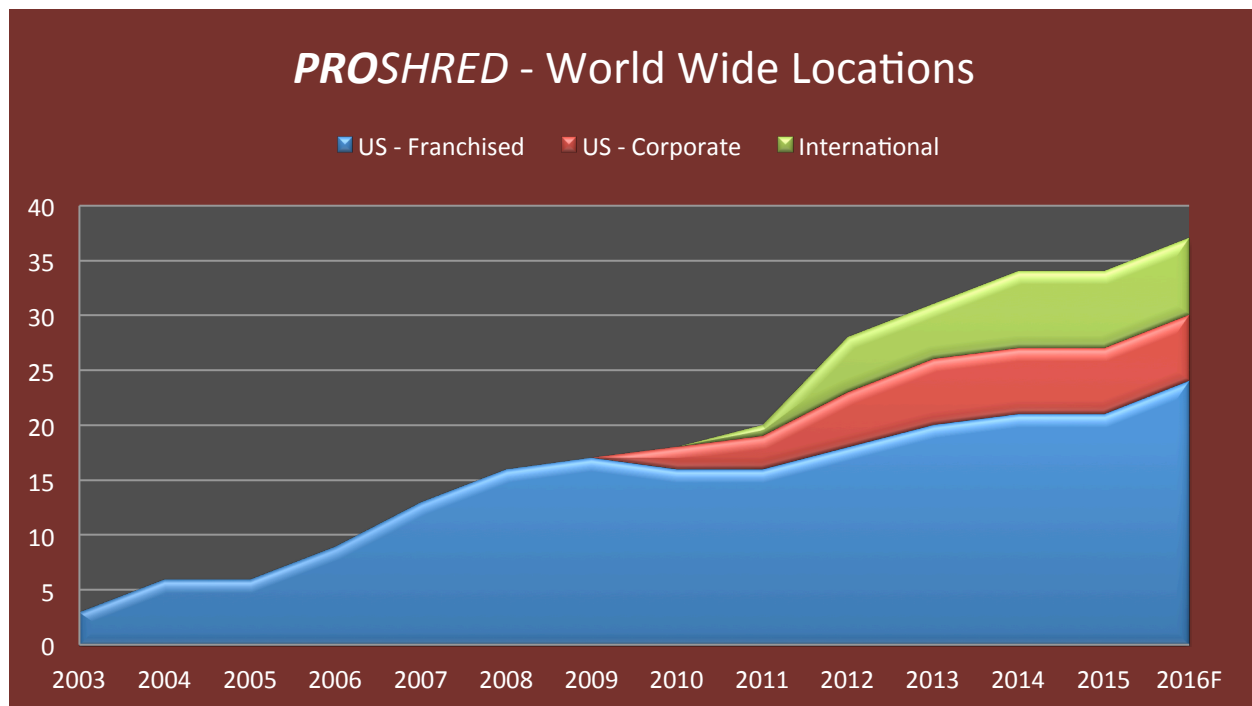
- Corporate locations generated \$5.9 million in Revenue and \$2.5 million in Earnings Before Interest, Taxes and Depreciation (“EBITDA”) for the 12 months ended December 31, 2015. Corporate location EBITDA grew by 18% over 2014.
- Continued to invest in marketing and sales resources with a view to attaining drive brand awareness and lead flow and conversion to sales.
- Awarded the Minnesota franchised location in 2015; operations commenced in February 2016.
- Acquired the RecordShred Business in South Florida on December 31, 2015, expanding our service capability three fold.
- Expanded our partnership with American Institute for Cancer Research, by holding our second nation wide Shred Event on June 6, 2015. In 2015, **PROSHRED**[®] raised in excess of \$50,000 for this important cause.

Our Value Proposition: PROSHRED[®]'s sophisticated technology, backed by over 25 years of experience in information and materials destruction, consistently and reliably provides the best information security and liability protection for our clients.

TO OUR SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to present the 2015 Annual Report for Redishred Capital Corp. (“Redishred” or “Company”).

