



K·BRO

Strategic
growth.
Dependable
income.



Forward-looking statements

This presentation contains forward-looking information within the meaning of applicable securities laws. The use of any of the words “anticipate”, “continue”, “expect”, “may”, “will”, “project”, “should”, “believe”, and similar expressions suggesting future outcomes or events are intended to identify forward-looking information. Statements regarding such forward-looking information reflect management’s current beliefs and are based on information currently available to management.

These statements are not guarantees of future performance and are based on management’s estimates and assumptions that are subject to risks and uncertainties, which could cause K-Bro’s actual performance and financial results in future periods to differ materially from the forward-looking information contained in this presentation. These risks and uncertainties are detailed in our publicly filed documents. Although the forward-looking information contained in this presentation is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements regarding forward-looking information included in this presentation may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this presentation.

All forward-looking information in this presentation is qualified by these cautionary statements. Forward-looking information in this presentation is presented only as of the date made. Except as required by law, K-Bro does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances.

K-Bro is the largest healthcare and
hospitality laundry and linen
processor in Canada, and one of
the largest in the UK and Europe

There are 15 locations
in Canada and UK



Investment highlights

- ▣ Disciplined, proven growth strategy
- ▣ K-Bro continues to grow its market share in the laundry and linen processing sector
- ▣ Stable, recurring revenue from long-term contracts
- ▣ Vertically integrated business model controls process and costs
- ▣ Track record of value creation through operating and financial strategy

Corporate Overview

Revenue split between hospitality and healthcare
(Fiscal 2021)

