



Company Presentation

Q1 2023 Results

Dated: May 25, 2023

TSX.V **KUT**



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 months ended March 31, 2023, 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.

Stock Statistics

As of May 24, 2023 – pre-earnings release.

REDISHRED CAPITAL CORP**Stock symbol:****TSXV: KUT**

Shares outstanding:

18.2 million

Price (May 24, 2023 Closing):

\$3.80

52 week low / high:

\$3.15/\$4.50

Market capitalization:

\$69.2 million

Overview and Strategy



Consolidating the US On-site Document and Data Protection Industry

VALUE PROPOSITION

For over 35 years, businesses and consumers have put their trust in **PROSHRED®** to maintain information security, legislative compliance, and personal privacy. **PROSHRED®** is a service-driven company dedicated to on-site shredding.



Protecting Customers Identity
Is Our Core Competency



Industry-Leading Certified
Shredding Company

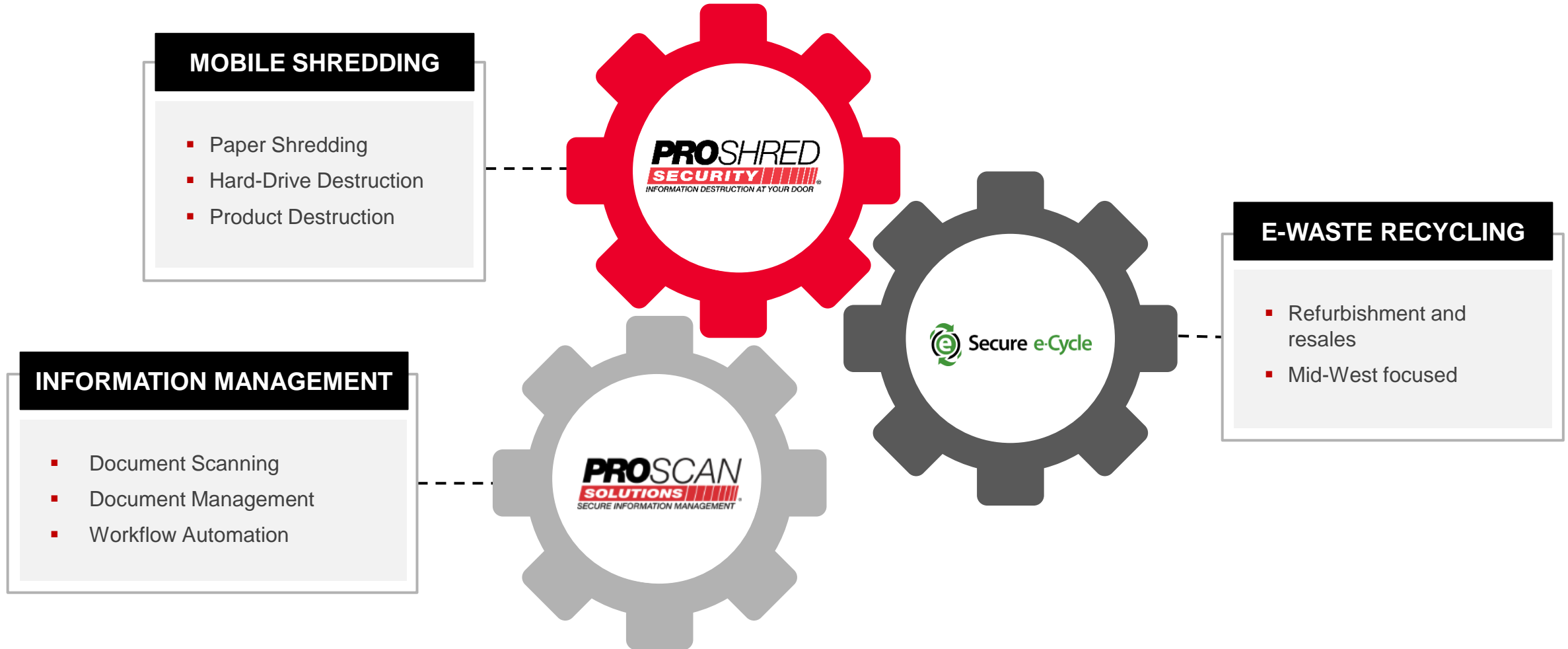


Locally Serviced and
Nationally Operated



Responsive and Quality
Service For Any Industry





OVER 30 LOCATIONS ACROSS THE US

Corporate and Franchised locations serving **42 metropolitan markets in 25 states**.
We provide secure on-site mobile shredding services with a fleet of **over 200 trucks**.



