



REDISHREDTM
CAPITAL CORP.

TSXV **KUT**

Company Presentation

Q3-2020 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 Capital Markets Profile

As at November 25, 2020

Stock symbol:	TSXV: KUT
Shares outstanding:	78.8 million
Price (November 25, 2020):	\$0.50
52 week low / high:	\$0.36/\$1.08
Market capitalization:	\$39.4 million



OVERVIEW AND STRATEGY

PROSHRED® OVERVIEW – owned by **REDISHRED**

Consolidating the US On-site Document and Data Protection Industry

COMPANY OVERVIEW

- Established US national brand providing information destruction services primarily on-site
- Consolidator in a fragmented US\$3.6 billion market
- Only National Dual Certified Operator – ISO and NAID¹
- Industry leader in security, quality, and customer service, On-Site = Most Secure
- Third largest information destruction company in the United States

VALUE PROPOSITION

“Backed by 35 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.”

1. NAID is the National Association for Information Destruction: they are the leading industry association and lobby group that grants the AAA certification to qualified vendors.

OUR LOCATIONS

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



Long Term Drivers of Growth

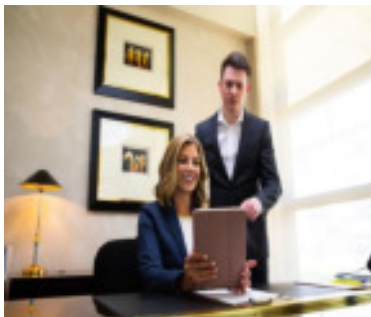
Three Pronged Strategy



- Drive Same location revenue and EBITDA growth, focusing on recurring revenue streams, directed at the Small Medium Enterprise market



- Conduct accretive acquisitions, purchasing franchisees as they retire, and independents in existing and new markets



- Support franchisees to help them grow durable and sustainable revenue and EBITDA streams



PERFORMANCE

REDISHRED ANNUAL REVENUE TREND

Revenue Growth – Driven By Acquired Locations – COVID19 Impacted Same Location Revenue

TOTAL REVENUE HIGHLIGHTS (CAD)

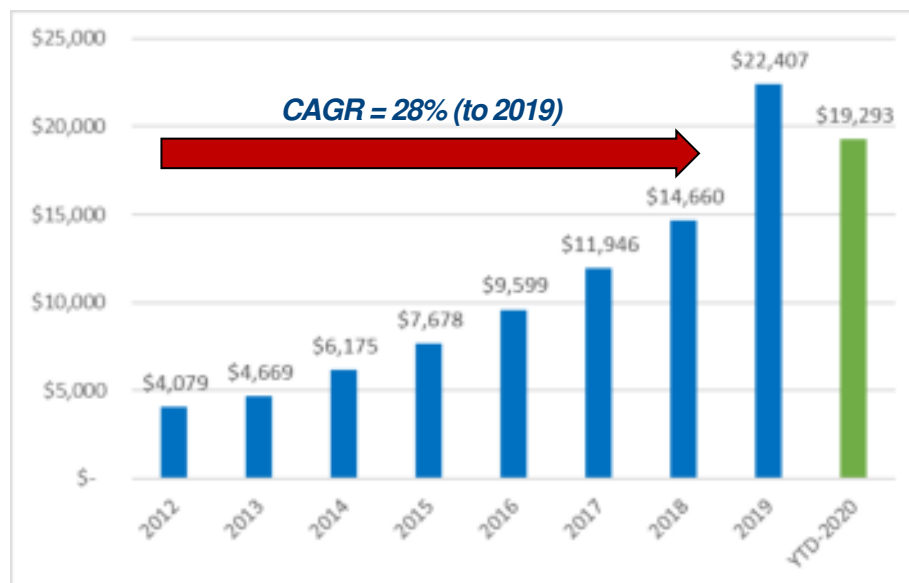
Revenue Breakdown YTD- 2020

- ◆ Corporate Location revenue (\$17.6M) accounted for 91% of Total Revenue
- ◆ Royalties and franchise fees (\$1.7M) accounted for 9% of Total Revenue

Revenue Analysis For Q3-2020:

1. Same Corporate Location shredding sales were down \$440K or 10% versus Q3-2019 due to the impacts of the COVID19
2. Acquired Corporate Location shredding sales added were \$1.6M in Q3-2020
3. Same Corporate Location shredding sales were up \$410K or 12% versus Q2-2020, as “Shelter at Home” orders were eased in all markets

