



TSXV **KUT**

Company Presentation

Q2 and H1 2022 Results
Dated: August 25, 2022

CAUTIONARY STATEMENT

This presentation may contain forward-looking statements with respect to Redishred Capital Corp. ("Redishred") and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue", "maintain", "target" or the negative thereof or similar variations. The actual results and performance of Redishred discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, risks and uncertainties relating to the COVID-19 pandemic, general economic and market factors, competition, changes in government regulation and the factors described under "Risk Factors" in Redishred's Annual Information Form, Redishred's Management's Discussion and Analysis for the three and six months ended June 30, 2022, and other securities regulatory filings made by Redishred from time to time. The cautionary statements qualify all forward-looking statements attributable to Redishred and persons acting on its behalf. All forward-looking statements in this presentation speak only as of the date to which this presentation refers, and Redishred does not intend to update or revise any such statements, unless otherwise required by applicable securities laws.

REDISHRED Capital Markets Profile

As at August 25, 2022 – pre-earnings release

Stock symbol:	TSXV: KUT
Shares outstanding:	18.2 million
Price (August 25, 2022 Closing):	\$4.00
52 week low / high:	\$3.10/\$5.00
Market capitalization:	\$72.9 million
Enterprise Value	\$107.9 million

Note all per share amounts in this presentation are post stock consolidation that occurred on August 23, 2022.

OVERVIEW AND STRATEGY



PROSHRED® OVERVIEW – owned by REDISHRED

Consolidating the US On-site Document and Data Protection Industry

COMPANY OVERVIEW



- National provider of On-Site shredding services, targeting the SME market
- Only National Dual Certified Operator – ISO and NAID¹



- Digital imaging, digital storage
- Office workflow solutions



- Secure e-waste recycling, refurbishment and resales
- Mid-West focused

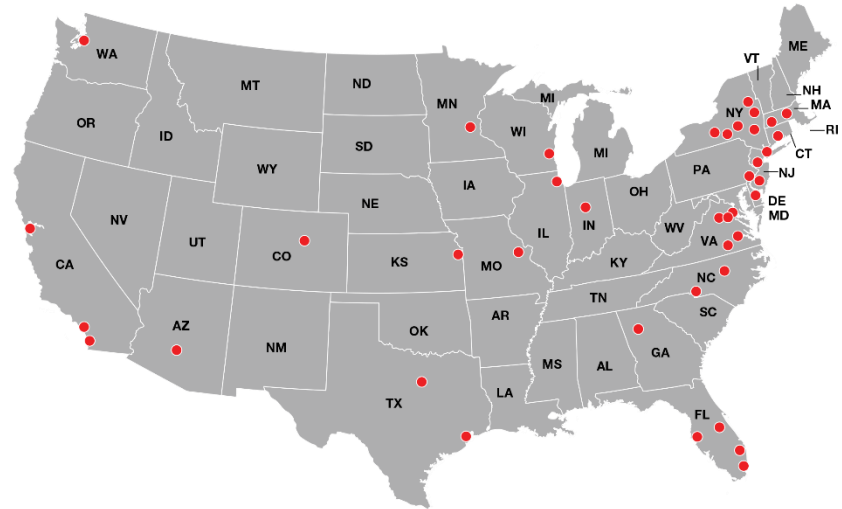
VALUE PROPOSITION

“Backed by over 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 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 across the US – Corporate and Franchised locations serving 40 markets coast to coast



Long Term Drivers of Growth

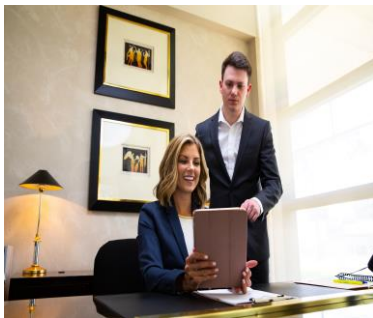
Three-Pronged Strategy



- Drive Same location revenue and EBITDA growth, focusing on recurring revenue streams, directed at the Small Medium Enterprise market
- Sticky clients provide for a durable base to grow from



- Conduct accretive acquisitions, purchasing franchisees as they retire/wish to exit; independents in existing and new markets
- Real Synergies from routing, back office and marketing