Redishred is a publicly traded investment company listed on the TSX Venture Exchange focused on the information shredding and recycling industry. Redishred currently owns and operates the **PROSHRED**[®] system in the United States and Internationally. **PROSHRED**[®] is the pioneer of on-site document destruction and has 27 locations in operation throughout the United States and operates in five countries in the Middle East, as of December 31, 2015.



(1) The information prior to the March 17th, 2008 qualifying transaction was obtained from the predecessor Company.
(2) Management's forecast for the year ended December 31, 2016.

Our Value Proposition: PROSHRED[®]'s sophisticated technology, backed by over 25 years of experience in information and materials destruction, consistently and reliably provides the best information security and liability protection for our clients.

PROSHRED[®] is focused on maximizing revenue and profit growth by:

- (1) Supporting our franchisees by way of delivering programs aimed at growing both their sales and cash flows.
- (2) Expanding our location footprint in North America by way of continued franchising and by conducting strategically located acquisitions. We will also expand our location footprint internationally by way of licensing.
- (3) Increasing sales and marketing activities and focusing on route optimization in all locations.

Our management team is committed to building the **PROSHRED**[®] brand, with the view to maximizing shareholder return on investment.

ABOUT PROFESSIONAL SHREDDING CORPORATION AND PROSHRED[®]

Professional Shredding Corporation (“PSC”) is a fully owned subsidiary of Redishred that franchises the right in the United States and internationally, to sell on-site services for the destruction and disposal of documents and other sensitive and confidential materials under the trademark **PROSHRED**[®]. Its customers are businesses, households and other organizations that have a requirement to maintain the confidentiality of their proprietary information, whether for competitive reasons, to comply with legal requirements or otherwise. The **PROSHRED**[®] system allows businesses and individual customers to witness the destruction of their selected paper documents, computer disks, hard drives and other media that contain sensitive and confidential proprietary information.

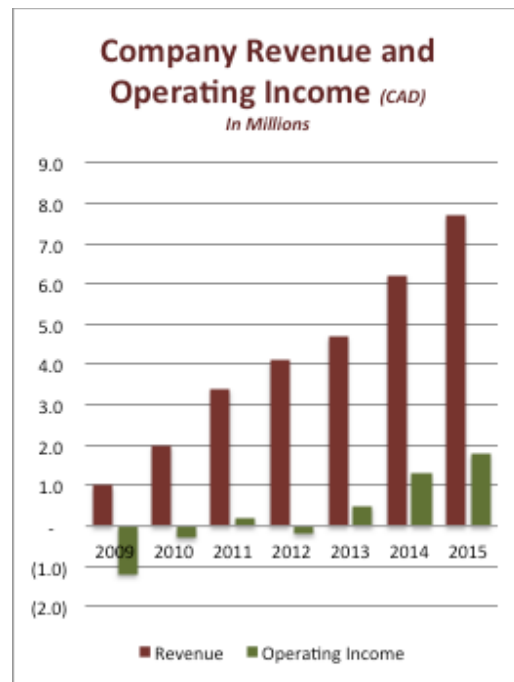
PROSHRED[®] is a pioneer in the onsite document destruction industry, commencing operations in Toronto in 1986. In 2008, Redishred purchased PSC and the brand **PROSHRED**[®] from The Heron Group of Companies. With this acquisition, Redishred immediately obtained a solid platform that could and has demonstrated the ability to support footprint growth. The platforms that were purchased included the **PROSHRED**[®] system and trademarks, programs, and the go-to-market methodology.