EIGHT YEAR CONSOLIDATED REVENUE TREND – 000's CAD



NORMALIZED GROWTH DRIVEN BY:

Investing in Sales, Marketing and New Trucks

Targeting of SMEs Recurring Monthly Service

Acquired Four Large Locations (NJ, KC, CHI, CT)

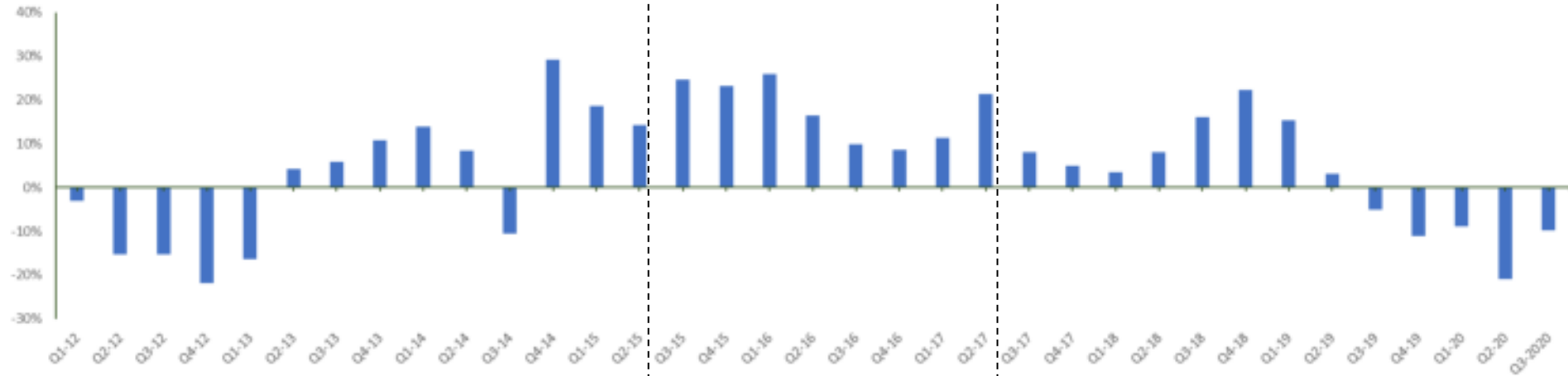
OPTIMIZING RETURNS FROM SAME LOCATIONS

Same corporate location revenue increases in 24 of 34 most recent quarters *(Excluding Q2 and Q3 - 2020)*

8 Year Growth Rate = 6.7%¹

5 Year Growth Rate = 11.0%¹

3 Year Growth Rate = 6.8%¹



45% decrease in paper price versus 2011 (Q1-2012 to Q4-2012)

Q1-2013 Post Hurricane Sandy Impacts

Stable Paper Prices (\$100/t to \$150/t)