28%

Hospitality
& other

72%

Healthcare

2021 Annual Results

\$224.0M

Annual revenues

\$42.8M

EBITDA

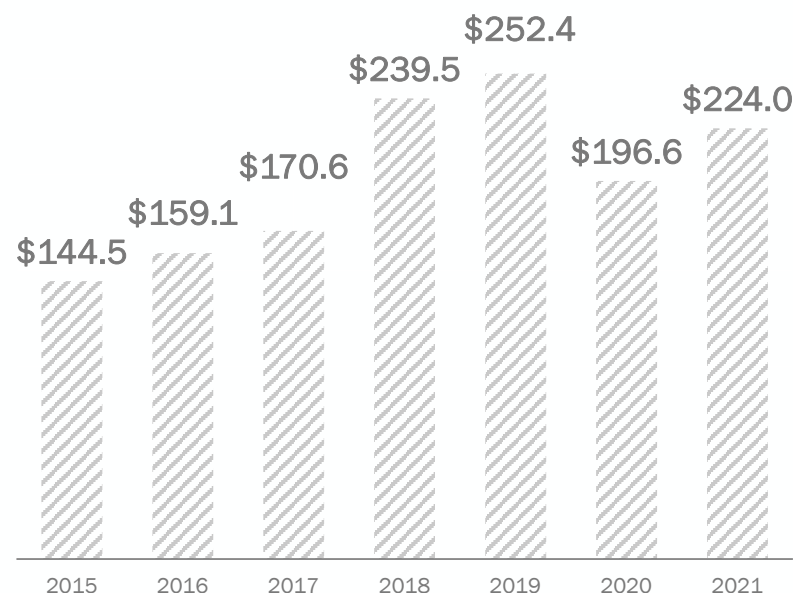
\$8.7M

Annual net earnings

\$0.81

Annual EPS

Annual Revenue (in millions of Canadian dollars)
Years ended Dec. 31



Long-term contracts offer steady, recurring revenue

Healthcare is a non-cyclical essential services industry

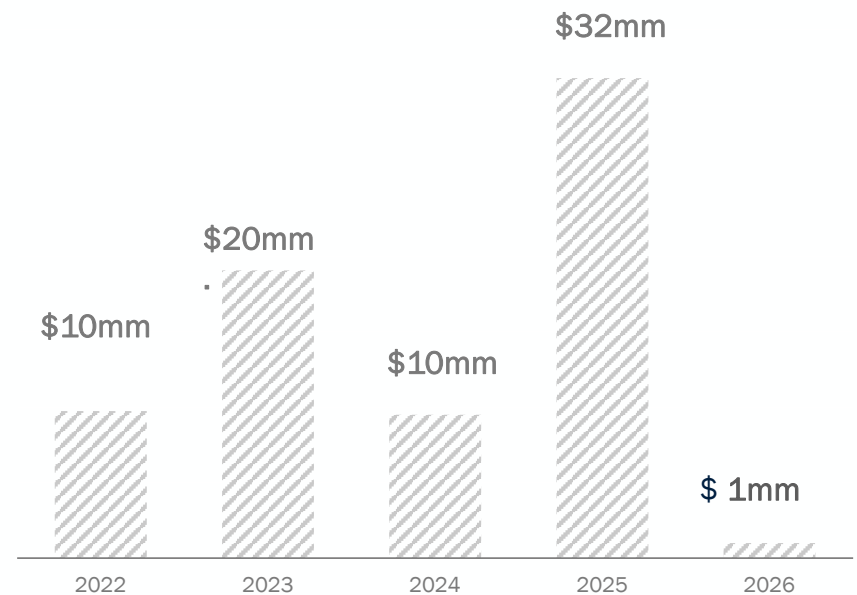
Exclusive 5-10 year hospital contracts

2-5 year hospitality contracts

60%

of Canada-based revenue is from contracts that extend to 2024 and beyond

Canadian revenue by contract expiration
in millions of Canadian dollars





Continued shift towards outsourcing laundry and linen services

Along with K-Bro, competitive landscape includes:

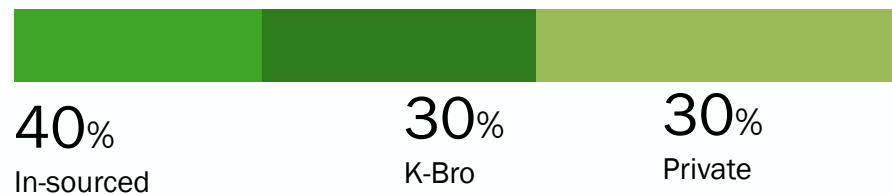
- Independent privately-owned facilities (small and single facility companies)
- Public sector central laundries
- Public and private sector on-premise laundries

Non-core service to both health care and hospitality sectors

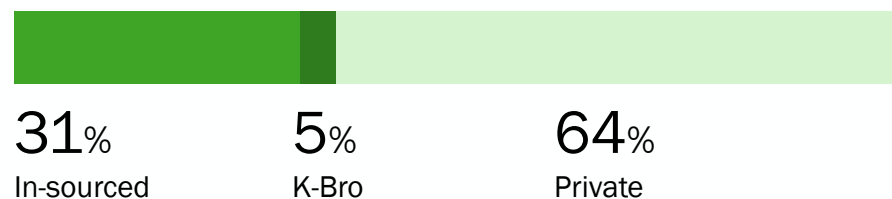
- Outsourced services provide capital and operating savings to customers
- Trend towards consolidation

The Canadian and UK markets are large with significant organic and acquisition growth opportunity

