



REDISHREDTM
CAPITAL CORP.

TSXV **KUT**

Company Presentation

Q3 - 2021 Results and American Security Shredding

Dated: December 1, 2021

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 30, 2021

Stock symbol:	TSXV: KUT
Shares outstanding:	78.8 million
Price (November 30, 2021 - Closing):	\$0.88
52 week low / high:	\$0.47/\$0.96
Market capitalization:	\$69.3 million
Enterprise Value	\$97.4 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
- Three Brands:   

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

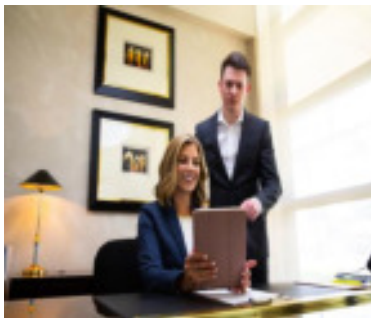
Three Pronged Strategy



- 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/wish to exit; independents in existing and new markets



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

Market Opportunity and Execution

Opportunity to Capture Market Share via Proven M&A and Growth Platform

PROSHRED FRANCHISEES



- 16 Franchised Locations in System
- Total Revenue (Q3/21 Run Rate) = \$30M CAD
- Estimated EBITDA (Q3/21 Run Rate) = \$10M CAD

INDEPENDENTS



- 750 Independents in the US (Approx.)
- \$750M In Market Share in the US (Approx.)
- Majority located in Proshred Markets or Adjacent Markets

REDISHRED EXECUTION



- \$55M in Acquisitions since 2018
- Consistent Same Location Service Revenue Growth
- \$35M+ Revenue Run Rate (2021)
- 10 YR EBITDA CAGR = 80%+



PERFORMANCE

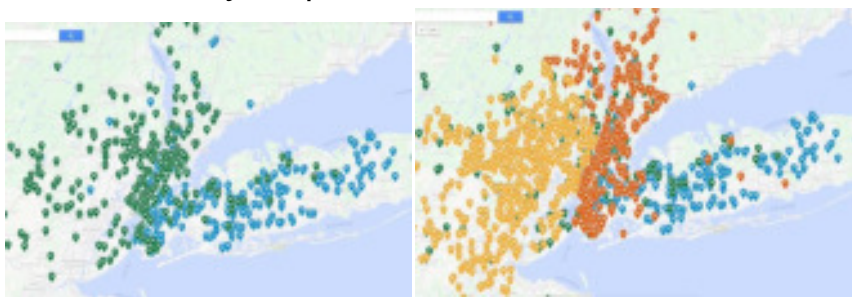
AMERICAN ACQUISITION

One of the Largest Independents in the NYC/NJ Market

American Security Shredding Highlights

Current Run Rate Revenue is \$4.6M USD
(Recurring over 50%)

Route Overlay Map:



Margin enhancement opportunity is driven by route consolidation.

Deal Statistics

Total Valuation \$8.9M

Cash	\$5.15M
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Earnout <i>(Paid over 3 years)</i>	\$3.40M
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Consulting	\$0.35M
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Bank Financing	\$5.15M
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EBITDA Range 32% to 35%

FOUNDATION:

Population of over 20M
People – Largest US Market

Strong Route Overlay

Two Baling Facilities

REDISHRED CONSOLIDATED EBITDA TREND

EBITDA Growth Driven by Acquired Locations; COVID19 Impacted Revenue not EBITDA

TOTAL EBITDA HIGHLIGHTS (CAD)