40% to 50% increase in paper price in 2018 versus 2017

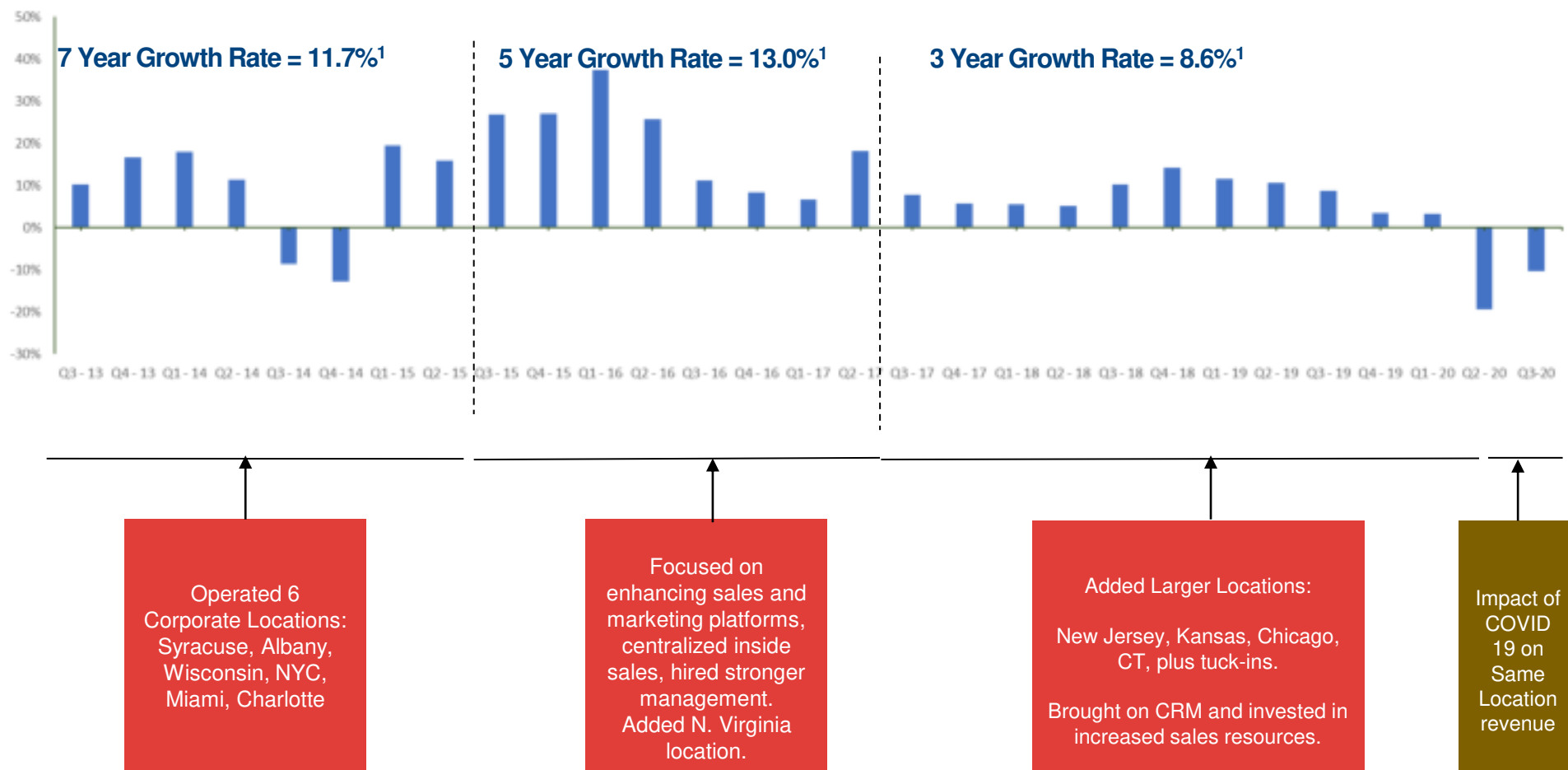
60% decrease in paper prices last half of 2019/Q1-2020 versus 2018

Impact of COVID 19 on Same Location revenue

1. The results for Q1, Q2 and Q3 2020 were significantly impacted by the COVID19 pandemic. Due to the nature and significant impact of COVID19 on these results, Same Corporate Location Revenue Growth for 2020 has been excluded from the 3 year, 5 year and 10 year calculation to allow the user to see normalized operational rates.

SAME LOCATION SERVICE REVENUE *(excludes paper revenue)*

Same corporate location shredding service revenue growth saw 21 straight quarters until Q2-2020