THREE-PRONGED STRATEGY



BUILD WHAT WE OWN

- 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



ACCRETIVE ACQUISITIONS

- 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

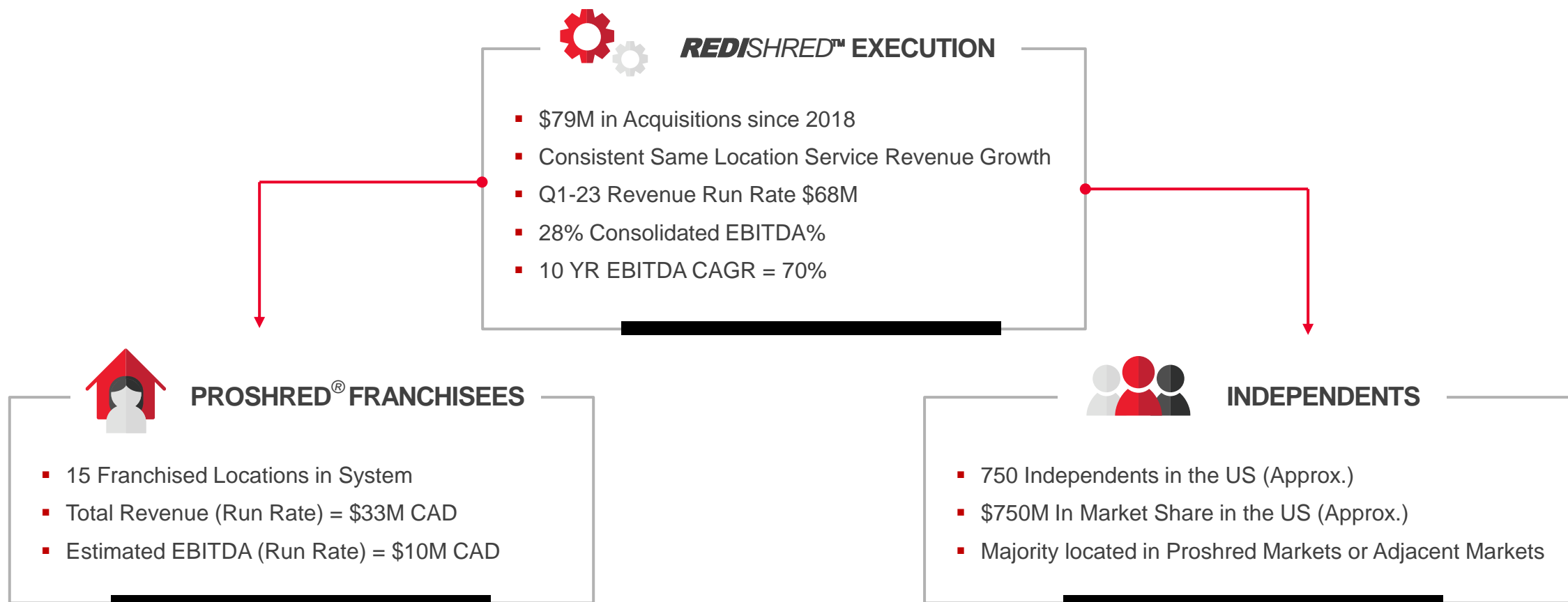


FRANCHISE SUPPORT

- 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

MULTIPLE ACQUISITION MARKETS

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



Performance



2023 Strategic Targets

SYSTEM

Drive same location shredding sales – systemwide

- 2023 Target: USD \$57M
- Q1-23 Performance to date: USD \$14.4M
- *On target*

GROWTH

Grow same location EBITDA for Corporate locations

- 2023 Target: \$22.1M USD, 36%
- Q1-23 Performance to date: \$5.6M USD, 38%
- *On target*