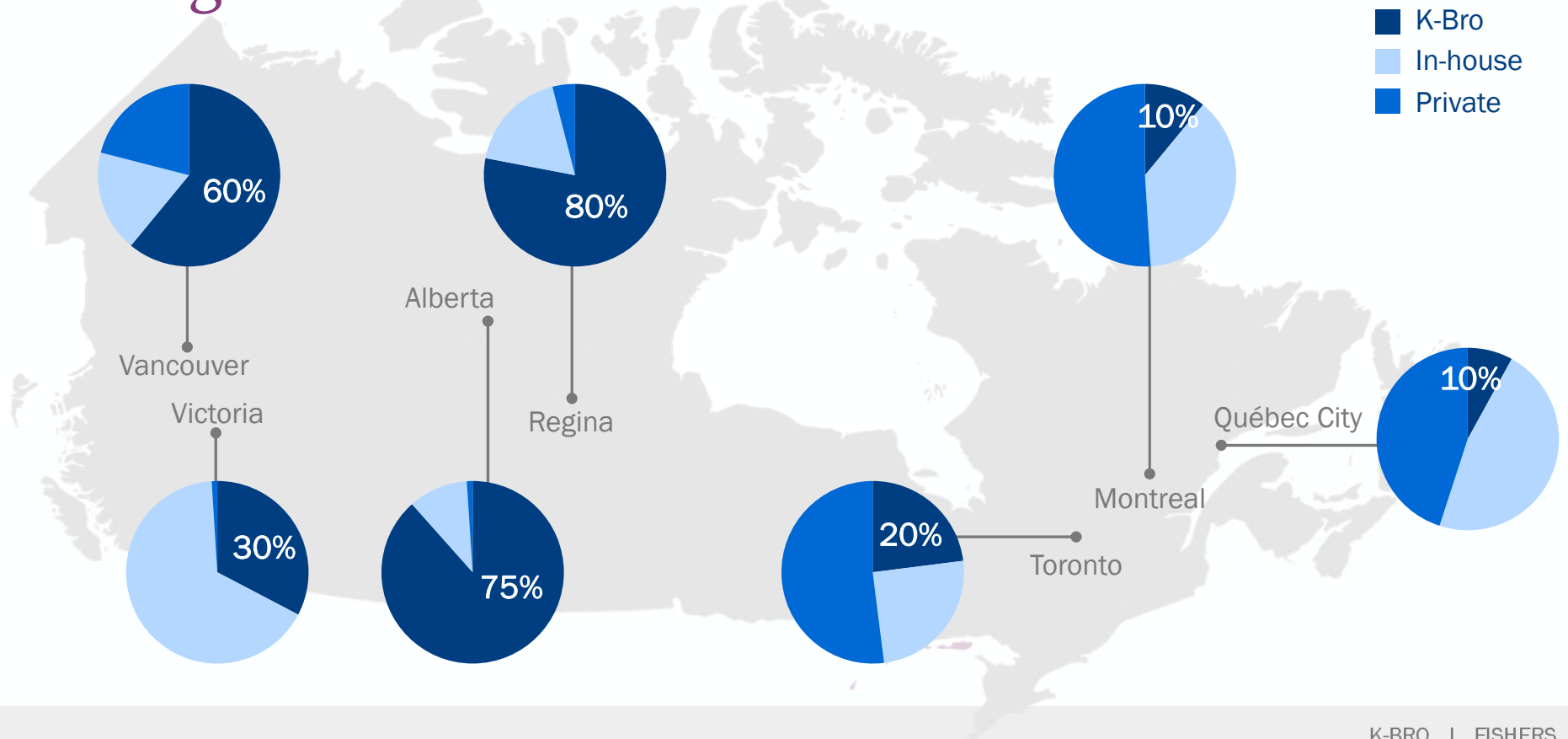
Canada - \$600M market



Total U.K. - £756M market



K-Bro has strong market positions throughout Canada and the U.K.



