



REDISHREDTM
CAPITAL CORP.

TSXV**KUT**

Company Presentation

Q3-2019 Results

FORWARD LOOKING STATEMENTS

The Summary includes certain statements, estimates and projections with respect to the Company's anticipated future performance. In some cases, the recipient can identify forward-looking statements by terms such as 'may,' 'will,' 'should,' 'could,' 'would,' 'expects,' 'plans,' 'anticipates,' 'believes,' 'estimates,' 'projects,' 'predicts,' 'potential', or 'continue' or the negative of those forms or other comparable terms. The Company's forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. As a result of these uncertainties, the recipient of the Summary should not place undue reliance on the Company's forward-looking statements. The Company does not intend to update any of these factors or to publicly announce the result of any revisions to any of the Company's forward-looking statements contained herein, whether as a result of new information, any future event or otherwise.

The prospective financial information included in the Summary was not prepared with a view toward compliance with the published guidelines of (i) any securities regulator including the U.S. Securities and Exchange Commission, or (ii) any accounting or auditing regulatory body including the Canadian Institute of Chartered Accountants or the American Institute of Certified Public Accountants ("AICPA") for the preparation of projections (such as the AICPA audit and accounting guide for prospective financial information). The statements contained in this document has not been compiled, examined, or have had any audit procedures, and accordingly, we do not express an opinion or any other form of assurance with respect thereto. The Company, expressly disclaim all responsibility for the validity, reasonableness, accuracy or completeness of such statements, estimates and projections.

REDISHRED – VISION | PURPOSE | GOALS

Easily, the most secure information destruction and protection services Company



Durable and Sustainable:

- Focus is on Scheduled and Recurring Revenue Generation for our Franchisees and Corporate locations

Easy:

- Make it easy for our clients to transact business with us

Empowerment:

- Hire great people and give them the tools and ability to make sound decisions

PROSHRED® BRAND – owned by Redishred

Consolidating the US On-site Document and Data Destruction Industry

WHO WE ARE

- Established international brand
- 40+ markets directly serviced in the United States
- Dual Certified – ISO and NAID
- Industry leader in security, quality, and customer service
- On-Site = Most Secure
- Only large national company to provide services primarily on-site

VALUE PROPOSITION

“Backed by 30 years of experience in material destruction, PROSHRED® consistently and reliably provides the best information security and liability protection. Anything less is a risk to your security and your business.”

OUR LOCATIONS

Over 30 locations respectively across the US – Blend of Corporate and Franchised serving 40 markets





PERFORMANCE

REDISHRED OVERVIEW

Consolidating the US On-site Document and Data Destruction Industry

OVERVIEW

- Publicly-owned and listed on TSX Venture Exchange under symbol **KUT**
- 100% owner of Professional Shredding Corporation including:
 - IP & TMs associated with the **PROSHRED®** brand;
 - 30-year proven operations system; and
 - Serving 40+ markets in the United States

STOCK CHART



Our Mission: Drive growth in shareholder value with increased cash flows by continuously improving operational efficiencies, completing corporate acquisitions, and expanding the US footprint (Franchising and Acquisitions)

CAPITAL STRUCTURE

Common Shares Outstanding (Fully Diluted)	82.4M
Market Capitalization	\$82.4M
Board & Mgmt. Ownership	24%
Net Debt	\$3.0M
Enterprise Value	\$85.4M

KEY STATS

Share Price (Nov 28)	\$1.00	Top 5 Holders	41.2%
Institutional	38.7%		
52 wk High/Low	\$1.14/\$0.59		

REDISHRED PERFORMANCE TIMELINE

Company Achievements: Growth in Cash Flow and Locations

MILESTONES

2008 - 2013

- 2008: Redishred Purchases Proshred
- 2010: First Corporate Location Acquired
- 2013: Acquired Proshred CLT, System Sales \$17M USD