EXPAND

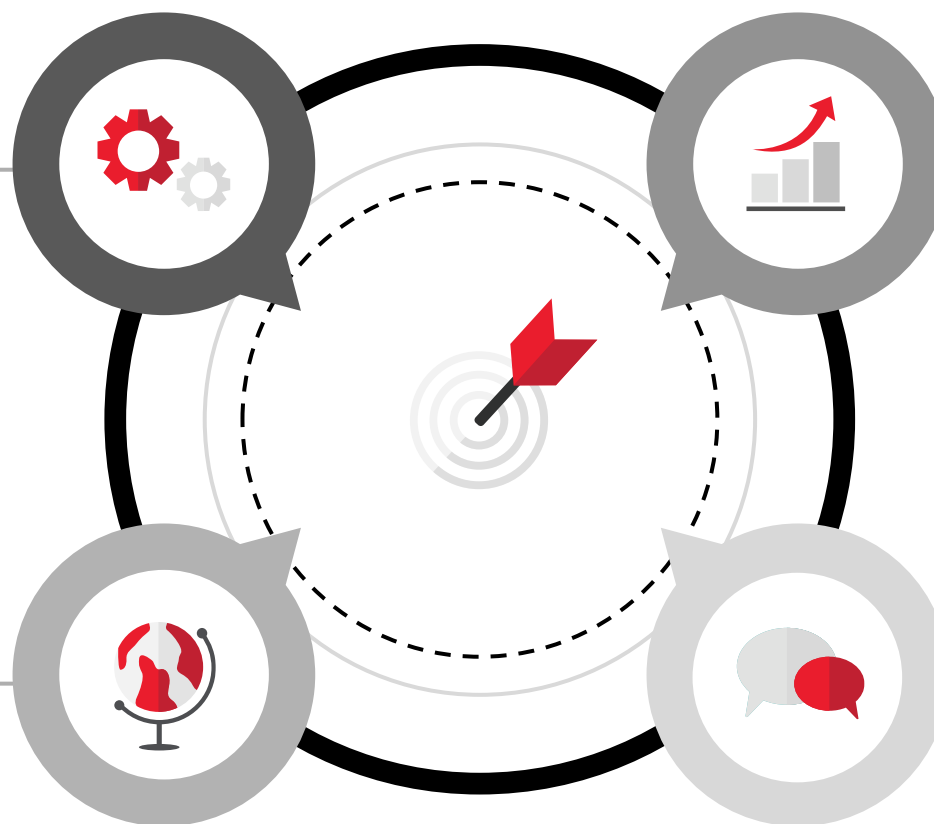
Expand via accretive acquisitions

- 2023 Target: \$5M to \$6M in acquired revenue
- 2022 Performance to date: Nil

LEVERAGE

Improve operating leverage

- 2023 Target: G&A 12% of revenue
- Q1-23 Performance to date: 10%
- *Ahead of target*



Q1-2023 Financial Highlights

\$4.7M
EBITDA¹

EBITDA was up 17% from
Q1-2022
Exceeded Consensus

\$0.26
EBITDA¹ per Share

A 18% increase from Q1-
2022

13%
Same Corporate Location
EBITDA² Growth

Growth from Q1-2022 driven
by 21% growth in sales.

\$3.6M
Cash provided from
Operations

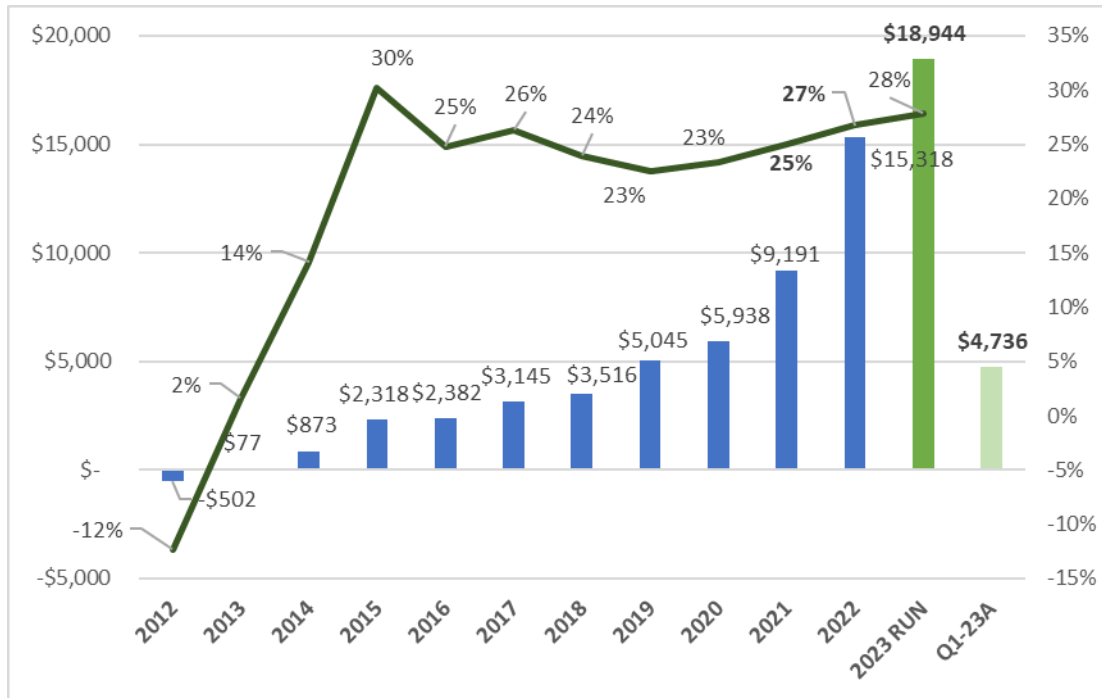
Cash from operation grew by
75% from Q1-2022