U.K. (Fishers) Market

Total Scotland & northern England -
£106M market



32%
In-sourced

37%
K-Bro

31%
Private



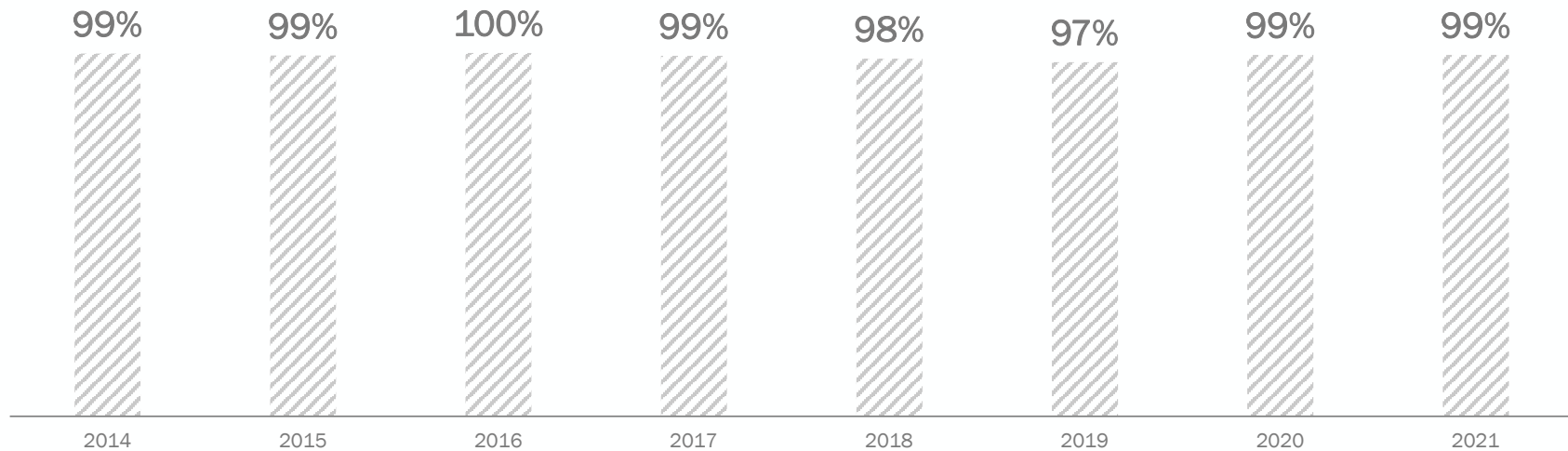
Solid customer base
with top-tier
companies in both
healthcare and
hospitality



Key customers retained over long periods of time and through renewals

Strong Contract Retention – Canadian Customer Base

Years ended Dec. 31





New state-of-the-art facilities in Vancouver and Toronto has led to the addition of large healthcare customers in both markets