- Support franchisees to help them grow durable and sustainable revenue and EBITDA streams
- Provide a win-win-win exit for the franchisee, their employees and Redishred

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 (H1/22 Run Rate) = \$37M CAD
- Estimated EBITDA (H1/22 Run Rate) = \$12M 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



- \$68M in Acquisitions since 2018
- Consistent Same Location Service Revenue Growth
- \$52M+ Revenue Run Rate (H1-22)
- 25%+ Consolidated EBITDA%
- 10 YR EBITDA CAGR = 80%+

PERFORMANCE



2022 Strategic Targets

System	Drive same location shredding sales - systemwide <ul style="list-style-type: none">• 2022 Target: 10% to USD \$45M• 2022 Performance to date: 22%
Growth	Grow same location EBITDA for Corporate locations <ul style="list-style-type: none">• 2022 Target: 8% to \$13.4M• 2022 Performance to date: 55%
Expand	Expand via accretive acquisitions <ul style="list-style-type: none">• 2022 Target: \$4M to \$5M USD in acquired revenue• 2022 Performance to date: \$2.5M USD for H1-2022
Leverage	Improve operating leverage <ul style="list-style-type: none">• 2022 Target: G&A costs at or below 12% of total revenue• 2022 Performance to date: 10% for H1-2022



Q2-2022 Financial Highlights

\$4.5M
EBITDA¹

EBITDA was up 73%
from Q2-2021.

\$0.15
OILI per Share²

An 88% increase from \$.08
per share in Q2-2021.

47%
Same Corporate Location
EBITDA Growth³

Growth from Q2-2021
driven by 40% growth in sales.

\$3.3M
Cash provided from
Operations

Cash from operations grew
by 79% from Q2-2021

46%
Debt as a % of
Total Assets⁴

Deploying debt prudently
and conservatively

1. Consolidated Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") is a non-IFRS measurement. For a full description of this non-IFRS measure, see Redishred's Management Discussion and Analysis for the three and six months ended June 30, 2022.
2. Consolidated Operating Income less net interest expense ("OILI") per share is a non-IFRS measurement. For a full description of this non-IFRS measure, see Redishred's Management Discussion and Analysis for the three and six months ended June 30, 2022.
3. Same Corporate Location EBITDA growth is a supplementary non-IFRS financial measure. For a full description of this non-IFRS measure, see Redishred's Management Discussion and Analysis for the three and six months ended June 30, 2022.
4. Debt as a percentage of total assets is a capital management measure. For a full description of debt as a percentage of total assets see Redishred's Management Discussion and Analysis for the three and six months ended June 30, 2022.

REDISHRED CONSOLIDATED EBITDA TREND

EBITDA Growth Strong

Q2-22 EBITDA HIGHLIGHTS (CAD)

Key Drivers

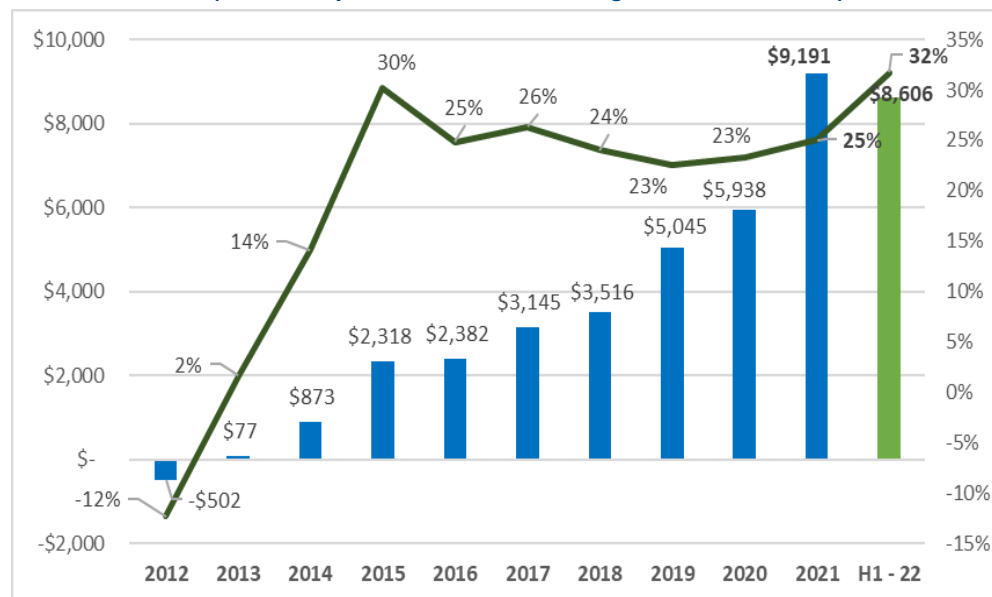
- ◆ Same location service revenue +\$1.7M
- ◆ Same location recycling revenue +\$1.5M
- ◆ Same location costs +\$1.7M
- ◆ Acquired EBITDA +\$1M
- ◆ G&A +\$0.6M