EBITDA Analysis YTD Q3-2021

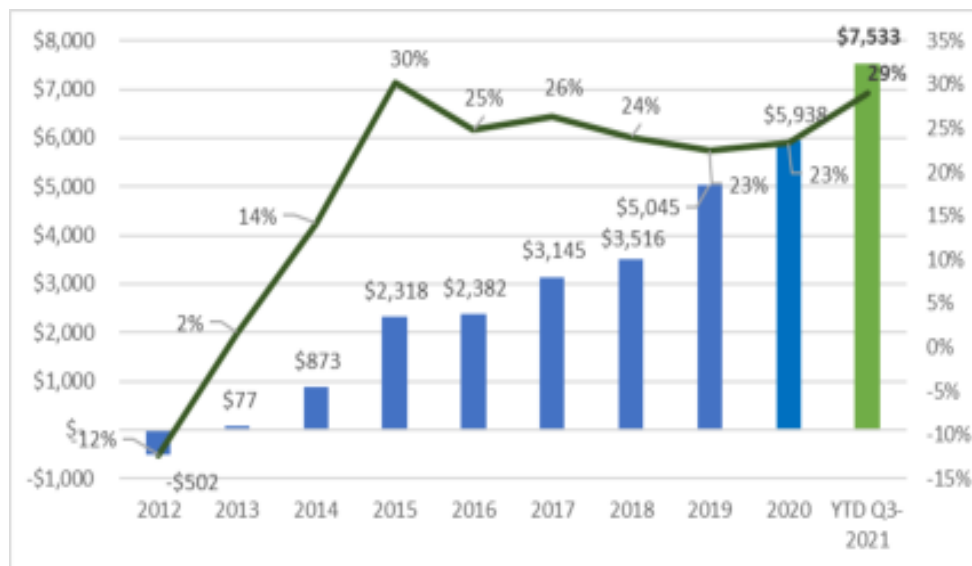
- ◆ Same Corporate Location EBITDA:
 - Despite COVID19 driving a reduction of revenue of \$500K in Q1, Same Location EBITDA **YTD was up \$1.4 million**
 - EBITDA Margin 37% a 500bps improvement
 - Constant currency EBITDA growth 36%
- ◆ Added \$2.3M in Acquired EBITDA
 - Strong EBITDA margins of 45%

*Consolidated EBITDA Margins **improved to 29%** YTD 2021 as management improved routing, managed costs appropriately and increased marketing investment.*

Note Qualified for \$1.35M in government assistance – not included in Consolidated EBITDA.

TEN YEAR CONSOLIDATED EBITDA TREND – 000's CAD

CAGR = 84% (YTD Q3-21 Extrapolated – not including government subsidies)



OPERATIONAL PERFORMANCE

Focus on Driver Retention

Focus on Route Density and Routing Economics

Continued Acquisitions

REDISHRED ANNUAL REVENUE TREND

Revenue Growth – Driven By Acquired Locations

TOTAL REVENUE HIGHLIGHTS (CAD)

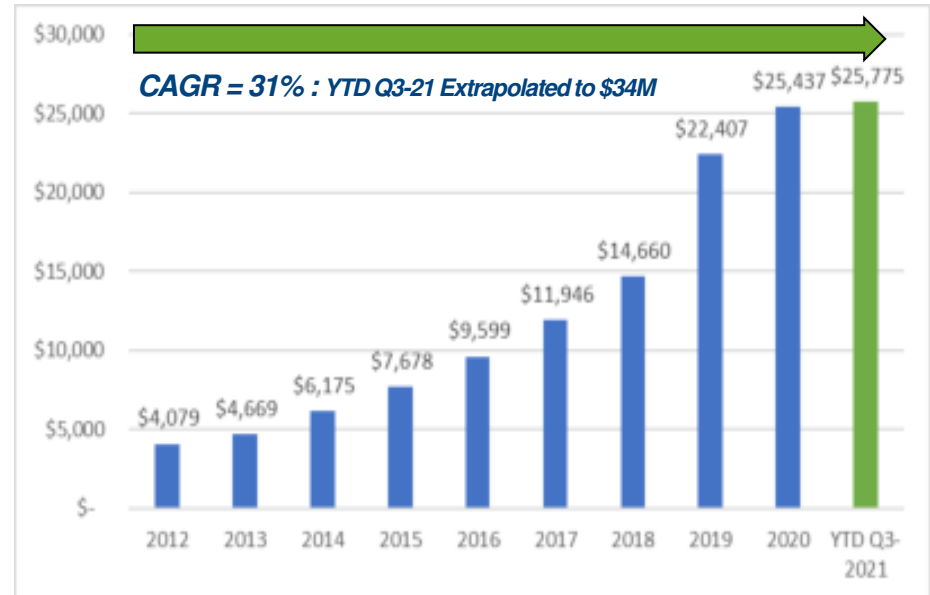
Revenue Breakdown Q3-2021

- ◆ Corporate Location revenue (\$9.3M) accounted for 95% of Total Revenue
- ◆ Royalties and franchise fees (\$0.5M) accounted for 5% of Total Revenue

Revenue Analysis For Q3-2021:

1. Same Corporate Location service sales were up \$580K or 11% vs Q3-2020
2. Acquired Corporate Location shredding and scanning sales added were \$2.0M in Q3-2021