50%
Debt as a % of Total
Assets³

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 year ended December 31, 2022.
2. Same Corporate Location EBITDA is a supplementary non-IFRS measurement. For a full description of this non-IFRS measure, see Redishred's Management, Discussion and Analysis for the year ended December 31, 2022.
3. Debt as a percentage of total assets is a capital management measure that is non-IFRS. For a full description of this non-IFRS measure, see Redishred's Management, Discussion and Analysis for the year ended December 31, 2022.

ELEVEN YEAR CONSOLIDATED EBITDA TREND – 000's CAD



CAGR = 73%
(Does not include government subsidies)

OPERATIONAL PERFORMANCE

Focus on Driver
Retention

Focus on Route
Density and Routing
Economics

Continued
Acquisitions

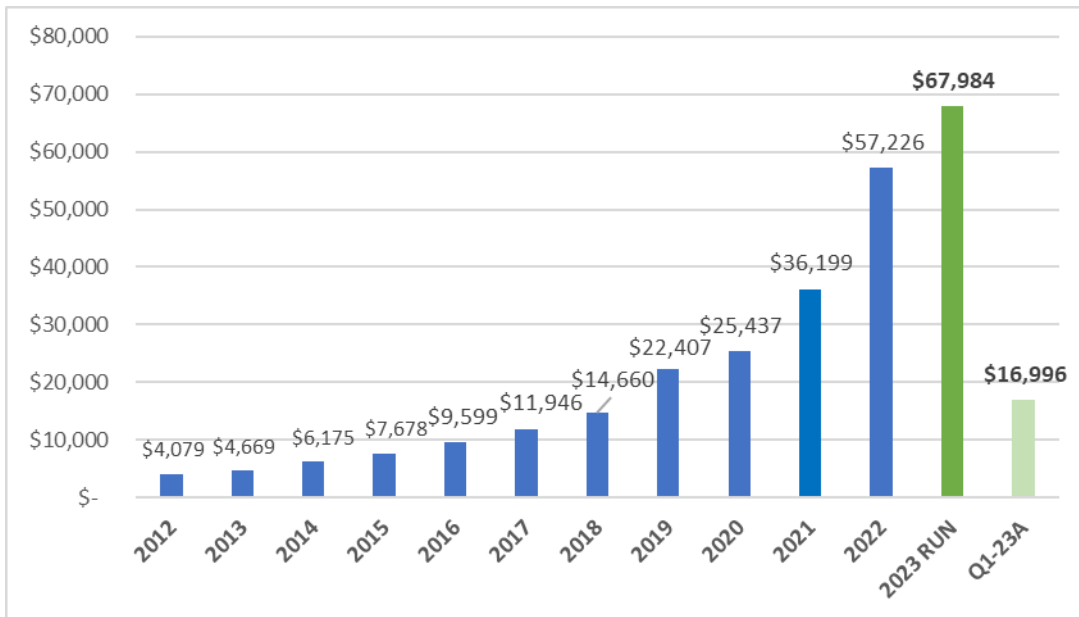
Q1 23 EBITDA HIGHLIGHTS (CAD)

Key Events:

- +Paper prices stronger versus prior year by 21%
- +Strong same location shredding service revenue growth = 25%
- -Higher paper processing costs, with one extra baling facility
- -Fuel costs at elevated levels
- -Truck and truck part shortages causing some capacity issues and increased repair and labour costs

ELEVEN YEAR CONSOLIDATED REVENUE TREND – 000's CAD

Revenue Growth – Driven By New Client Acquisitions and Acquired Locations



CAGR = 31%

NORMALIZED GROWTH DRIVEN BY:

Investing in Sales,
Marketing and New
Trucks

Targeting of SMEs
Recurring Monthly
Service

Continued
Acquisitions

TOTAL REVENUE HIGHLIGHTS (CAD)

Revenue Analysis For Q1-23 (vs comparative period in 2022):