Key Events

- ◆ +Paper prices at historical highs (over \$200/t)
- ◆ -Fuel costs at record highs during Q2 driving same location costs upwards
- ◆ -Driver shortages caused wages inflation in Q2, driving same location costs upwards
- ◆ -Truck and truck part shortages causing some capacity issues (Deliveries late Q3-2022)
- ◆ +Q3-2022 Price increase implemented

TEN YEAR CONSOLIDATED EBITDA TREND – 000's CAD

CAGR = 81% (H1-22 Extrapolated – does not include 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 Strong New Client Acquisitions and Acquired Locations

TOTAL REVENUE HIGHLIGHTS (CAD)

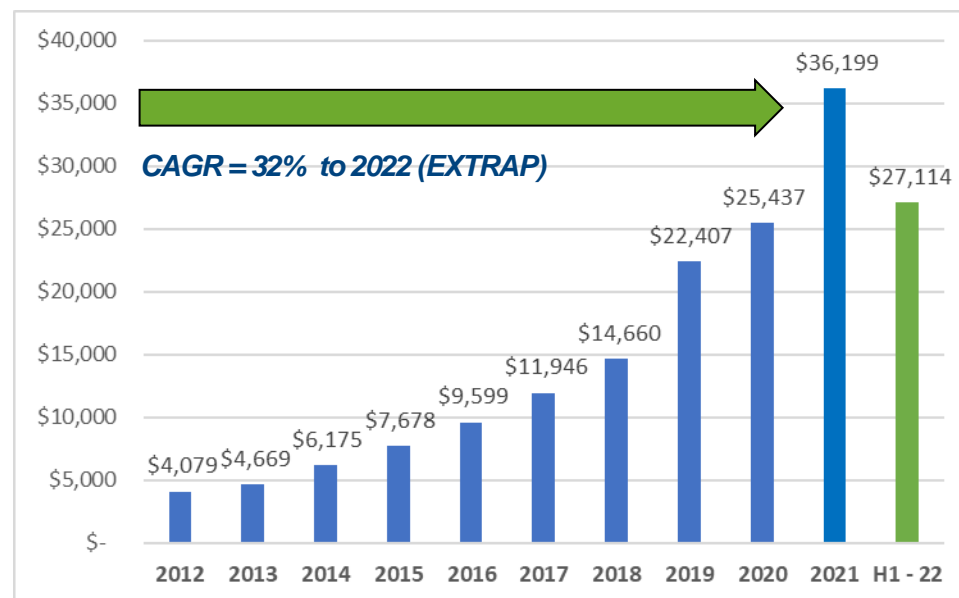
Revenue Breakdown Q2-2022

- ♦ Corporate Location revenue (\$14.0M) accounted for 96% of Total Revenue
- ♦ Royalties and franchise fees (\$0.6M) accounted for 4% of Total Revenue

Revenue Analysis For Q2-2022 vs Q2-2021:

1. Same Corporate Location shredding service revenue were up 19% (\$1.3M)
2. Same Corporate Location scanning revenue was up 73% (\$0.3M)
3. Same Corporate Locations recycling sales was up 160% (\$1.5M)
4. Acquired revenue was \$2.0M