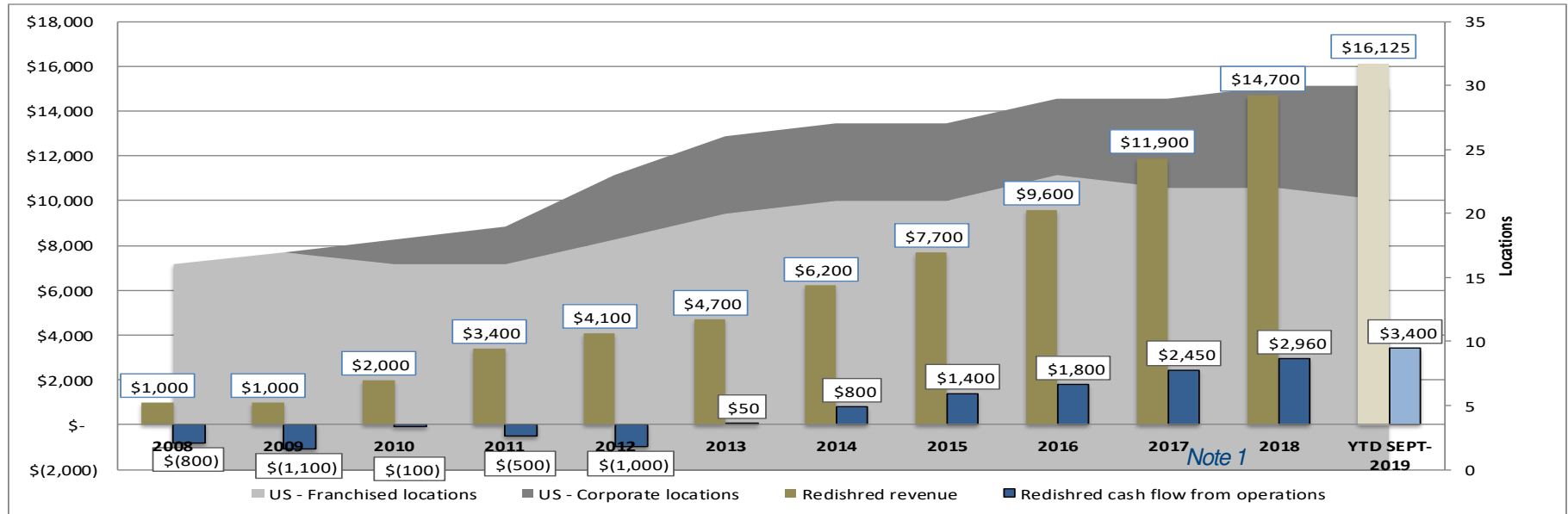
2014 - 2018

- \$7M in Acquisitions
- 2018: Cash Flow from operations just shy of \$3M
- Equity Raise of \$11M @ 60 cents CAD

2019

- Acquired Proshred Kansas - \$11M CAD
- Acquired Proshred Chicago - \$14M CAD
- Cash Flow from Operations = \$3.4M (YTD September 2019)

FINANCIAL PERFORMANCE AND LOCATIONS (in 000's)



RESULTS – Q3-2019

Target: Grow Same Location Shredding System Sales 10% over 2018 = **On Target**

SYSTEM SALES HIGHLIGHTS

Shredding System Sales¹

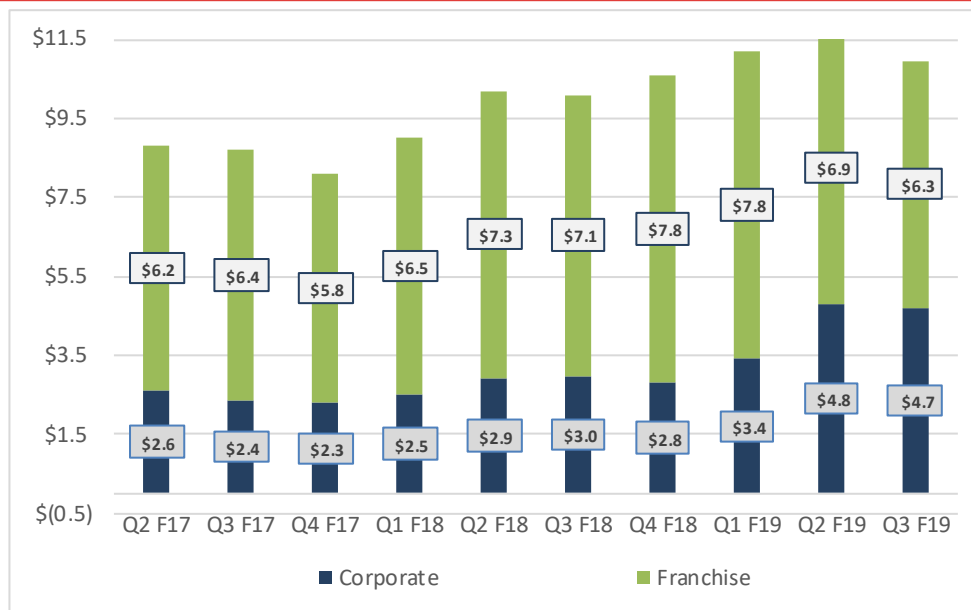
- ◆ Same Location **Service System Sales** grew \$1.24M in Q3-19 versus Q3-18 = ↑16%
- ◆ **Same Location Scheduled Sales (recurring)** grew ↑18% over Q3-2018 (52% of total mix)

¹ Excludes Recycling Sales

Total System Sales

- ◆ 9% increase over Q3-2018 (Scheduled up ↑23%)
- ◆ Same location Recycling System Sales ↓48% over Q3-2018 due to a 54% decrease in paper prices (**Tonnage increased by 18%**)
- ◆ **Notice:** Paper Prices expected to be lower for the rest of 2019 versus the prior year comparative.