- Same Corporate Location shredding service revenue was up 25%
- Same Corporate Location scanning revenue was down 41%
- Same Corporate Location e-waste revenue was up 23%
- Same Corporate Locations recycling sales was up 25%
- Acquired revenue was \$1.9M

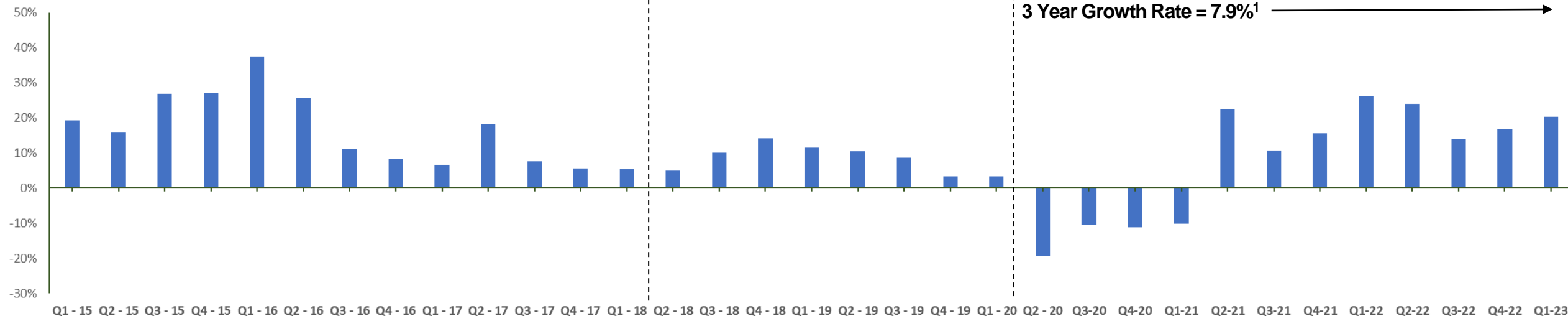
Same Location Service Revenue *(excludes paper revenue)*

GROWTH FROM LAST 33 QUARTERS

8 Year Growth Rate = 11.3%¹

5 Year Growth Rate = 8.3%¹

3 Year Growth Rate = 7.9%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.
Increased sales resources.

Impact of COVID 19 on Same Location revenue

Now in rebound. Acquisition Program↑.

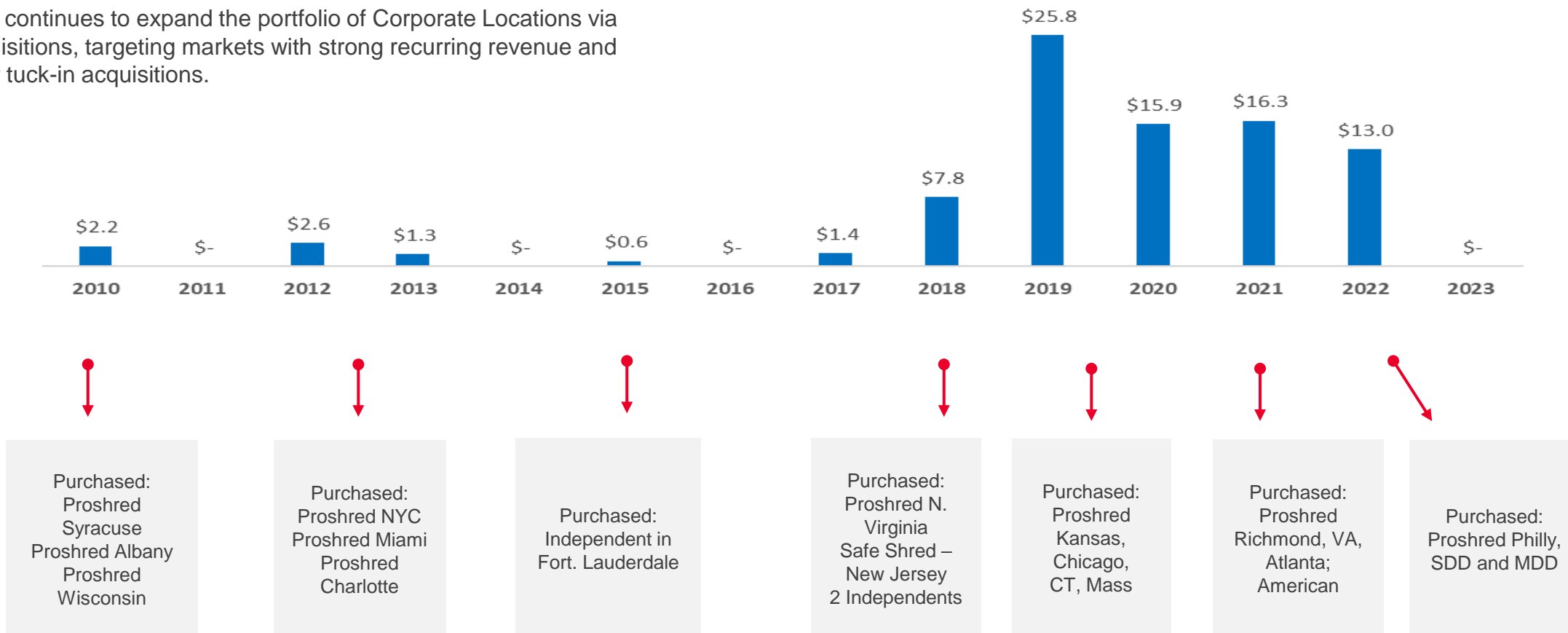
1.The results for 2020 and Q1-2021 were significantly impacted by the COVID19 pandemic. We have now included the 4 quarters impacted by the pandemic, the Company continues to show positive growth both short and long term.