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

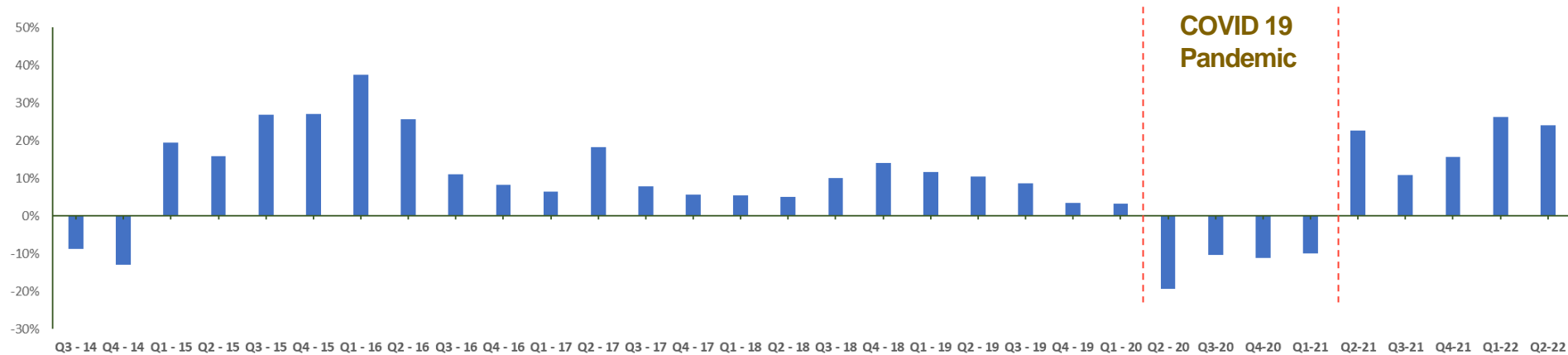
SAME LOCATION SERVICE REVENUE *(excludes paper revenue)*

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

8 Year Growth Rate = 9.6%¹

5 Year Growth Rate = 6.7%¹

3 Year Growth Rate = 5.7%¹



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.

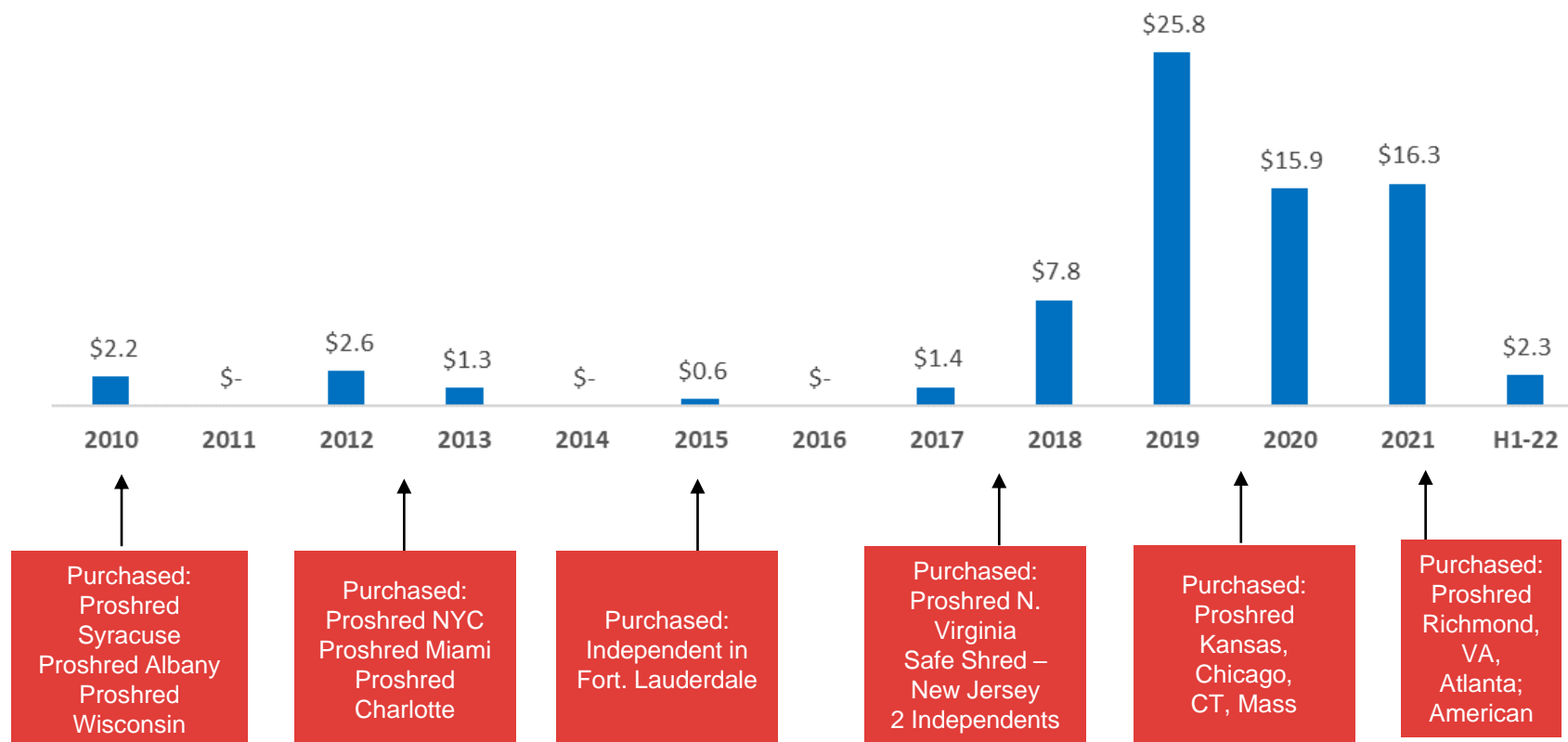
Impact of COVID 19 on Same Location revenue
Now in rebound. Acquisition Program↑.