TEN YEAR CONSOLIDATED REVENUE TREND – 000's CAD



NORMALIZED GROWTH DRIVEN BY:

Investing in Sales, Marketing and New Trucks

Targeting of SMEs Recurring Monthly Service

Continued Acquisitions

SAME LOCATION SERVICE REVENUE *(excludes paper revenue)*

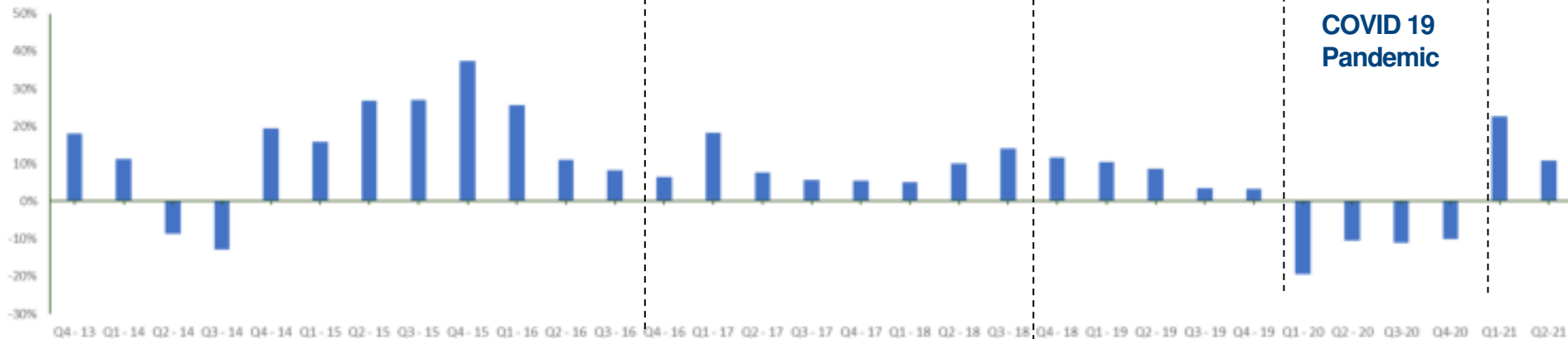
Same corporate location shredding service revenue growth saw 21 straight quarters until Q2-2020

8 Year Growth Rate = 9.0%¹

5 Year Growth Rate = 5.1%¹

3 Year Growth Rate = 3.4%¹

COVID 19
Pandemic



Operated 6
Corporate Locations:
Syracuse, Albany,
Wisconsin, NYC,
Miami, Charlotte

Focused on
enhancing sales and
marketing platforms,
centralized inside
sales, hired stronger
management.
Added N. Virginia
location.

Added Larger Locations:
New Jersey, Kansas, Chicago,
CT, plus tuck-ins.
Brought on CRM and invested in
increased sales resources.