Accelerating Acquisitions

ANNUAL ACQUISITIONS (\$ millions CAD)

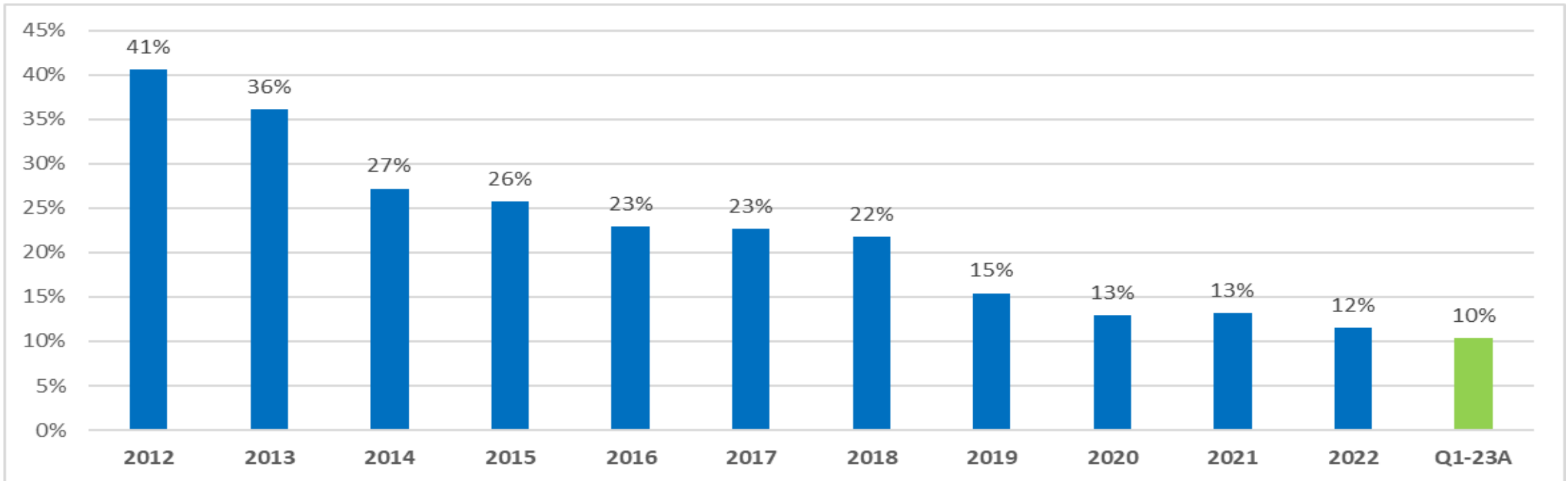
Since Late 2018 have conducted \$78.8M in Accretive Acquisitions

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



ELEVEN YEAR CONSOLIDATED G&A TREND – % of Revenue

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



Centralization of Key Back Office Functions

Use of Enabling Technology

Continued Centralization of Tasks

ELEVEN YEAR CONSOLIDATED KPI TRENDS
Stronger Profitability (Operating Income Less Interest), Stronger Balance Sheet