QUARTERLY SYSTEM SALES in millions – USD



GROWTH DRIVEN BY:

Dedication to secure on-site method

Targeting of SMEs Recurring Monthly Service

Investing in Sales, Marketing and New Trucks

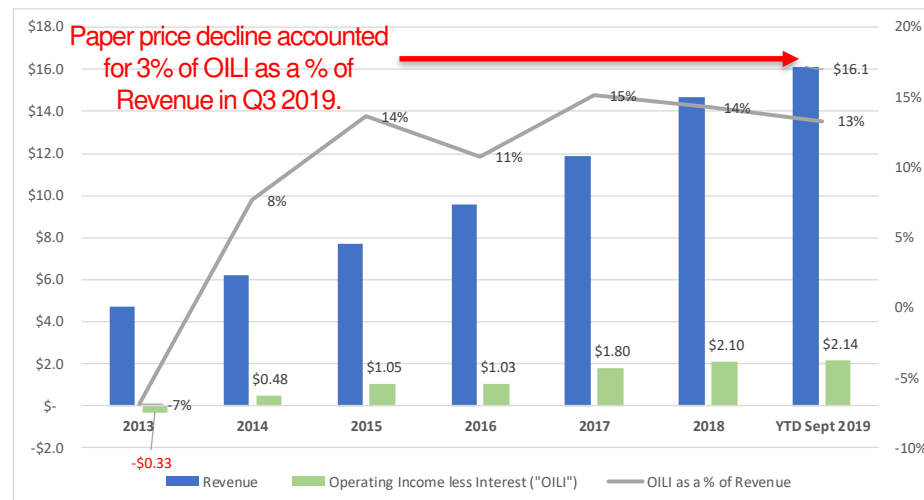
RESULTS – Q3-2019

Consolidated Operating Income: Acquisitions/Organic Shredding Revenue Growth offset significant declines in paper prices.

OPERATING INCOME LESS INTEREST (“OILI”) HIGHLIGHTS

- ◆ Consolidated OILI for YTD-2019 was \$2.1M versus \$2.1M for all of fiscal 2018
 - Acquired locations in Kansas and North New Jersey were accretive
 - Non-recurring transition costs related to the new acquisitions accounted for 3% of total revenue
 - Same location Shredding revenue was up 11% year over year
 - Paper prices in Q3-2019 were off 54% versus Q3-2018. The variance of over \$500K accounted for 3% of revenue.
- ◆ SG&A costs were flat and in line with expectations for Fiscal 2019.

CONSOLIDATED REVENUE AND OILI (in millions – CAD)



GROWTH DRIVEN BY:

INCREASED SALES SYSTEM WIDE

The focus on the generation of scheduled system sales has resulted in increased royalty revenue for Redishred. Corporate locations have further invested in new sales human resources further driving system sales.

TECHNOLOGY INTEGRATION

The Company continues to invest in routing and accounting software with a view to enhancing route profitability and allowing the company to administer increased transactions as we add further locations.

RESULTS – CORPORATE LOCATIONS

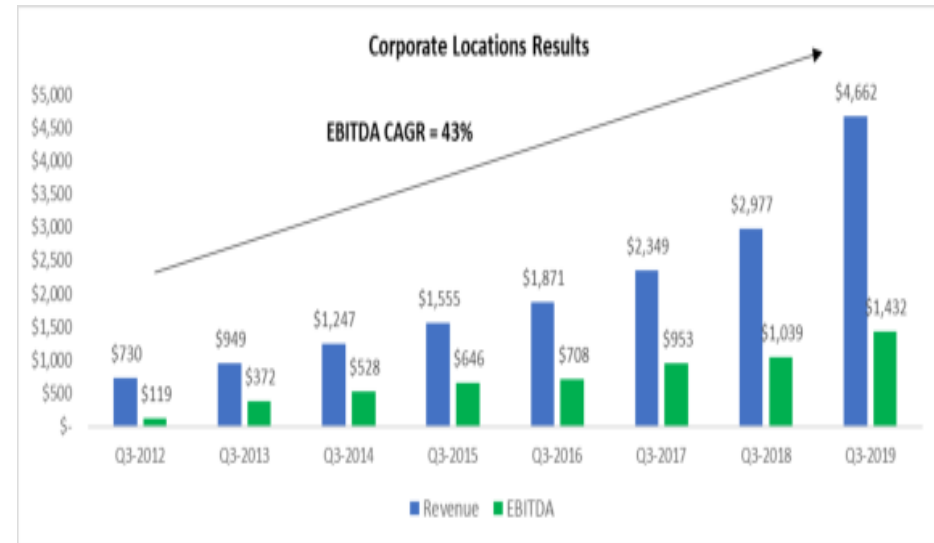
Corporate Locations continued to drive cash flows, benefiting from organic growth and acquisitions

CORPORATE LOCATION PROFITABILITY

- ◆ Total Corporate Location EBITDA grew by 38% over Q3-2018 (*Includes acquired operations*)
- ◆ Same Corporate Location EBITDA declined by 14% over Q3-2018
 - Shredding service revenue increased 9% in Q3-2019 versus Q3-2018
 - Decline in EBITDA was driven by reduced paper prices when comparing the all-time highs from Q3-2018 to the seven-year lows seen in Q3-2019 – Recycling revenue was down \$356K compared to Q3-2018.
- ◆ The reduction in recycling revenue equaled 7% of same location revenue in Q3-2019
- ◆ Non-recurring transition costs related to the new acquisitions accounted for 3% of total revenue

Operationally, the Business Performed in excess of expectations.