¹The 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 \$68.1M in Accretive Acquisitions

ANNUAL ACQUISITIONS (\$ millions CAD)

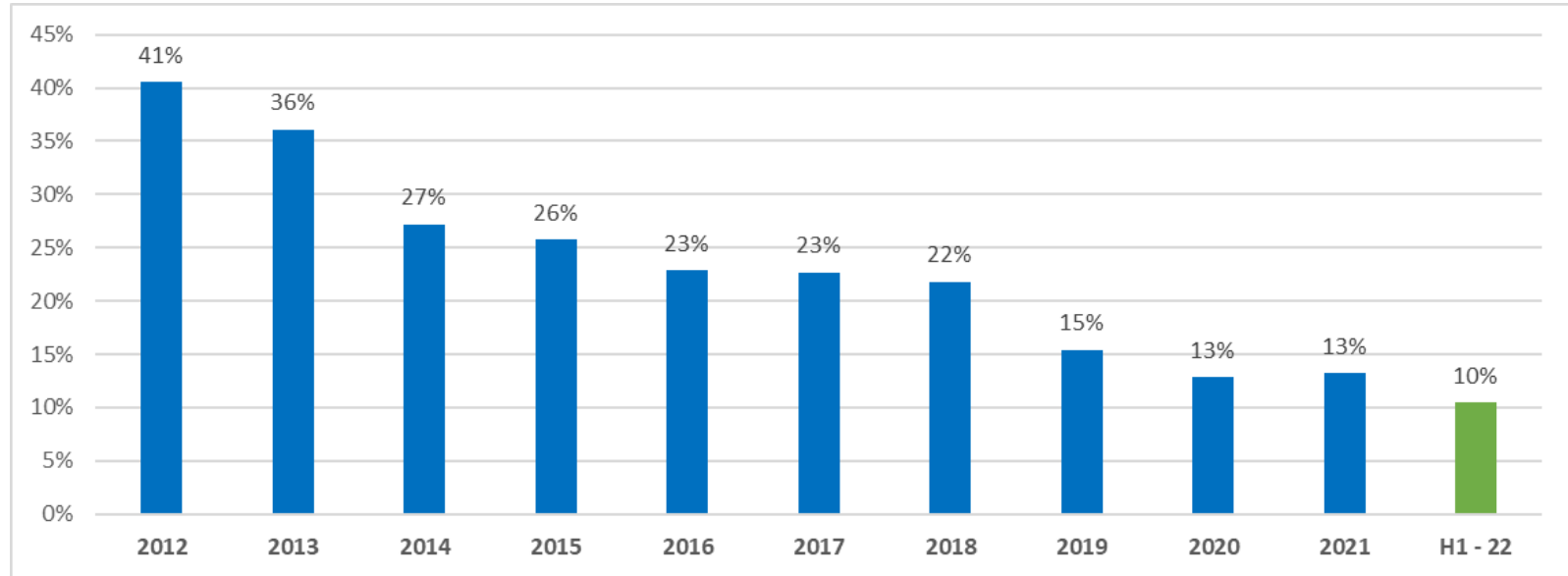


Redishred continues to expand the portfolio of Corporate Locations via accretive acquisitions, targeting markets with strong recurring revenue and opportunity for tuck-in acquisitions.