Impact of COVID
19 on Same
Location revenue

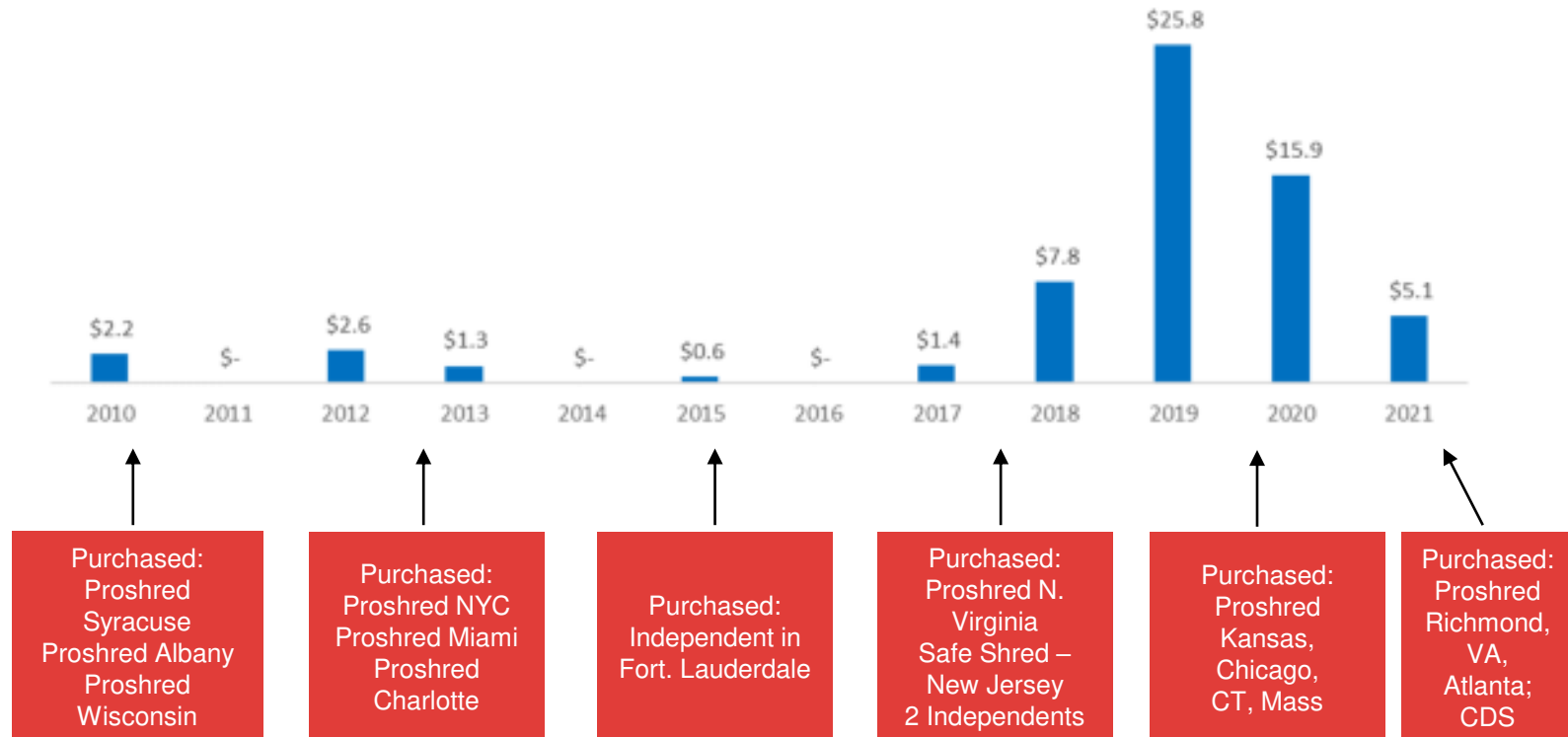
Now in recovery.
Acquisition
Program.

1. The results for 2020 and Q1-2021 were significantly impacted by the COVID19 pandemic. We have now included the 5 quarters impacted by the pandemic, the Company continues to show positive growth both short and long term.

ACCELERATING ACQUISITIONS

Since Late 2018 have conducted \$55M in Accretive Acquisitions

ANNUAL ACQUISITIONS (\$ millions CAD)