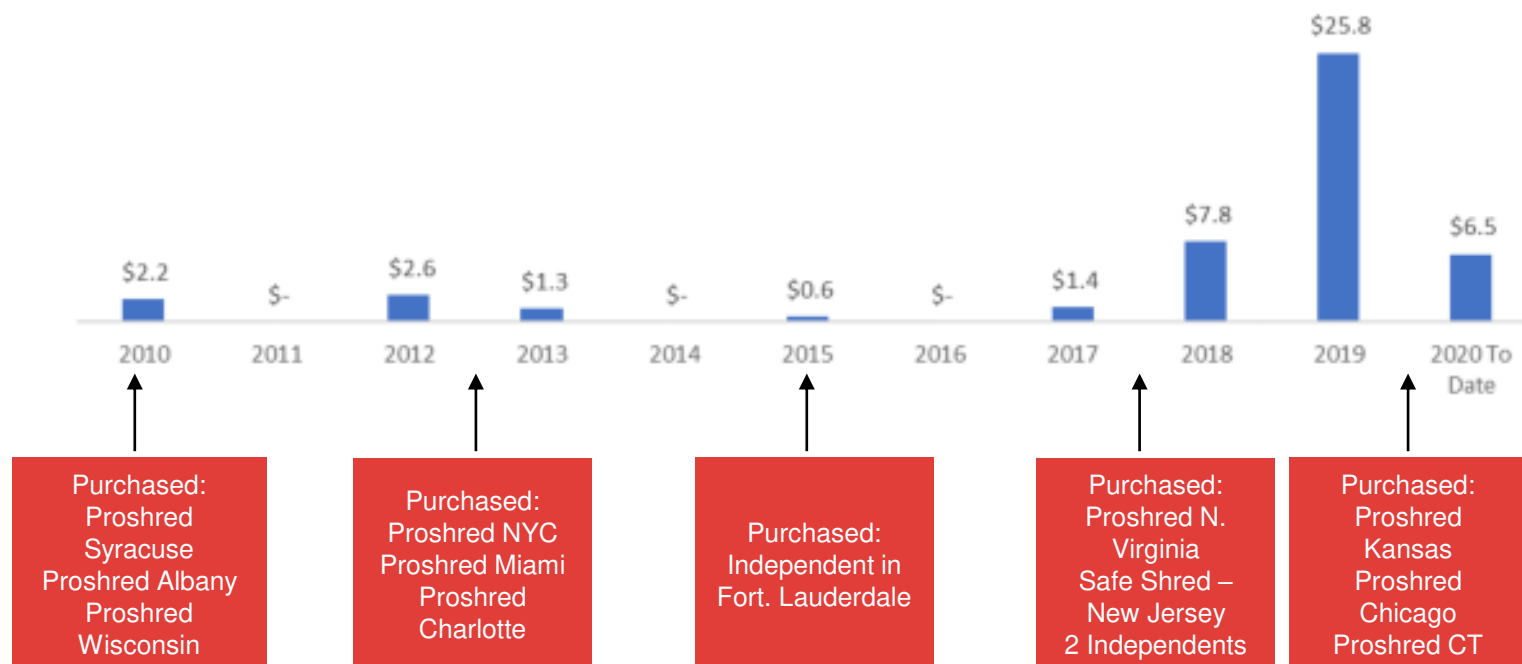


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ACCELERATING ACQUISITIONS

Last 24 months have conducted \$40M in Accretive Acquisitions

ANNUAL ACQUISITIONS (\$ millions CAD)



Redishred continues to expand the portfolio of Corporate Locations via accretive acquisitions, targeting markets with strong recurring revenue and opportunity for tuck-in acquisitions.

REDISHRED CONSOLIDATED EBITDA TREND

EBITDA Growth Driven by Acquired Locations; Same Locations impacted by Paper Price ↓ and COVID19

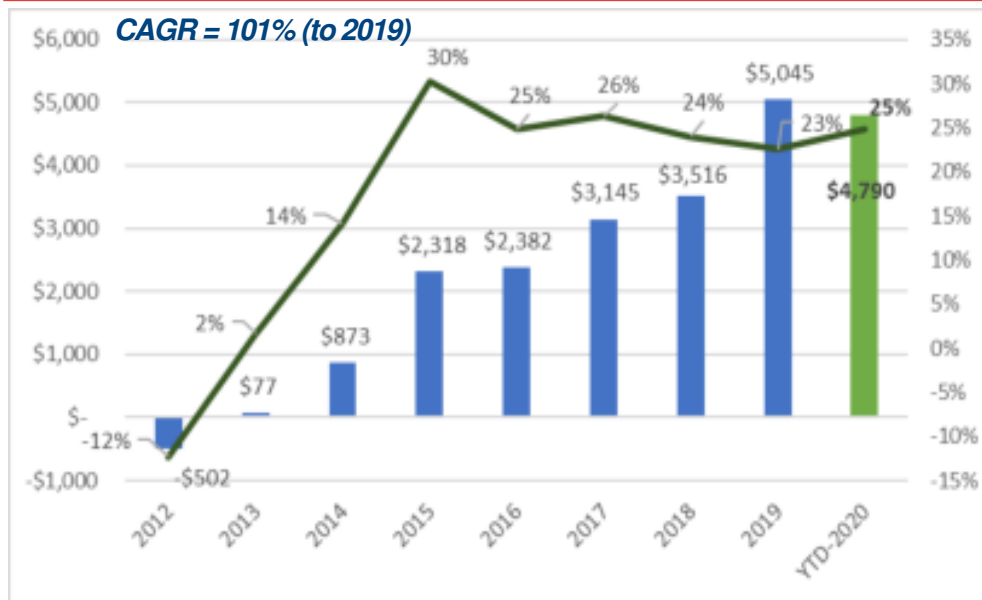
TOTAL EBITDA HIGHLIGHTS (CAD)