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 (Operating Income Less Interest), Stronger Balance Sheet

TEN YEAR CONSOLIDATED KPI TRENDS

Key Performance Indicators

In Canadian Dollars ('000's)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	H1-2022
Profitability KPI's											
Revenue	\$ 4,079	\$ 4,669	\$ 6,175	\$ 7,678	\$ 9,599	\$ 11,946	\$ 14,660	\$ 22,407	\$ 25,437	\$ 36,199	\$ 27,114
EBITDA	-\$ 502	\$ 77	\$ 873	\$ 2,318	\$ 2,382	\$ 3,145	\$ 3,516	\$ 5,045	\$ 5,938	\$ 9,191	\$ 8,606
EBITDA%	-12%	2%	14%	30%	25%	26%	24%	23%	23%	25%	32%
EBITDA/Share ¹	-\$ 0.087	\$ 0.013	\$ 0.151	\$ 0.384	\$ 0.401	\$ 0.334	\$ 0.236	\$ 0.318	\$ 0.369	\$ 0.577	\$ 0.472
Operating Income less Interest ("OILI")	-\$ 987	-\$ 318	\$ 487	\$ 1,041	\$ 1,028	\$ 1,829	\$ 2,130	\$ 1,862	\$ 1,323	\$ 3,464	\$ 5,096

Balance Sheet KPI's

Cash	\$ 532	\$ 349	\$ 366	\$ 848	\$ 1,047	\$ 2,246	\$ 8,831	\$ 10,064	\$ 2,844	\$ 9,660	\$ 9,516
Assets	\$ 7,308	\$ 8,984	\$ 9,050	\$ 10,714	\$ 10,001	\$ 11,506	\$ 27,943	\$ 53,770	\$ 58,687	\$ 79,334	\$ 82,445
Long Term Debt	\$ 7,043	\$ 8,127	\$ 7,820	\$ 8,043	\$ 8,287	\$ 2,569	\$ 4,505	\$ 15,714	\$ 20,232	\$ 27,650	\$ 26,615
Net Debt (Total liabilities less cash)	\$ 7,251	\$ 9,209	\$ 9,050	\$ 9,336	\$ 8,436	\$ 2,569	\$ 836	\$ 13,805	\$ 25,436	\$ 29,314	\$ 28,760
Equity	-\$ 475	-\$ 574	-\$ 366	\$ 530	\$ 519	\$ 6,690	\$ 19,948	\$ 29,900	\$ 30,408	\$ 40,360	\$ 44,169

1. Adjusted retroactively for the 5:1 Consolidation effective August 23, 2022.

Organic Growth

Accretive Acquisitions

Appropriate Leverage
(2019 onwards)

REDISHRED Dilution Table

Dilutive impacted of Dec 21 Equity Raise overcome by H1-2022 Performance and Acquisitions

EBITDA Per Share Reconciliation

EBITDA/Share Reconciliation (post consolidation - Aug 23, 2022)		H1
1	EBITDA/Share (H1-21) - diluted	\$ 0.290
<u>Keynote items</u>		
2	Change in same location revenue	\$ 0.371
3	Change in franchise related fees	\$ 0.005
4	Change in cost	-\$ 0.250
5	Keynote impacts	\$ 0.125
6	Acquired EBITDA	\$ 0.118
7	Dilution from Q4-2021 equity raise (9.8M shares)	-\$ 0.061
8	EBITDA/Share (H1-22) - diluted	\$ 0.472
10	Percentage change (%)	63%