CORPORATE LOCATION PERFORMANCE *in thousands – CAD*



GROWTH DRIVEN BY:

Investment in newer trucks to ensure minimization of truck downtime and major repairs

Investment in sales management systems (CRM) and operations systems (routing)

Focus on driving scheduled sales. Three acquisitions conducted.

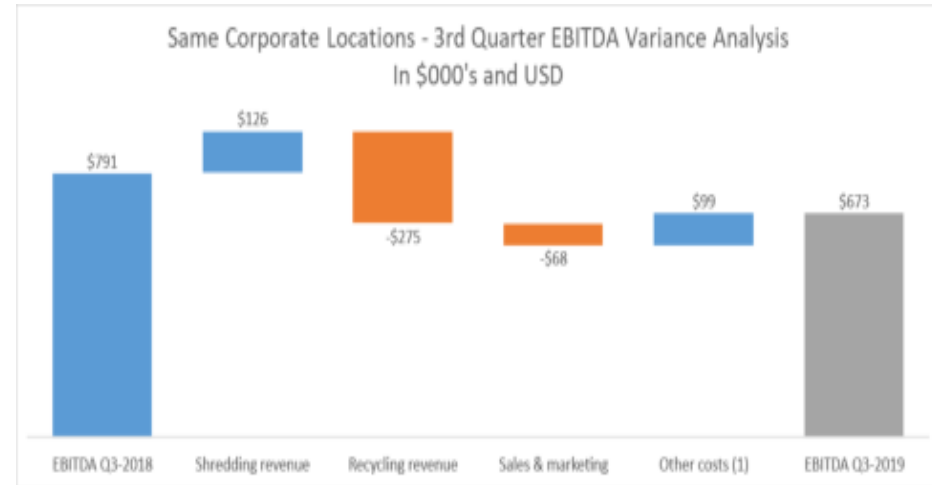
RESULTS – IMPACT OF PAPER PRICES

Variance Analysis – Q3 2019 versus Q3 2018

System Average Paper Prices and Tonnage



CORPORATE LOCATION VARIANCE *in thousands – USD*



Tonnage is up 18%, paper prices well below 5 year average.

GROWTH DRIVEN BY:

Investment in newer trucks to ensure minimization of truck downtime and major repairs

Investment in sales management systems (CRM) and operations systems (routing)

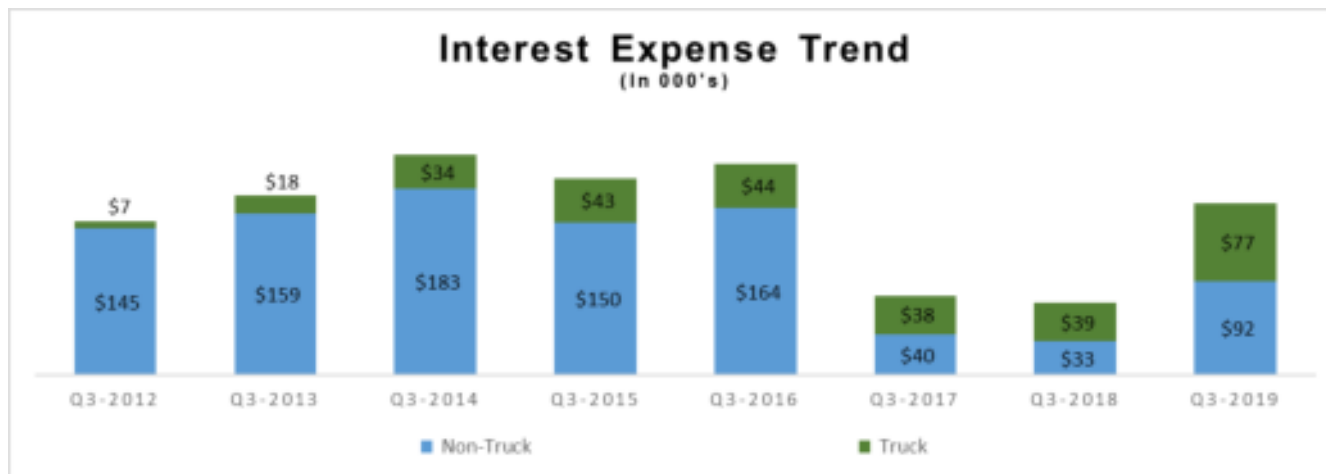
Focus on driving scheduled sales. Three acquisitions conducted.