***Our Value Proposition: PROSHRED**[®]*'s sophisticated technology, backed by over 25 years of experience in information and materials destruction, consistently and reliably provides the best information security and liability protection for our clients.**

2015 SUCCESSES

During the volatile economic environment of the last five years we have seen opportunities to continue to grow our businesses, not only in the United States, but internationally. Some of our key successes from last year include:

- Increased year over year service related system sales that grew by 21% versus the previous year;
- Posted operating income of \$1.77M in 2015, an increase of 35% over the previous year;
- The introduction of our 12th dedicated Hard Drive Shredding Truck in the **PROSHRED®** system;
- Our system continued its green efforts, saving 545,000 trees by way of recycling shredded paper;
- Awarded one new Franchise in Minneapolis, Minnesota;
- Acquired the RecordShred business in South Florida, increasing the **PROSHRED®** fleet in Florida by 33 percent;



Continued Growth in Service Revenue – The **PROSHRED®** system continued to grow in 2015, with service related system sales (revenues generated from providing secure shredding service to customers and does not include recycling related revenues) growing at a rate of 21% over the previous year. This strong growth in service related system sales is due to **PROSHRED®**'s focus on strong customer service, its dual certifications (ISO 9001 and NAID AAA), and the education of it's clients on the security benefits of using the **PROSHRED®** information destruction service on a regular and recurring basis. It is **PROSHRED®**'s plan to continue building service related revenue by focusing on client education at the local level, by way of continued sales and marketing training programs and by enhancing and increasing our marketing initiatives.

Our Value Proposition: PROSHRED®'s sophisticated technology, backed by over 25 years of experience in information and materials destruction, consistently and reliably provides the best information security and liability protection for our clients.

Quality and Brand – **PROSHRED**® continues to be the only national onsite document destruction company in the United States to be ISO 9001 Certified for international standards in quality and customer satisfaction. The certification was renewed in 2015. In addition, all of our franchise and corporate locations in operation are NAID AAA certified. These certifications are the core of our client satisfaction programs, which are measured, monitored and improved on a continuous basis.

PROSHRED® remains committed to our core values of honesty and transparency in our pricing communications with our customers. As a result we do not typically include fuel, insurance or administrative surcharges in the price of our on-site shredding services.

Commitment to Communities, Social Causes and our Environment – **PROSHRED**®'s core values include commitment to the communities we serve and a commitment towards a cleaner and greener environment.

During 2015, **PROSHRED**® franchisees and corporate locations conducted 201 community shredding events. These events are aimed at educating consumers on the serious ramifications of identity theft while simultaneously allowing consumers to destroy their confidential documents on site and in a green manner. Our community shredding events are often conducted in association with local charities raising funds for their worthy causes.

On June 6, 2015, **PROSHRED**® conducted its very first national shredding event to raise funds and awareness for the American Institute for Cancer Research (“AICR”). This event was and is inspired by our former franchisee, David Wright, in Charlotte, North Carolina. In 2015, **PROSHRED**® raised over \$50,000 on behalf of AICR. Our 2016 Shred Cancer Event will be on June 4, 2016, please visit www.proshred.com/aicr for more information.

An important byproduct of the **PROSHRED**® service is the shredded paper. All paper that is shredded is also recycled, and as a result, **PROSHRED**® locations shred 36,000 tons of paper in 2015, saving 545,000 trees.

Our Value Proposition: PROSHRED®'s sophisticated technology, backed by over 25 years of experience in information and materials destruction, consistently and reliably provides the best information security and liability protection for our clients.

2015 CHALLENGES

Paper Prices – During the last quarter of 2015, driven by a drop in overseas demand and overall global declines in commodity prices, recycled paper prices dropped by 18% versus the 4th quarter of 2014. Paper pricing has continued to be soft for the last four years, with Q4-2015 being the lowest pricing point since early 2009. **PROSHRED**®’s response to this challenge has been to focus its sales strategy on building strong route densities, selling recurring service and by providing peerless customer service. By building strong route densities, we can and have increased our truck utilization, thereby reducing our cost per stop and remaining competitive during upward paper pricing cycles.