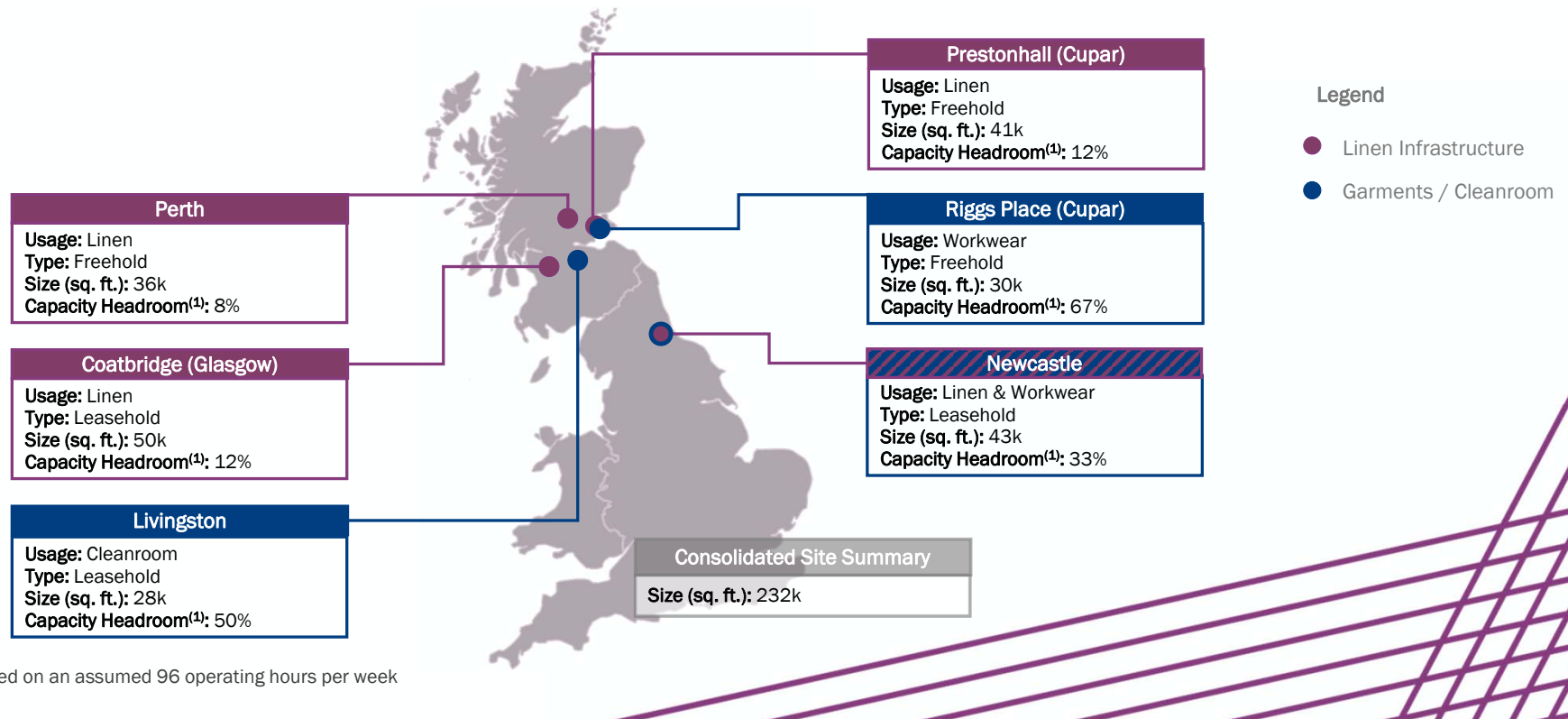
	Toronto	Vancouver
Year of new plant	2017	2018 (two plants)
Total investment	\$37M	\$55M
New customers	Trillium, Osler	23 healthcare facilities
Incremental revenue	\$7.6M/year	\$5.2M/year
Length of contract	Trillium – 7 years + 3 years Osler – 6 years	10 year contract (with renewal options for additional 10 years)

Canadian operations offer room to grow with existing capacity at each facility

Facility	Utilization	Year built/acquired	Date of refurbishment
Victoria, B.C.	75%	2006	2017
Vancouver, B.C. (2 facilities)	50%	2018	2018
Edmonton, AB	50%	2013	
Calgary, AB	50%	2007	
Regina, SK	50%	2015	
Toronto, ON	65%	2017	
Montreal, QC	75%	2011	2017
Quebec City, QC	75%	2008	

Strategic Footprint with Critical Mass

Fishers' six strategically located sites provide critical mass with coast-to-coast coverage



Recent acquisitions

Deeside

- Aberdeen-based hospitality processor
- £0.8M / C\$1.4M purchase price
- Volume consolidated into existing Fisher's infrastructure
- Accretive

Linitek

- Calgary-based hospitality processor
- \$4.7M purchase price
- \$3.5M revenue
- \$0.6M EBITDA
- Volume consolidated into existing Calgary plant
- Accretive

Fishers

- £35.0M / C\$59.3M purchase price
- ~£35.0M revenue / C\$59.5M
- ~£5.0M EBITDA C\$8.5M
- Largest player in Scotland and northern England
- Foothold for K-Bro in large U.K. market and Europe
- Accretive

Growing the business in Canada

Extend core services and introduce new related services to existing and new contracts

Strategic capital spending

- Greenfield construction
- Upgrades to existing facilities

Continue tuck-in and larger, strategic acquisitions





2022 Outlook

2022 milestones

- Integrate new AHS volumes and optimizing plant efficiencies
- Pursing price increases and managing cost structure to mitigate impact on EBITDA margin
- Continue to pursue both organic and growth through acquisition opportunities