CAPITAL MANAGEMENT

Acquisition Capacity at \$15M CAD

As at September 30 and December 31,	2019	2018	% change
Capital Management – in CAD			
Working capital	\$13,244	\$7,288	82%
Debt to total assets ratio	0.34	0.29	(17)%
Normalized Fixed Charge Coverage ratio – rolling 12 months	2.28	1.94	18%
Normalized Total Funded Debt to EBITDA ratio – rolling 12 months	2.24	1.69	(33)%

- ♦ July 2019, the Company raised \$11.25M CAD in Equity @ 95 cents per share.
- ♦ November 2019, drew \$6M CAD on Acquisition Line
- ♦ Interest expense has risen as a result of the new debt financing related to acquisitions and additional trucks in the fleet.





CHICAGO ACQUISITION OCTOBER 1, 2019

CHICAGO METRICS

Service Revenue Growth and Mix Strong

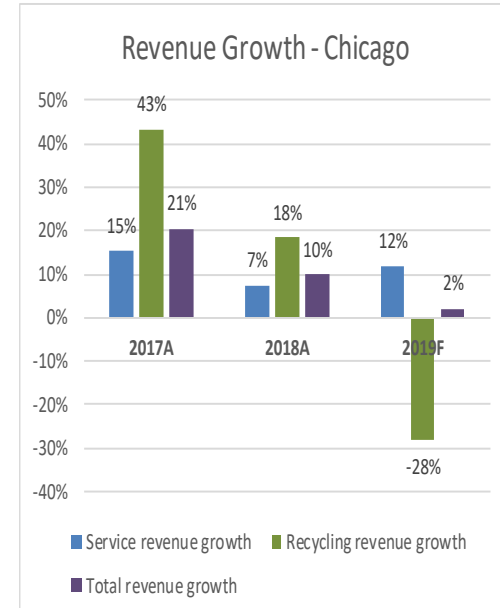
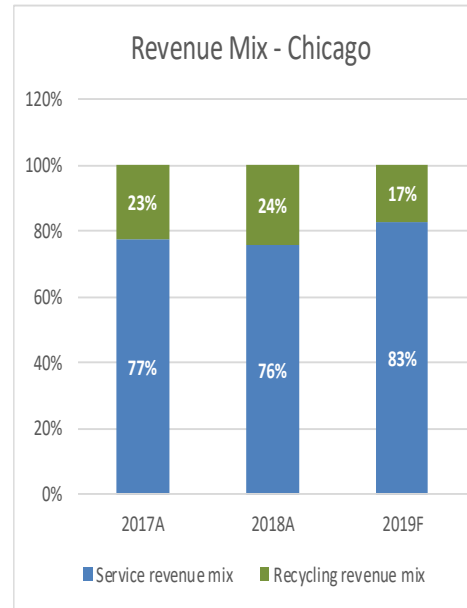
Chicago Highlights

Total revenue in 2018 was just over \$4M USD

Service Revenue:

- ♦ Mix consistently between 75% and 85% Service – cash flow is driven by service revenue
 - ♦ Service revenue growth is forecasted at 12% for 2019, this includes actuals to June 2019. This is forecasted to more than offset the decline in Paper revenue
 - ♦ *Note: Paper Prices expected to be lower for the rest of 2019 versus the prior year comparative.*
- Multiple paid 6.5X EBITDA
 - ♦ EBITDA between 35% and 37% of Revenue

Chicago Revenue Statistics



FOUNDATION:

Chicagoland Population
10 Million

Average revenue per
scheduled client under
\$90/month

15 Trucks



2019 INITIATIVES

2019 SCALING INITIATIVES

People and Technology Investments to enhance long term shareholder value

- Conducted just under \$32 million in acquisitions in the last 5 quarters, coupled with continued double digit service revenue growth (Same locations), this has created the need to:
 - ◆ Invest in sales, marketing and accounting professionals with a view to supporting existing operations as well as allowing the Company to continue to add new locations (Acquired and Franchised)
 - ◆ Continue our investment in our Integrated Technology tools with a view to create one platform that unifies all our tools (Sales, Marketing, Order Entry, Workflow, Accounting and Routing) and enhance client service and routing efficiencies
 - ◆ Invest in new ERP (Integrated), starting with Accounting modules with a view to enhancing business analysis and reducing the potential for errors related to period end closing process
 - ◆ Continue our investment in Cyber Security Protocols to ensure that our platform and the resident information is safe

BUSINESS PROCESS TRANSFORMATION

Creating a Platform for Continued Growth

Need to Change

Unified/Integrated Technology:
9 Corporate Locations, 21 Franchised Locations,
using various technology tools independently =
inconsistent process, duplicated tasks and lack of
consistent measurement protocols