Cash on Hand \$9.7M

Non-Truck Debt Capacity
\$5.0M

Pipeline of Deals



ACQUISITIONS

Acquisition Scenarios

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

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

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



Harjit Brar
SVP/Chief Financial Officer

- Joined Redishred and **PROSHRED®** in late 2021
- 15 Year's finance and accounting experience with emphasis on publically reporting entities
- CA, CPA
- Former Ernst & Young



Ron Gable
Sr. VP Performance & Operations

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

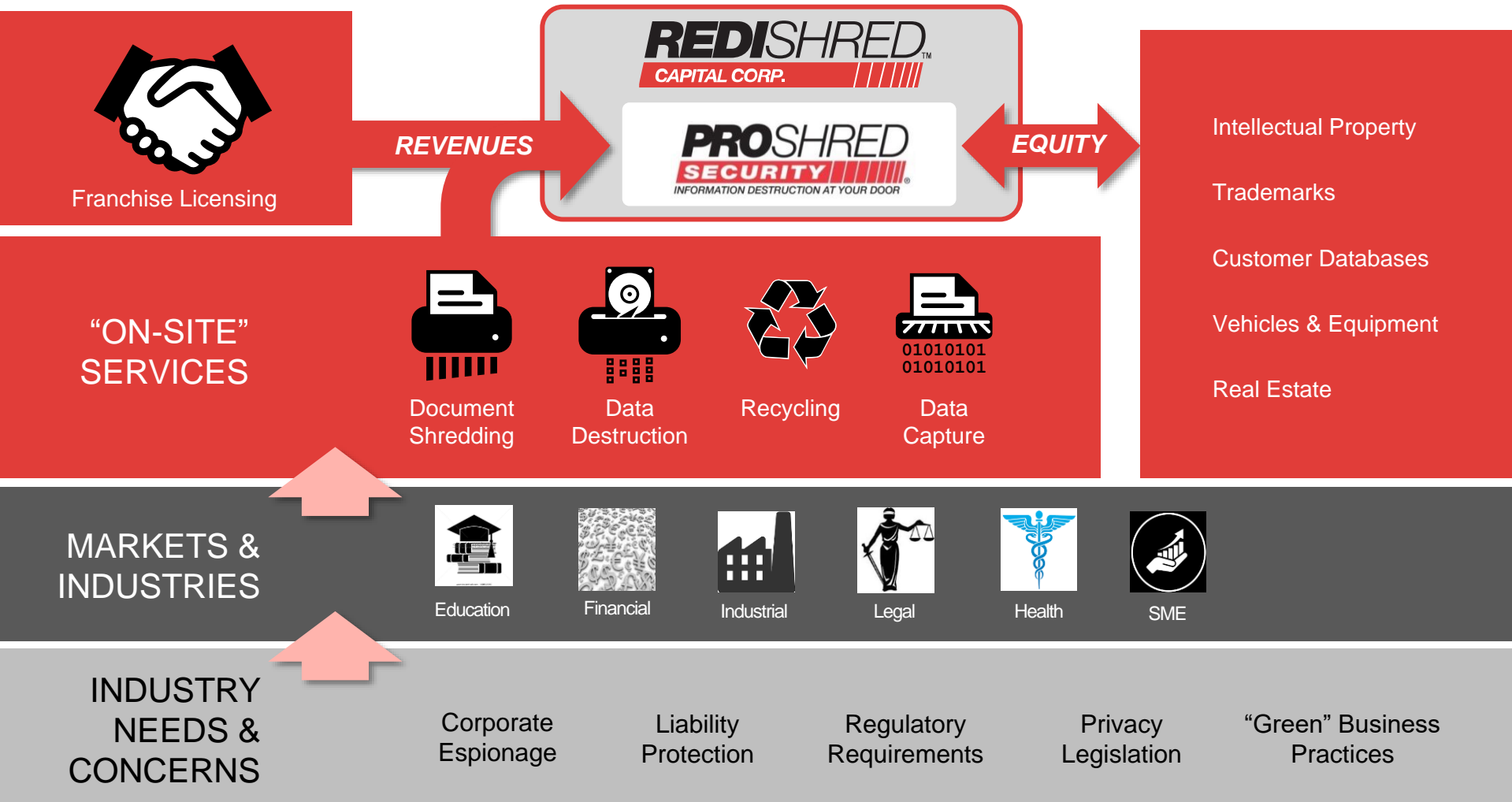


Francesco Marascia
VP of Marketing

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

VALUE FLOWS

Driving Shareholder Value



Document Destruction Industry

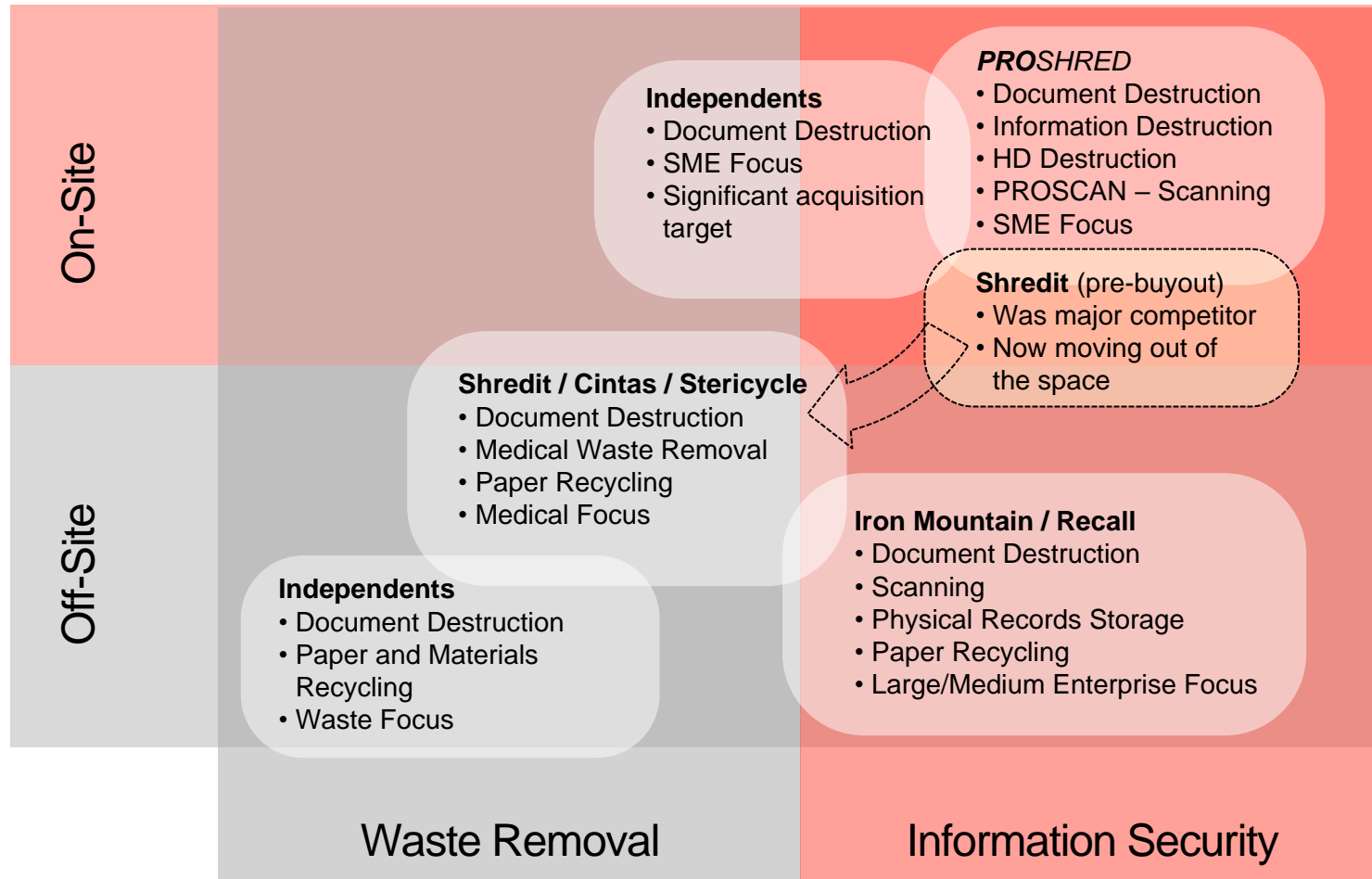
Well Researched and Well Understood Marketplace

- 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