Key Performance Indicators																								
In Canadian Dollars (000's)		2012		2013		2014		2015		2016		2017		2018		2019		2020		2021		2022		Q1 23
Profitability KPI's																								
Revenue	\$	4,079	\$	4,669	\$	6,175	\$	7,678	\$	9,599	\$	11,946	\$	14,660	\$	22,407	\$	25,437	\$	36,199	\$	57,226	\$	16,996
EBITDA	-\$	502	\$	77	\$	873	\$	2,318	\$	2,382	\$	3,145	\$	3,516	\$	5,045	\$	5,938	\$	9,191	\$	15,318	\$	4,736
EBITDA%		-12%		2%		14%		30%		25%		26%		24%		23%		23%		25%		27%		28%
EBITDA/Share ¹	-\$	0.087	\$	0.013	\$	0.151	\$	0.384	\$	0.401	\$	0.334	\$	0.236	\$	0.318	\$	0.369	\$	0.577	\$	0.840	\$	0.260
Balance Sheet KPI's																								
Cash	\$	532	\$	349	\$	366	\$	848	\$	1,047	\$	2,246	\$	8,831	\$	10,064	\$	2,844	\$	9,660	\$	6,696	\$	6,331
Assets	\$	7,308	\$	8,984	\$	9,050	\$	10,714	\$	10,001	\$	11,506	\$	27,943	\$	53,770	\$	58,687	\$	79,334	\$	97,811	\$	96,140
Long Term Debt	\$	7,043	\$	8,127	\$	7,820	\$	8,043	\$	8,287	\$	2,569	\$	4,505	\$	15,714	\$	20,232	\$	27,650	\$	33,836	\$	31,604
Net Debt (LT Debt less cash)	\$	6,511	\$	7,778	\$	7,454	\$	7,195	\$	7,240	\$	323	-\$	4,326	\$	5,650	\$	17,388	\$	17,990	\$	27,140	\$	25,273
Equity	-\$	475	-\$	574	-\$	366	\$	530	\$	519	\$	6,690	\$	19,948	\$	29,900	\$	30,408	\$	40,360	\$	47,281	\$	48,263

Organic Growth

Accretive Acquisitions

Appropriate Leverage (2019 onwards)

Acquisitions



TARGETS ARE KEY

Franchisees = Hub, Smaller Independents = Tuck Ins

TWO TYPICAL SCENARIOS

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

PLEASE DIRECT YOUR INVESTOR INQUIRIES TO:

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Appendices



CORE COMMITMENTS

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

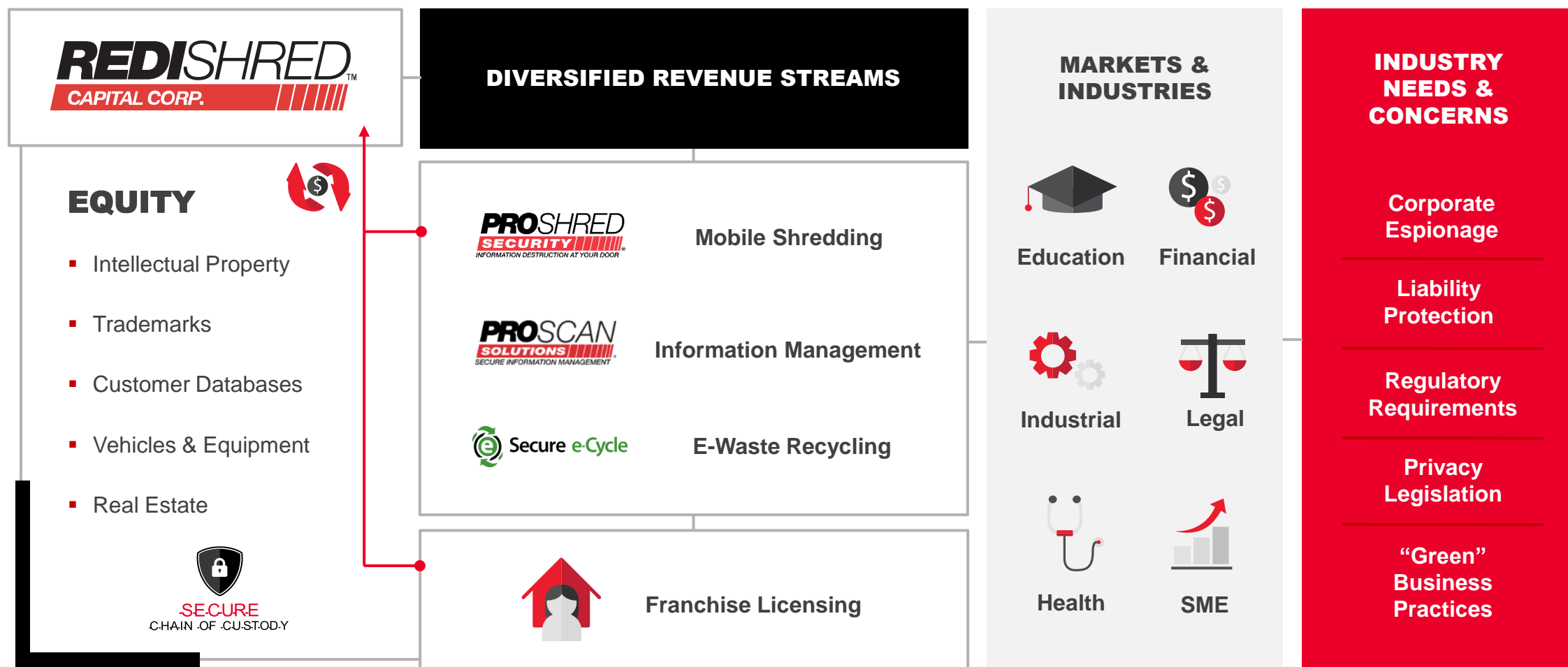
Easy:

- 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

DRIVING SHAREHOLDER VALUE

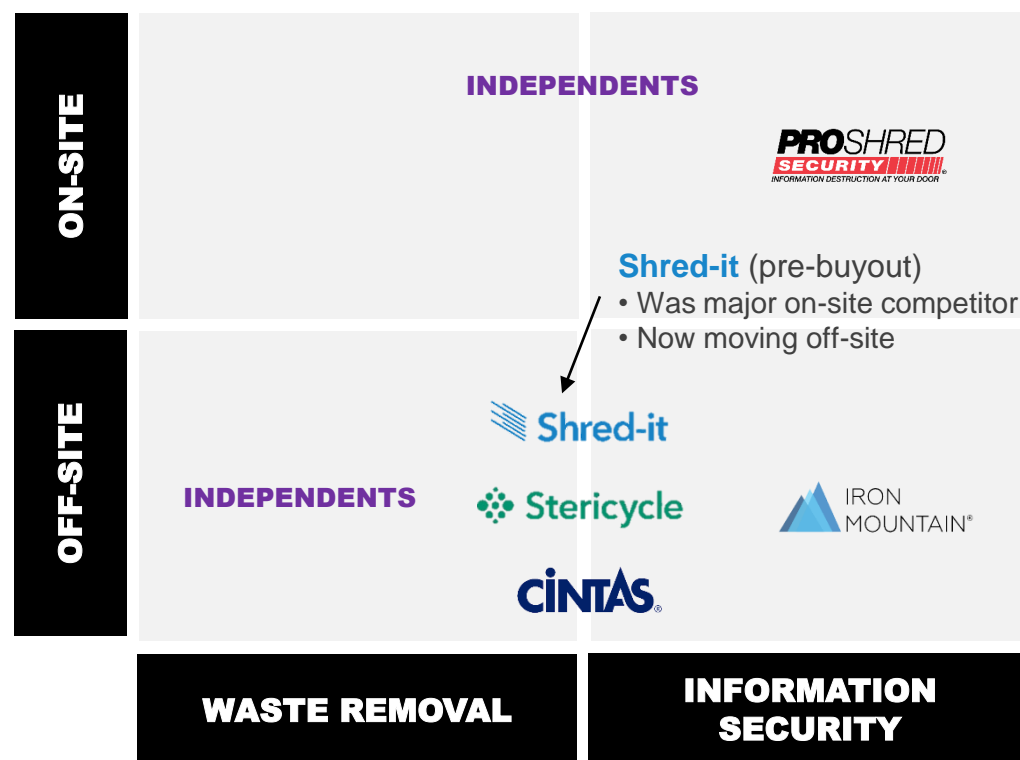


WELL RESEARCHED AND WELL UNDERSTOOD MARKETPLACE

- 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

FOCUSED ON OUR STRENGTHS IN THE MARKETPLACE

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



1. Independents

- Document Destruction
- Paper and Materials Recycling
- Waste Focus

2. Independents

- Document Destruction
- SME Focus
- Significant acquisition target

3. Shred-it / Stericycle / Cintas

- Document Destruction
- Medical Waste Removal
- Paper Recycling
- Medical Focus

4. PROSHRED®

- Document Destruction
- Information Destruction
- HD Destruction
- PROSCAN® – Scanning
- SME Focus

5. Iron Mountain

- Document Destruction
- Scanning
- Physical Records Storage
- Paper Recycling
- Large/Medium Enterprise Focus

BUY SMART AND GROW IT

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