New ERP – Accounting:
Increased Corporate Locations and organic growth
coupled with the need to report accurately and
proactively has created increased manual processes
and a lack of automated real time reporting

Initiatives

- Developed an integrated platform in 2017 called the Client Management Platform (“CMP”) that unifies CRM, Marketing Automation and Workflow, next steps are routing logistics, accounting and client booking
- Implementing a new ERP platform, with the first roll out in the accounting and finance area. The second step in this process will be to integrate the ERP into the CMP

Drive better organization efficiency

Increase operational performance from our routes

Pursue commercial excellence

Ensure continued best in class external reporting

Allow the Company to continue to scale effectively, efficiently and securely

CONTACT US

Please Direct Your Investor Inquiries to:

Jeffrey Hasham, CEO

phone: 416.849.3469

email: jeffrey.hasham@redishred.com

Kasia Pawluk, CFO

phone: 416.204.0076

email: kasia.pawluk@redishred.com

Corporate Head Office

Redishred Capital Corp.
6505 Mississauga Road, Suite A
Mississauga, ON L5N 1A6

Tel: 416-490-8600

Toll-free: 1-866-379-5028

APPENDICES

SENIOR MANAGEMENT

Proven Management Team



Jeff Hasham
Chief Executive Officer

- 14 years with Redishred and **PROSHRED®**
- Led company through significant growth
- Conducted all acquisitions – all accretive
- MBA, CA, CPA
- Former Ernst & Young



Kasia Pawluk
Chief Financial Officer

- 9 years with Redishred and **PROSHRED®**
- 10 Year's finance and accounting experience with emphasis on publically reporting entities
- CA, CPA
- Former Deloitte



Ron Gable
Sr. VP Performance & Operations

- 4 Years with Redishred and **PROSHRED®**
- 5 Years of experience with Shred-it during its infancy.
- Strong Logistics Experience
- Former Consultant for PWC and KPMG