EBITDA Analysis YTD - 2020

- ◆ Same Location EBITDA impacted by:
 - Paper Prices in Q1-2020 = \$550K revenue reduction vs Q1-2019
 - COVID19 in Q2/Q3-2020 = \$1.25M service revenue reduction vs Q2/Q3-2019
- ◆ YTD Acquired EBITDA added \$1.9M

*Despite Paper Prices in Q1 and COVID in Q2 and Q3: EBITDA Margins **improved to 25%** for YTD-2020 as management improved routing, reduced discretionary costs and increased marketing investment in Q3.*

EIGHT YEAR CONSOLIDATED EBITDA TREND – 000's CAD



OPERATIONAL PERFORMANCE

Focus on Driver Retention

Focus on Route Density and Routing Science

Acquired Four Large Locations (NJ, KC, CHI, CT)

EBITDA per Share

EBITDA per Share Improving, with Dry Powder to conduct Accretive Acquisitions

EBITDA/Share Reconciliation		Q3	YTD
1	EBITDA/Share (Q3 and YTD 2019) - diluted	\$ 0.014	\$ 0.063
	<i>COVID19 Impacts</i>		
2	Same location revenue reduction due to COVID19	-\$ 0.006	-\$ 0.027
3	Royalty revenue reduction due to COVID19	-\$ 0.001	-\$ 0.001
4	Cost savings from mitigation efforts	\$ 0.007	\$ 0.010
5	COVID related impacts	\$ 0.000	-\$ 0.019
6	Acquired EBITDA	\$ 0.009	\$ 0.027
7	Dilution from Q3-2019 private placement	\$ -	-\$ 0.012
8	EBITDA/Share (Q3 and YTD 2020) - diluted	\$ 0.023	\$ 0.059
10	Percentage change (%)	65%	-6%
11	Government subsidy per share not included above	\$ 0.006	\$ 0.022

\$9M on hand to deploy
towards acquisitions

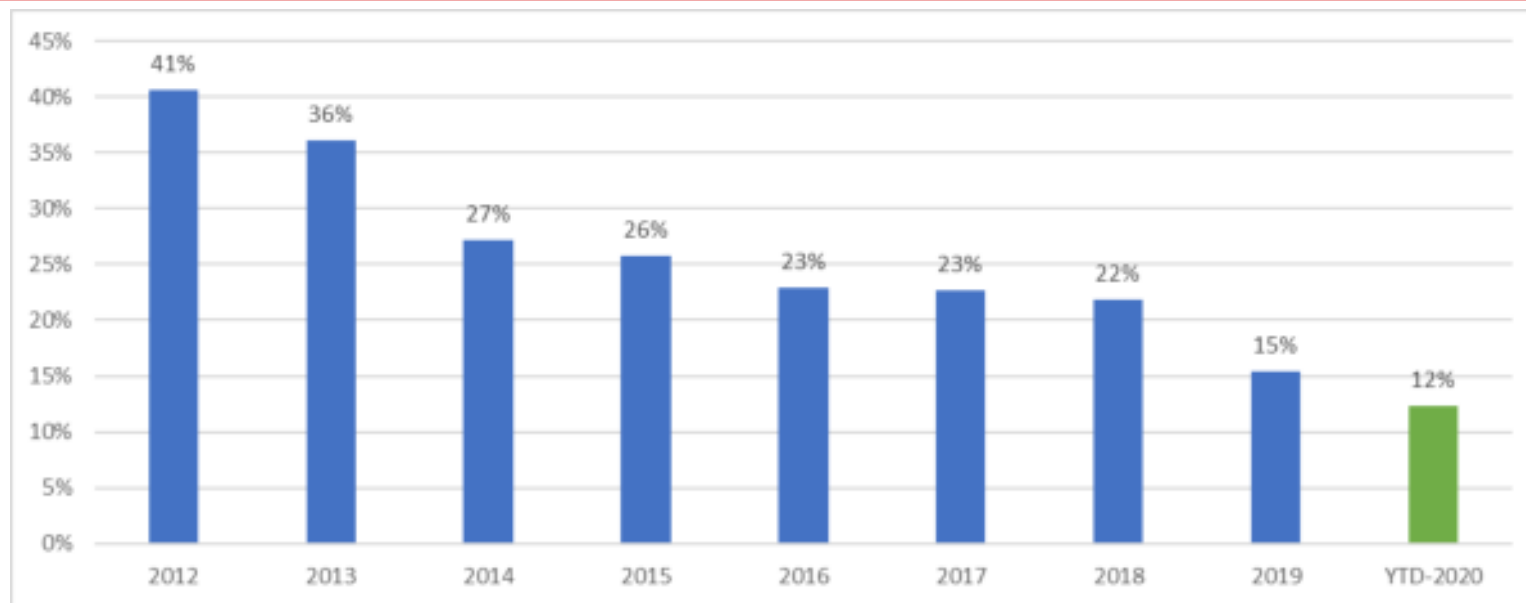
Q3-2020 Cost Reduction
equated to Revenue Reduction