Management Team

Linda McCurdy, President & Chief Executive Officer

Ms. McCurdy joined K-Bro in May 1998 as Chief Financial Officer and became President & Chief Executive Officer in January 2000. Prior to joining K-Bro, she was Chief Financial Officer of Canadian Inovotech Inc., a biochemical products processor. Ms. McCurdy's prior experience also includes six years at the Overwaitea Food Group where she held a number of financial positions. Ms. McCurdy is a Certified General Accountant and has an MBA from the University of Western Ontario.

Sean Curtis, Senior Vice-President

Mr. Curtis joined K-Bro in 1984 and has over 30 years of experience in the laundry and linen services industry. As Senior Vice President, Mr. Curtis works directly with K-Bro's President & CEO in the areas of plant expansions, capital equipment installations and business development into new markets.

Kristie Plaquin, Chief Financial Officer

Ms. Plaquin has been with K-Bro since 2001 and was the Chief Financial Officer from January 2004 through May 2005 during which time the company completed its Initial Public Offering and debt financings. After stepping away from K-Bro for a year through 2005 - 2006, Ms. Plaquin has served as Director of Financial Planning during which time she has played a lead role in all of K-Bro's growth and financing initiatives. Ms. Plaquin joined K-Bro from PricewaterhouseCoopers LLP and holds a Bachelor of Commerce degree from the University of Alberta and a Chartered Accountant designation.

Business Model



**Linen Purchases
& Management**



**Collection &
Transportation**



Sorting



Washing

Business Model (continued)



Drying



**Ironing &
Folding**



**Cart
Make-Up**



Delivery

Business Model (continued)



**On-site
Services**



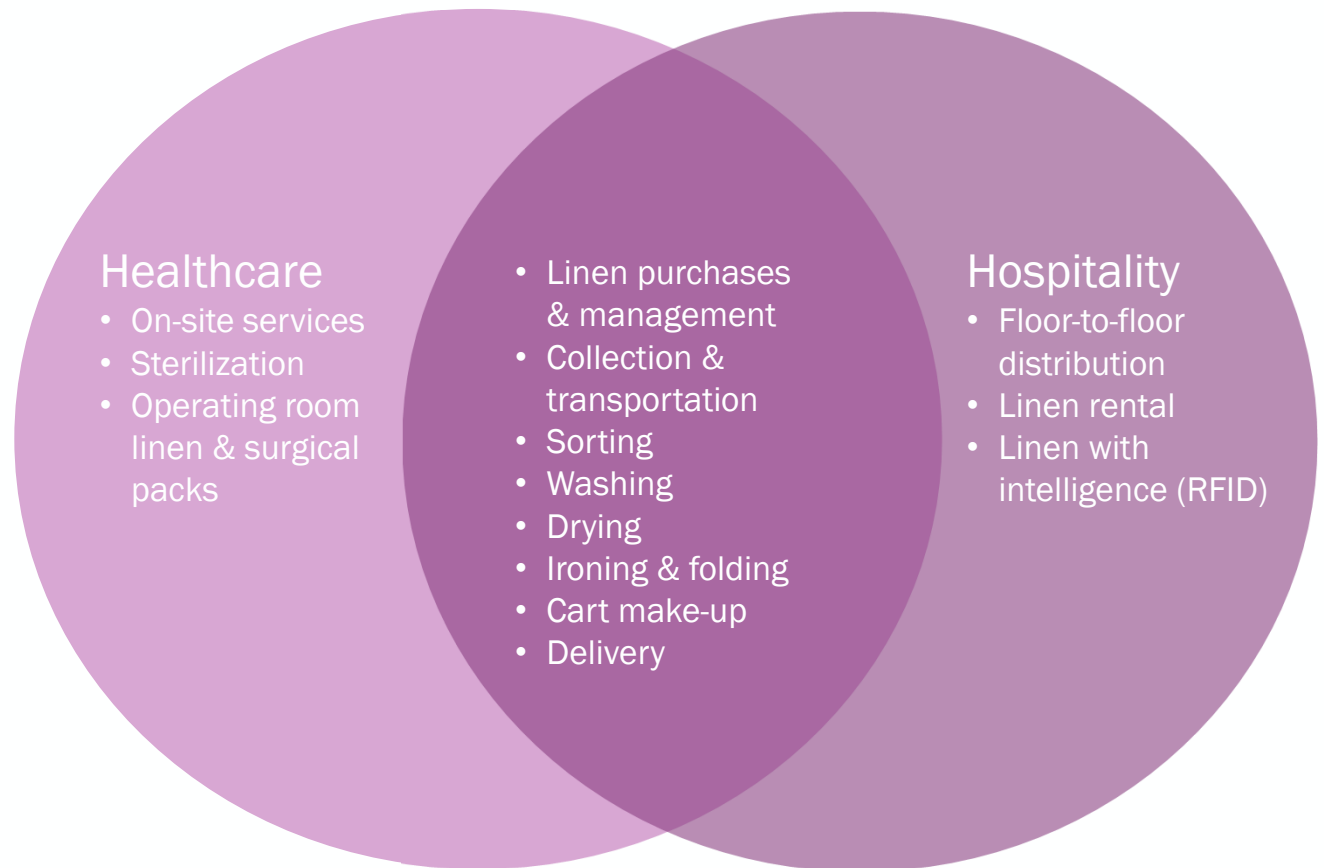
**Operating
Room Linen
and
Surgical Packs**