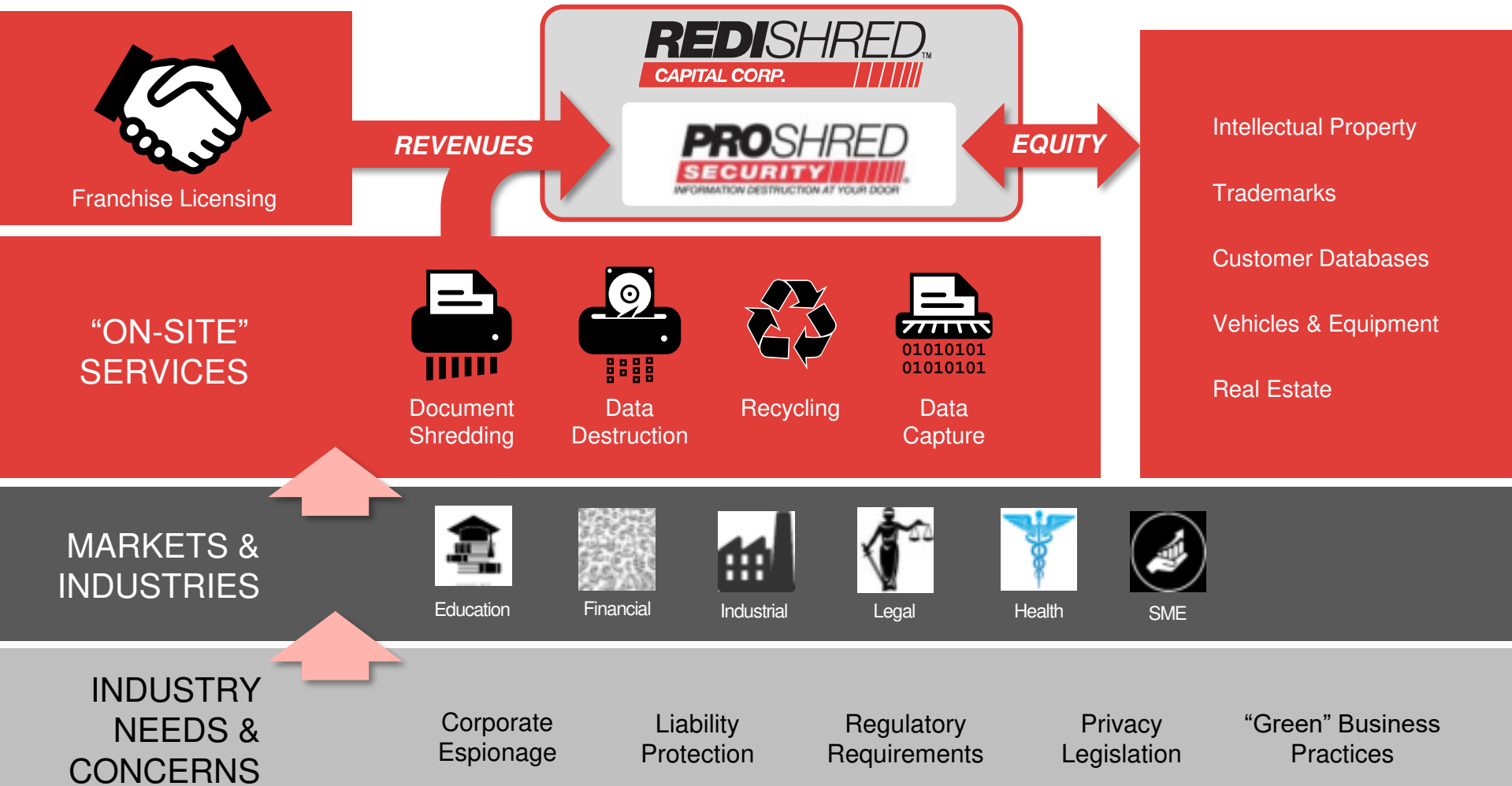


Francesco Marascia
VP of Marketing

- 3 years with Redishred and **PROSHRED®**
- 15 Years of experience with strong emphasis on Digital Technologies.
- Chartered Marketer (CM), MBA

VALUE FLOWS

Driving Shareholder Value



Document Destruction Industry

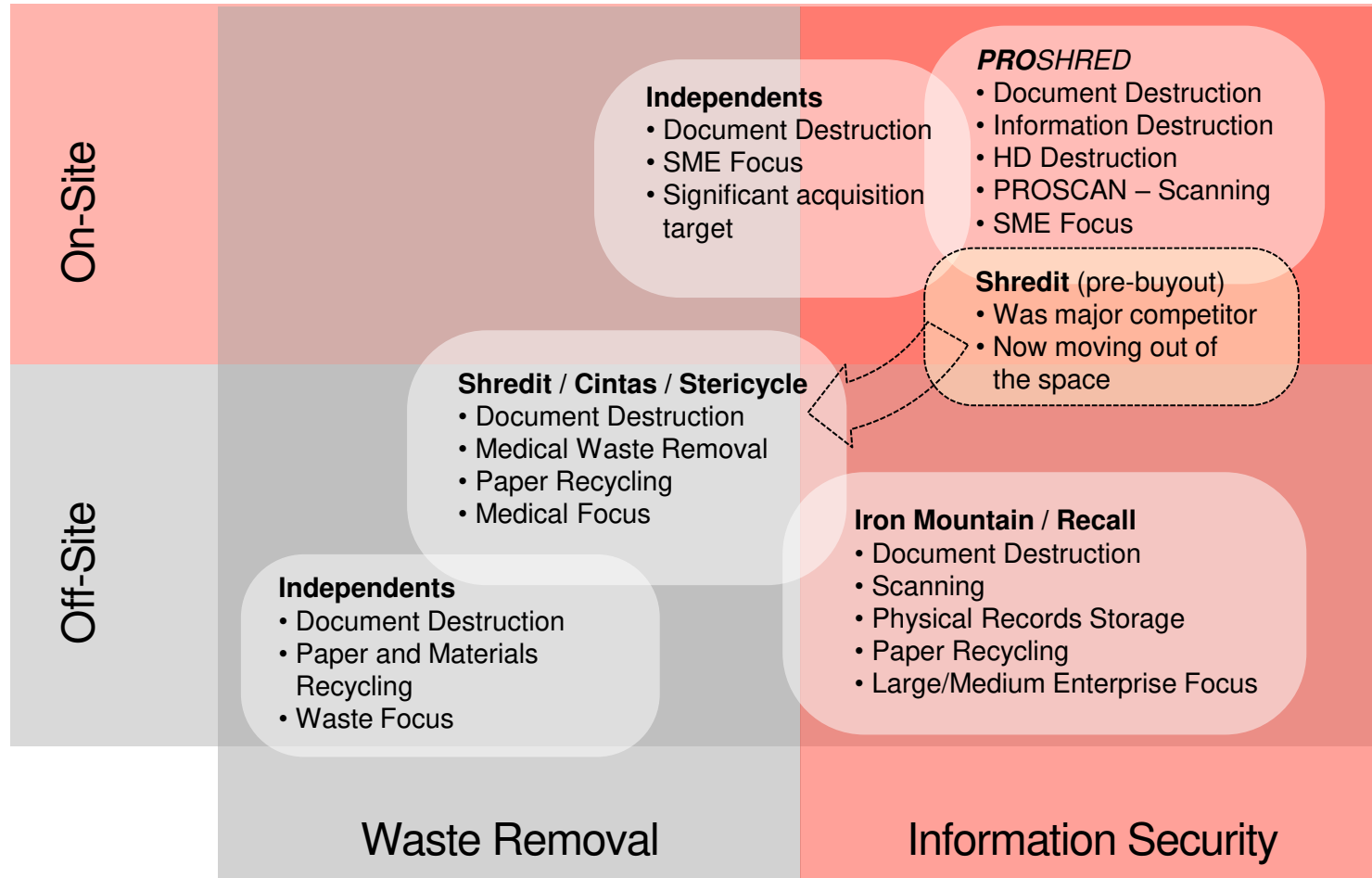
Well Researched and Well Understood Marketplace