Government Subsidy YTD =
2.2 cents per share

REDISHRED CONSOLIDATED SG&A

Operating Leverage Continues to be Improved, SG&A costs well managed

EIGHT YEAR CONSOLIDATED SG&A TREND – % of Revenue



Centralization of Key Back Office Functions

Use of Enabling Technology

Continued Centralization of Inside Sales Organization

REDISHRED KPI's

Stronger Profitability, Stronger Balance Sheet

EIGHT YEAR CONSOLIDATED KPI TRENDS

Key Performance Indicators

In Canadian Dollars (000's)

	2012	2013	2014	2015	2016	2017	2018	2019	YTD-2020
Profitability KPI's									
Revenue	\$ 4,079	\$ 4,669	\$ 6,175	\$ 7,678	\$ 9,599	\$ 11,946	\$ 14,660	\$ 22,407	\$ 19,293
EBITDA	-\$ 502	\$ 77	\$ 873	\$ 2,318	\$ 2,382	\$ 3,145	\$ 3,516	\$ 5,045	\$ 4,790
EBITDA%	-12%	2%	14%	30%	25%	26%	24%	23%	25%
EBITDA/Share	-\$ 0.017	\$ 0.003	\$ 0.030	\$ 0.077	\$ 0.080	\$ 0.067	\$ 0.047	\$ 0.064	\$ 0.060
Operating Income less Interest ("OILI")	-\$ 987	-\$ 318	\$ 487	\$ 1,041	\$ 1,028	\$ 1,829	\$ 2,130	\$ 1,862	\$ 1,385

Balance Sheet KPI's

Cash	\$ 532	\$ 349	\$ 366	\$ 848	\$ 1,047	\$ 2,246	\$ 8,831	\$ 10,064	\$ 8,957
Long Term Debt	\$ 7,043	\$ 8,127	\$ 7,820	\$ 8,043	\$ 8,287	\$ 2,569	\$ 4,505	\$ 15,714	\$ 16,976
Net Debt (Total liabilities less cash)	\$ 7,251	\$ 9,209	\$ 9,050	\$ 9,336	\$ 8,436	\$ 2,569	-\$ 836	\$ 13,805	\$ 16,904

Note: Government subsidy not included in YTD-2020 EBITDA equates to 2.2 cents per share.

Organic Growth

Accretive Acquisitions

Appropriate Leverage
(2019 onwards)



ACQUISITIONS

Acquisition Opportunities

Franchisees = Hub, Smaller Independents = Tuck Ins

KPI	Franchisee (remaining)	Independents
Revenue range	\$1.5M to \$2.5M	\$100K to \$1M
Scheduled revenue mix	50% plus	30% to 60%
Trucks	4 to 10	1 to 3
EBITDA% range	30% to 40%	0% to 30%
Multiple range (of EBITDA)	5X to 6.5X	Asset based to 4X

↑
Hub locations for the
foundations for tuck-in
opportunities

↑
Post Acquisition, Tuck-in
provide stronger route density
with significant cost
elimination



COVID19 UPDATE

COVID19 Update

Actions Taken

COVID19 began to significantly impact the business in the third week of March, 2020 and significantly impacted the results for Q2-2020 and Q3-2020

Due to the Shelter at Home orders in the United States many of our regularly scheduled clients temporarily paused service; Redishred immediately implemented various initiatives to address the new environment including:

1. Temporary layoffs
 2. Deferment of salary and reduction of bonuses for salaried employees
 3. Reduction and elimination of discretionary office and marketing expenses
 4. Restriction of non-committed capital expenditures
 5. Temporary pause on acquisition activities
 6. Deferment of truck loan and bank loan payments
- Redishred continues to take proactive steps to adapt to the new environment, including increased safety and health protocols that include reducing routes to one person per truck, ensuring staggered start times, work from home arrangements for office employees, social distancing in the field and in the office, increased sanitization frequency and the wearing of personal protective equipment
 - In June of 2020, Redishred saw a sharp increase in demand for one-time shredding requests leading to increased revenue, coinciding with a gradual return of some scheduled (recurring) clients:

Same location shredding service revenue	Percentage decline versus 2019
Q2-2020	25%
Q3-2020	10%
July 2020	12%
August 2020	12%
September 2020	2%

COVID19 Update

Moving Forward

Redishred has responded to the new post COVID19 Market by focusing on:

1. Increasing marketing and service programs to clients with home based employees
2. Increasing marketing and service programs to residential clients
3. Increasing sales initiatives directed to essential service businesses and institutions
4. Increasing the markets where our e-waste services are offered
5. Increasing the markets where our **PROSCAN** services are offered
6. Continued targeting of Small and Medium sized Enterprises (“SME”)
7. Relaunching our acquisition programs directed at both Franchisees and Independents

CONTACT US

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APPENDICES

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

SENIOR MANAGEMENT

Proven Management Team



Jeff Hasham
Chief Executive Officer

- 15 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

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



Ron Gable
Sr. VP Performance & Operations

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

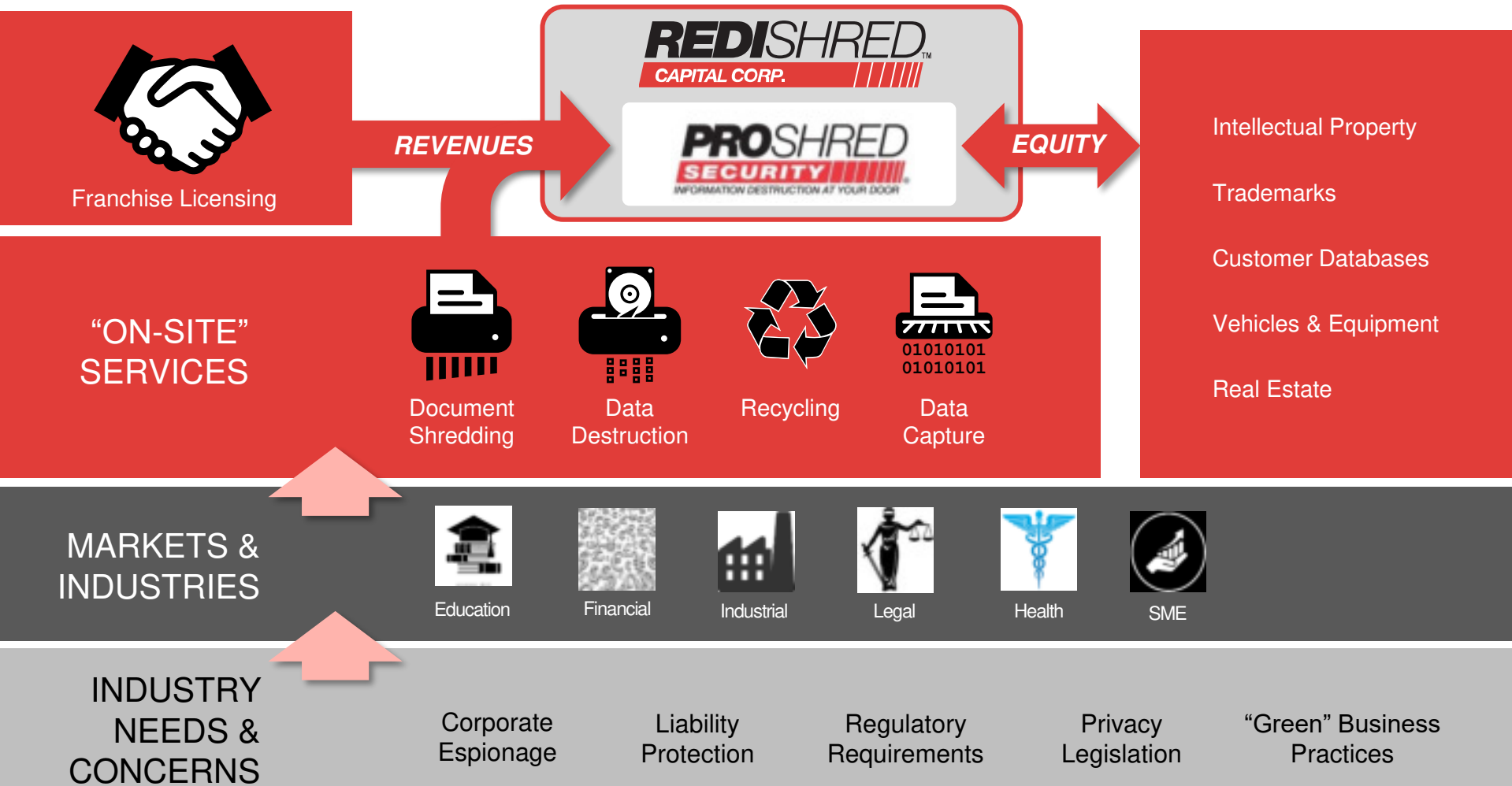


Francesco Marascia
VP of Marketing

- 4 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

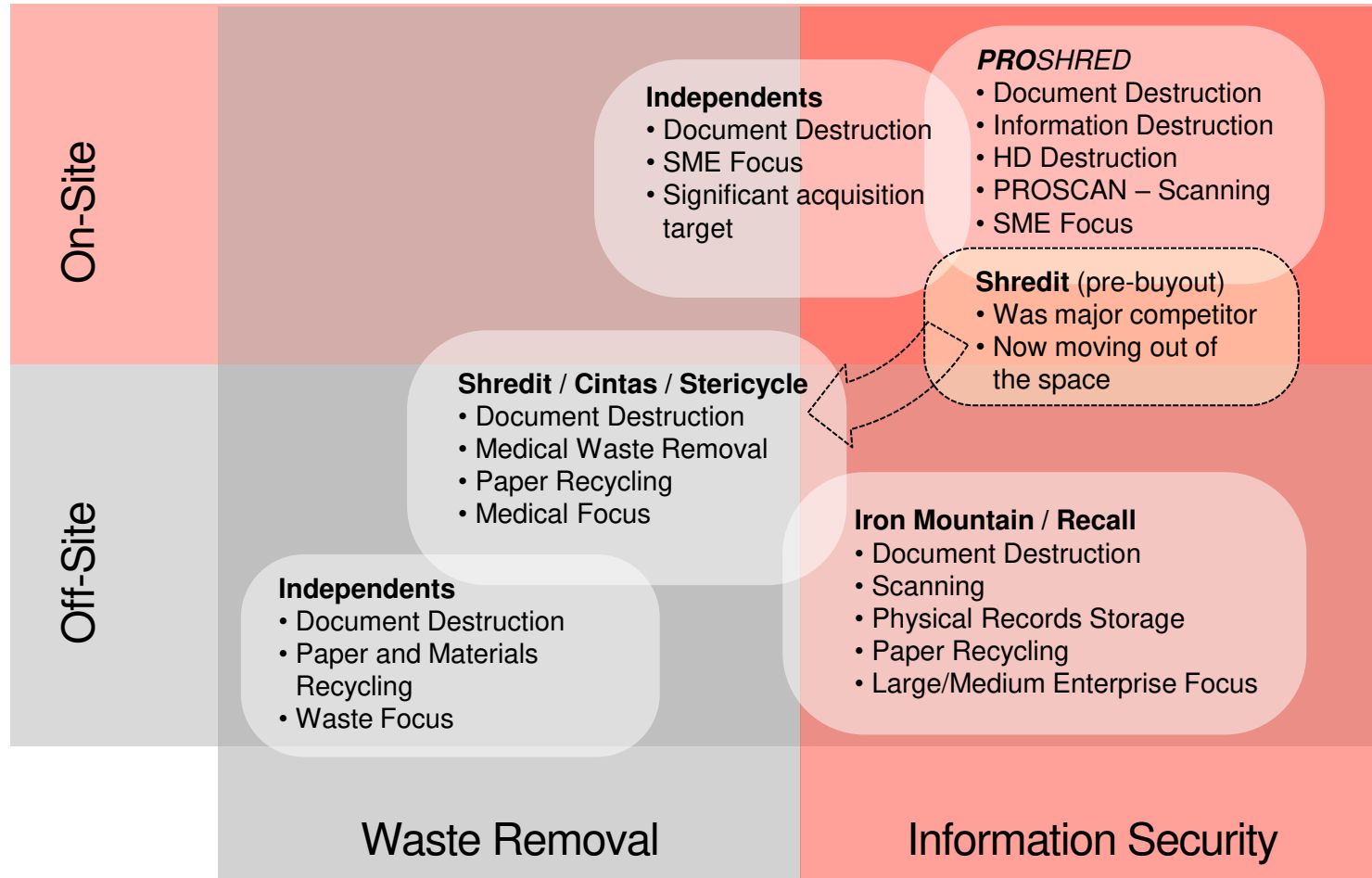
Well Researched and Well Understood Marketplace

- 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