Sterilization

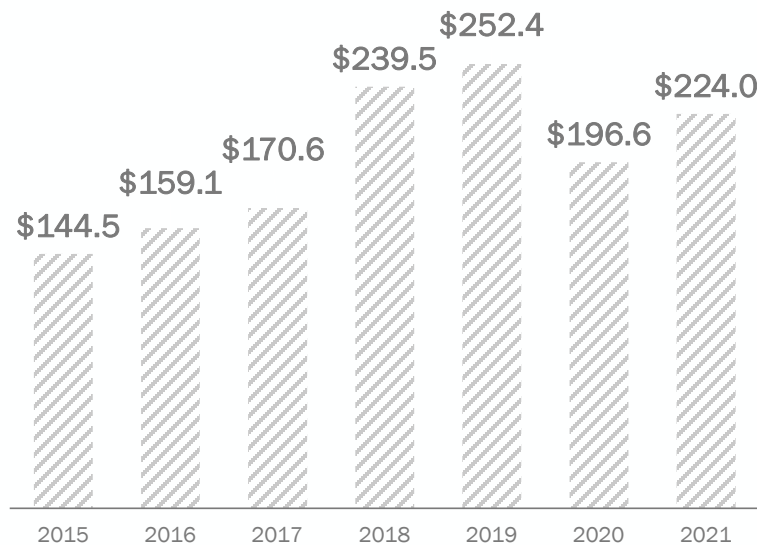


Integrated
services reduce
costs, strengthens
competitive
advantage



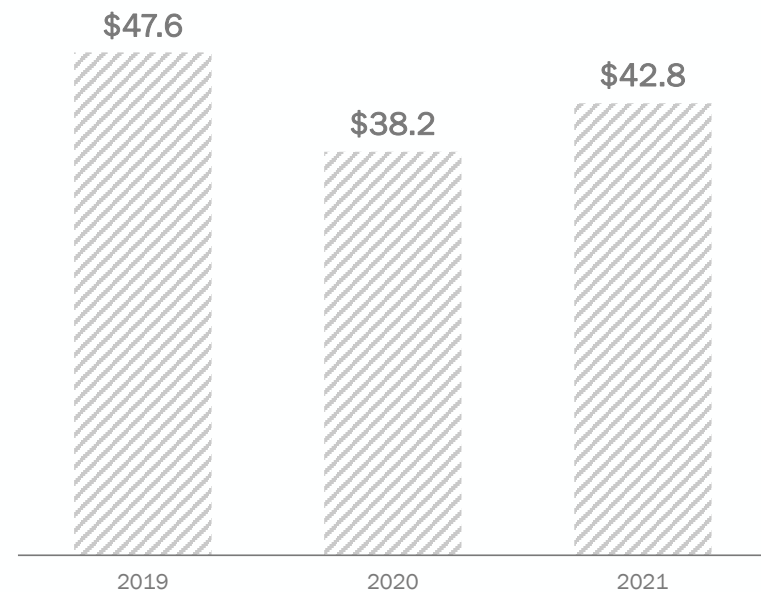
Revenue and EBITDA have steadily grown

Revenue (in millions of Canadian dollars)
Years ended Dec. 31



2020 and 2021 reflect the impact of COVID-19

EBITDA (in thousands of Canadian dollars)
Years ended Dec. 31



Fishers is a meaningful contributor to K-Bro's diversified revenue and EBITDA*

Fishers Contribution to Revenue/EBITDA (C\$M)

Revenue



\$65.8 \$186.6

26% 74%

EBITDA



\$8.6 \$30.1

22% 78%

■ Fishers ■ K-Bro

Revenue Segmentation (C\$M)



\$113.4 \$139.0

45% 55% ⁽¹⁾

■ Hospitality ■ Healthcare

* Based on 2019 Annual Results to remove the impact of COVID-19.

Note: C\$ amounts based on CAD/GBP FX rate of C\$1.69 per GBP (Source: Bank of Canada Daily Exchange Rates, December 31, 2019)

⁽¹⁾ Includes revenue from non-hospitality operations, including healthcare, garments and clean room, net of rebates and commissions.


Financial snapshot

	Quarterly Results		Annual Results	
	Q4 2021	Q4 2020	2021	2020
Revenue (\$M)	\$62.2	\$50.4	\$224.0	\$196.6
EBITDA (\$M)	\$8.9	\$11.7	\$42.8	\$38.2
Net Earnings (\$M)	\$1.5	\$2.1	\$8.7	\$3.8