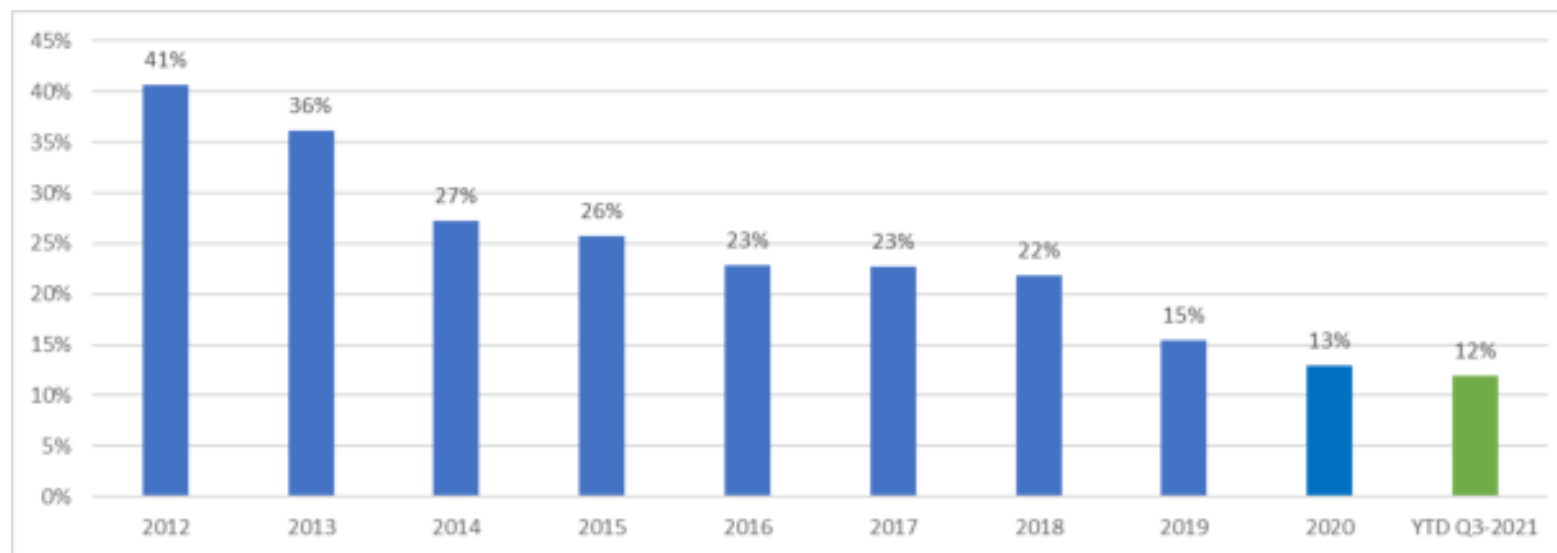


Redishred continues to expand the portfolio of Corporate Locations via accretive acquisitions, targeting markets with strong recurring revenue and opportunity for tuck-in acquisitions.

REDISHRED CONSOLIDATED G&A

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

TEN YEAR CONSOLIDATED G&A TREND – % of Revenue



Centralization of Key Back Office Functions

Use of Enabling Technology

Continued Centralization of Tasks

REDISHRED KPI's

Stronger Profitability, Stronger Balance Sheet – Includes Pro Forma 2021 and American

TEN YEAR CONSOLIDATED KPI TRENDS

Key Performance Indicators In Canadian Dollars (000's)	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD Q3-21	2021 EXTRAP	2021 PROFORMA AMERICAN
Profitability KPI's												
Revenue	\$ 4,079	\$ 4,669	\$ 6,175	\$ 7,678	\$ 9,599	\$ 11,946	\$ 14,660	\$ 22,407	\$ 25,437	\$ 25,775	\$ 34,150	\$ 39,900
EBITDA	-\$ 502	\$ 77	\$ 873	\$ 2,318	\$ 2,382	\$ 3,145	\$ 3,516	\$ 5,045	\$ 5,938	\$ 7,533	\$ 9,730	\$ 11,700
EBITDA%	-12%	2%	14%	30%	25%	26%	24%	23%	23%	29%	28%	29%
EBITDA/Share	-\$ 0.017	\$ 0.003	\$ 0.030	\$ 0.077	\$ 0.080	\$ 0.067	\$ 0.047	\$ 0.064	\$ 0.074	\$ 0.095	\$ 0.122	\$ 0.147
Operating Income less Interest ("OILI")	-\$ 987	-\$ 318	\$ 487	\$ 1,041	\$ 1,028	\$ 1,829	\$ 2,130	\$ 1,862	\$ 1,323	\$ 3,512	\$ 4,420	\$ 5,420
Balance Sheet KPI's												
Cash	\$ 532	\$ 349	\$ 366	\$ 848	\$ 1,047	\$ 2,246	\$ 8,831	\$ 10,064	\$ 2,844	\$ 1,057	\$ 1,257	\$ 1,500
Assets	\$ 7,308	\$ 8,984	\$ 9,050	\$ 10,714	\$ 10,001	\$ 11,506	\$ 27,943	\$ 53,770	\$ 58,687	\$ 61,701	\$ 62,101	\$ 71,000
Long Term Debt	\$ 7,043	\$ 8,127	\$ 7,820	\$ 8,043	\$ 8,287	\$ 2,569	\$ 4,505	\$ 15,714	\$ 20,232	\$ 20,012	\$ 19,812	\$ 28,260
Net Debt (Total liabilities less cash)	\$ 7,251	\$ 9,209	\$ 9,050	\$ 9,336	\$ 8,436	\$ 2,569	\$ 836	\$ 13,805	\$ 25,436	\$ 28,166	\$ 27,966	\$ 36,420
Equity	-\$ 475	-\$ 574	-\$ 366	\$ 530	\$ 519	\$ 6,690	\$ 19,948	\$ 29,900	\$ 30,408	\$ 32,478	\$ 33,278	\$ 34,280