- US\$3.6 billion per year
- U.S. market highly fragmented with many independents and only a handful of large providers
- Robust Market Drivers
 - ◆ concern about identity theft and corporate espionage
 - ◆ concern about liability protection and transference
 - ◆ tighter regulatory requirements, legislation and enforcement
 - ◆ massive push towards “green” business practices
- Trending demand for “on-site service” – the largest players moving to off-site
- SMEs typically under served by larger national competitors which tend to target large contract clients

BRAND POSITIONING

Focused on Our Strengths in the Marketplace

***PROSHRED®** is positioned to provide secure material destruction through on-site operations*



OPERATIONAL GROWTH STRATEGY

Investment in People, Trucks and Process will continue to drive cash production

CONTINUOUS IMPROVEMENT & OPTIMIZATION

- Enhancing Web Brand Presence, and Lead Conversion – multiple channel.
- Driving Route Density – Own the Building
- Focus on Sales Force Tools – Drive Scheduled Revenue
- Deploy Enabling Technology – CRM and Technology Integration

ACQUISITION & EXPANSION

- Franchising – West of the Mississippi
- Tuck-in Acquisition – In Current and Adjacent markets – East Coast – Drive Synergies
- Hub Acquisitions – Existing Franchisees as they come due
- Deployment of newest truck fleet

CORPORATE STORES

- Continued investment in strong local management
- Continued investment in local outside sales
- Centralized Order to Cash
- Continued investment in truck fleet = high uptime and client satisfaction

DRIVING CASH FLOW

FOOTPRINT GROWTH STRATEGY

Plan designed to drive depth on the East Coast, and footprint elsewhere

1. ACQUISITIONS	Tuck-in Targets over 750 independents in the US 90% 2 trucks or less	Hub Targets – Franchisees at Renewal – Typically \$2M in Revenue – 35% EBITDA	Goal – drive depth of market presence and route density in chosen markets
2. FRANCHISING	Platform well developed to successfully launch and on-going support	Focus on Western US Markets	Secondary markets ideal for Franchising
3. LICENSING	Current License in the Middle East	International Growth to be driven via licensing	

ACQUISITION PLAN

KEY TARGET STATS

- Key Target Stats
 - ◆ Average revenue of Independent is under \$500,000 per annum
 - ◆ Over 750 independents, 90% are two trucks and under
 - ◆ EBITDA multiples between 4X and 6X

WHY TARGETS ARE WILLING TO SELL OPERATIONS?

- Why independent targets are willing to sell operation?
 - ◆ Cannot compete with big-name brand recognition
 - ◆ Difficulty spending the required marketing dollars to compete with the larger firms
 - ◆ Larger Competitors have limited interest in purchasing smaller operators – not enough “torque”
 - ◆ Industry moving to Information destruction
 - Requires different equipment for digital destruction
 - Frequent rotation of equipment required to ensure quality of service
 - Cost of upgrading prohibitive to independents due to capital constraints
 - ◆ Industry is mature; therefore many older operators looking to retire

DEMONSTRATED ACQUISITION VALUE

Comparison of EBITDA Multiples with Competitor's Acquisition

PROSHRED ACQUISITION CASE STUDY

- Increase in Shareholder Value Completed without Financing
- Acquired new location in Miami December 31, 2015
- Includes Shredding Company with 2 Paper Trucks, 1 HD Truck
- \$100K in Pre-Acquisition EBITDA (**4X EBITDA** - Pre)
- New EBITDA \$200K after consolidation with PROSHRED Miami (**2X EBITDA** – Post)

SOURCES		USES	
Working Capital	\$25,000		
Consoles	\$10,000		
Computers/Equipment	\$5,000	Promissory Note	\$100,000
Trucks	\$225,000	Truck Financing	\$250,000
Customers	\$135,000	Contingent Consideration	\$50,000
Total	\$400,000	Total	\$400,000

INDUSTRY COMPARABLE ACQUISITION STUDY

- EBITDA Multiples with Competitor's Acquisition
- Stericycle (Largest Health Care Waste Firm in the World)
- Shred-It (Largest Document Shredding Firm in the World)
- Acquisition completed in 2015
- Focus migrating from on-site model to off-site model

FINANCIAL METRICS	
Revenue - 2015	\$661M
Operating EBITDA	\$179M
Acquisition Price	\$2.3B
Multiple of Revenue	3.48X
Multiple of Operating EBITDA	12.85X