Franchise Development – The **PROSHRED**® franchise model is capital intensive, as it requires significant investment in equipment and human resources to launch. The typical franchisee candidate has a net worth of at least \$1.5M. The United States credit markets continued to be a challenge for small businesses, restricting access to capital for potential franchisees, hence reducing the pool of qualified candidates. In order to respond to this situation, **PROSHRED**® has invested in (a) supporting our existing franchisees, as they drive the validation process, (b) building stronger relationships with business brokers with the aim to increase the quantity of quality candidates that explore the **PROSHRED**® business opportunity, and (c) management continues to work with various financing brokers and advisors with the goal to open new financing channels for new and existing franchisees.

REDISHRED CAPITAL CORP AND PROSHRED® MOVING FORWARD**Strategy**

PROSHRED® will spend the next fiscal year focusing on our core strategies as follows:

- Continuing to enhance the **PROSHRED**® system with the view of increasing franchisees’ sales and cash flows by providing sales and marketing support to all franchisees and corporate locations;
- Leverage our buying power to reduce the costs of our Franchised and Corporate locations;
- Recruiting and awarding new franchise locations in the United States by continuing to invest in franchise marketing activities and develop stronger relationships with business brokers;

Our Value Proposition: PROSHRED®’s sophisticated technology, backed by over 25 years of experience in information and materials destruction, consistently and reliably provides the best information security and liability protection for our clients.

- Conducting acquisitions in key markets with a view to driving service depth in a market or region;
- Continuing to implement our new workflow management software with enhanced routing capabilities;
- By being involved in our communities by way of supporting local and national charities, conducting shredding events and continuing to recycle the paper and other materials collected and destroyed; and

These activities are aimed at (1) increasing our national footprint in the United States, (2) continuing to grow system sales, (3) enhancing Redishred's cash flows, and (4) contributing to the communities we operate in. Our goal for 2015 is to generate EBITDA of \$2.53M for Redishred Capital Corp.

We believe that our strategy will allow us to continue to grow our revenue, expand our footprint via franchising and acquisitions and continue to grow our net income and cash flows from operations.

In closing, the management team of Redishred Capital Corp. would like to thank our hard working and dedicated franchisees and employees for their efforts and support in growing the **PROSHRED®** brand. Furthermore, we would like to thank our board of directors, shareholders, suppliers and most importantly our customers for their ongoing support. **PROSHRED®** continues to demonstrate that it is the system of choice for on-site information destruction, and we are looking forward to continuing our growth in 2016 and onwards.



Jeffrey Hasham

Chief Executive Officer

Our Value Proposition: PROSHRED®'s sophisticated technology, backed by over 25 years of experience in information and materials destruction, consistently and reliably provides the best information security and liability protection for our clients.



ANNUAL REPORT

2015

INFORMATION

Redishred Capital Corp. – Home Office

Toronto, Ontario

6559 Mississauga Road, Suite B
Mississauga, Ontario, Canada, L5N 1A6

Redishred Acquisition Inc. – US Offices:

New York City, New York

5 West Main Street Suite #200
Elmsford, NY 10523

Syracuse, New York

6067 Corporate Drive
East Syracuse, NY 13057

Charlotte, North Carolina

803 Pressley Rd - Suite 108
Charlotte, NC 28217

Fort Lauderdale, Florida

2300 NW 30th Ct
Fort Lauderdale, FL 33311

Averda LLZ – Middle East Master Licensee Office:

Dubai

Business Central Towers (Tower B, Level 37)
Media City
PO Box 38180, Dubai, UAE

Proshred Franchising Corp.

Syracuse, New York

6067 Corporate Drive
East Syracuse, NY 13057

Albany, New York

164 Montgomery Street
Albany, NY 12207

Milwaukee, Wisconsin

1425 Commerce Ave – Unit C
Brookfield, WI 53045

Miami, Florida

201 South Biscayne Blvd Suite 2800
Miami, FL 33131

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ANNUAL REPORT

2015

MANAGEMENT

Jeffrey Hasham	Chief Executive Officer
Jack Pulkinen	Chief Financial Officer
Ronald Gable	Senior Vice President Performance and Operations
Joseph Morana	Vice President of Business Development and Client Care
Mark MacMillan	Managing Director

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