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

ATLANTA METRICS

Service Revenue Growth and Mix Strong – Paper Mix Historically Low

Atlanta Highlights

Current Run Rate Revenue is over \$1.3M USD

Service Revenue:

- ♦ Mix consistently above 80% Service – cash flow is driven by service revenue
- ♦ Service revenue growth continued during the Pandemic and now post-Pandemic

EBITDA Margins have ranged between 35% and 38%,

Target Multiple = 6X EBITDA

Atlanta Revenue Statistics



FOUNDATION:

Population of over 6M People, with 15% growth rate

Average revenue per scheduled client under \$100/month (No client concentration)

Anchors the West side of the Atlanta/Charlotte Corridor

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

- 16 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

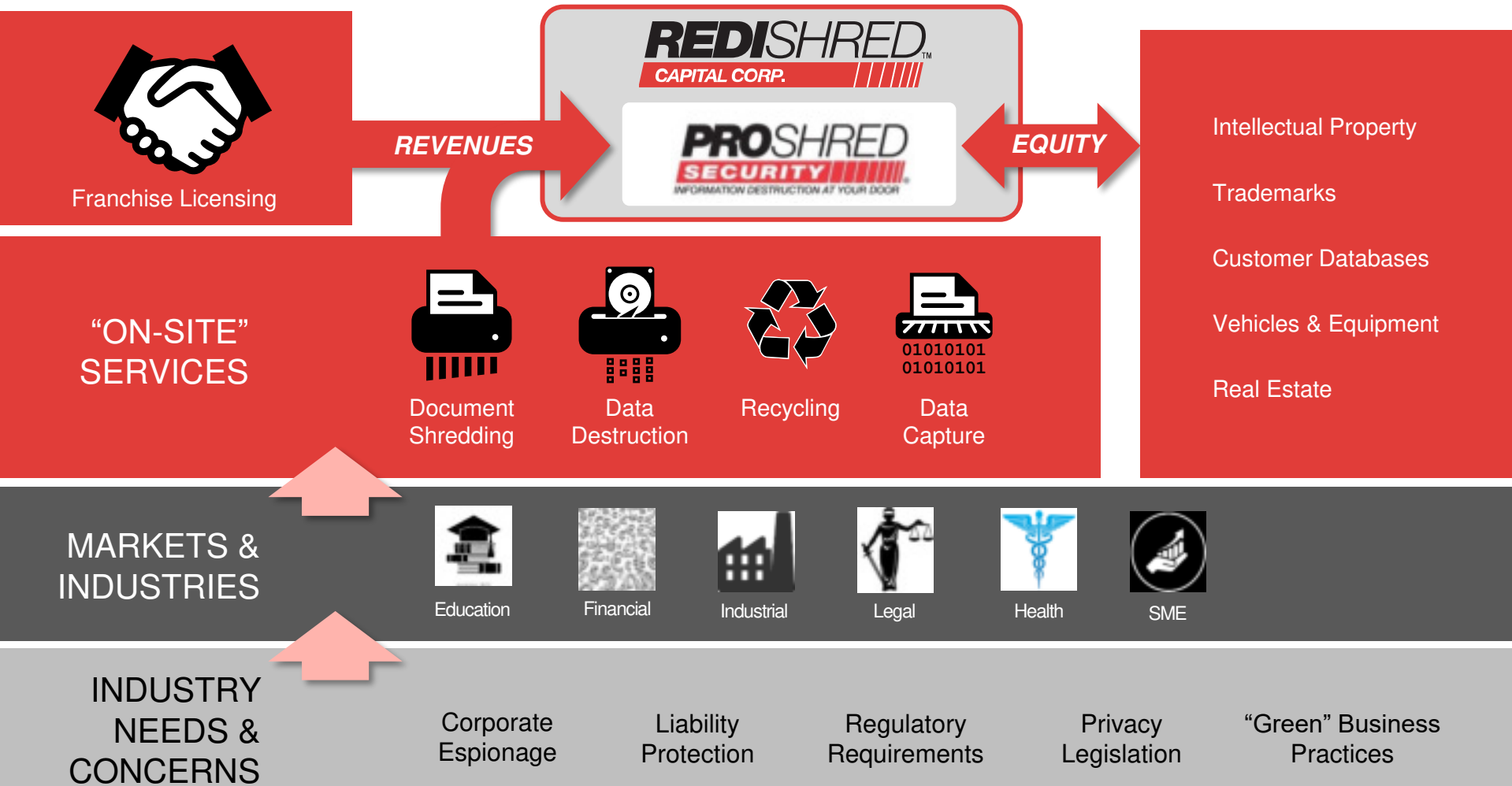


Francesco Marascia
VP of Marketing

- 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

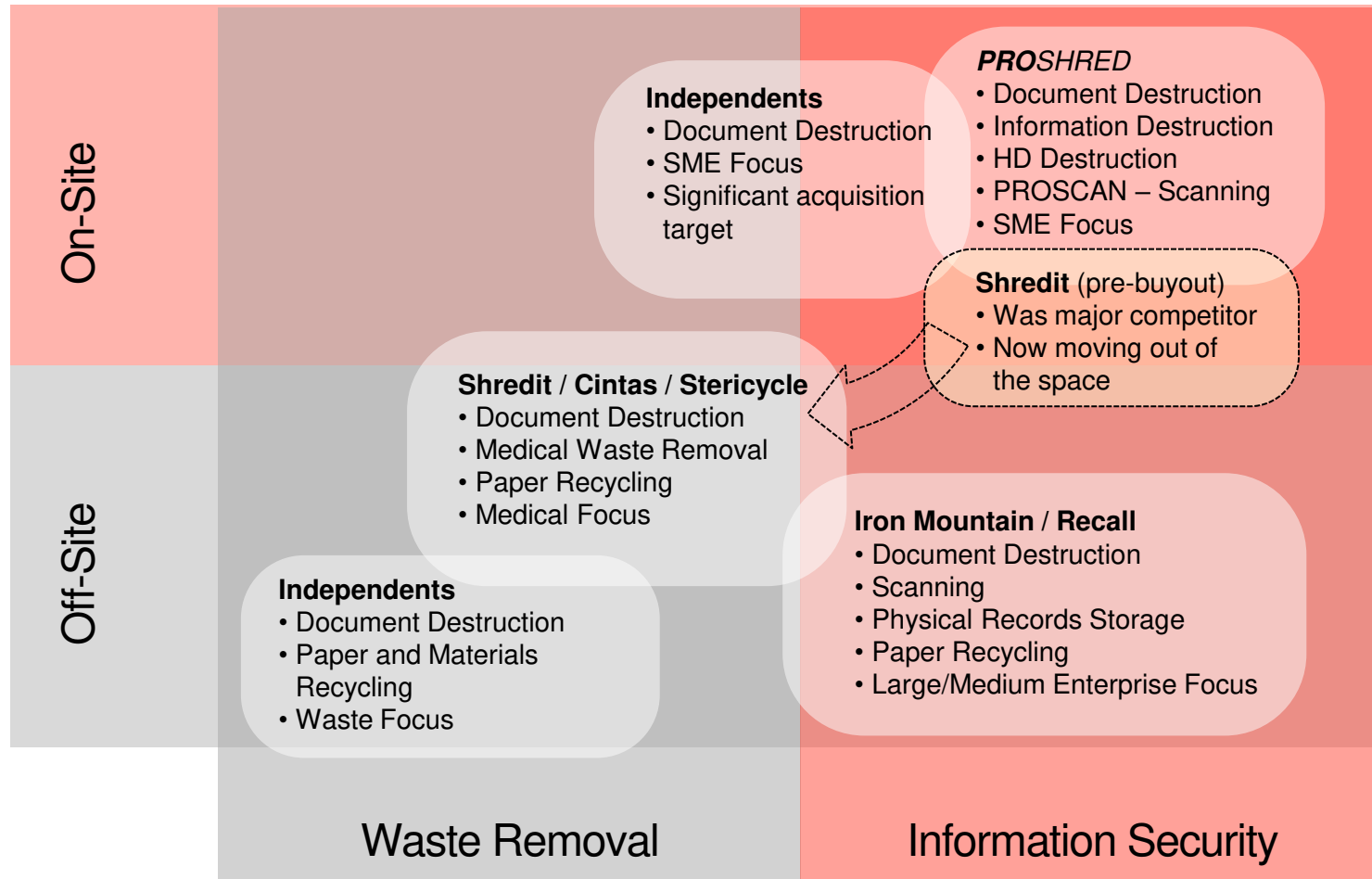
Well Researched and Well Understood Marketplace

- 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