Earnings (loss) per share (Diluted)	\$0.14	\$0.20	\$0.81	\$0.36
Distributable cash flow (\$M)	\$6.6	\$6.9	\$27.5	\$31.3
Dividends declared	\$0.30	\$0.30	\$1.20	\$1.20
Debt (excl. lease liabilities) (\$M)	\$38.0	\$40.7	\$38.0	\$40.7

- Significant volume reductions beginning March 11, 2020 due to hospitality customers experiencing significantly reduced occupancies or closures as a result of COVID-19. Hospitality declines have been somewhat offset by strong healthcare revenues.

COVID-19 Impact

Month	Healthcare Revenue Change (2020 compared to 2019)	Hospitality Revenue Change (2020 compared to 2019)	Consolidated Revenue Change (2020 compared to 2019)	Month	Healthcare Revenue Change (2021 compared to 2019)	Hospitality Revenue Change (2021 compared to 2019)	Consolidated Revenue Change (2021 compared to 2019)
January	3%	7%	5%	January	25%	-80%	-14%
February	5%	7%	6%	February	26%	-82%	-19%
March	0%	-27%	-12%	March	28%	-80%	-20%
Q1 2020 compared to Q1 2019 (Jan to March)	3%	-6%	-1%	Q1 2021 compared to Q1 2019 (Jan to March)	26%	-81%	-18%
April	-8%	-94%	-45%	April	24%	-81%	-22%
May	2%	-92%	-39%	May	21%	-69%	-19%
June	9%	-90%	-40%	June	22%	-49%	-13%
Q2 2020 compared to Q2 2019 (April to June)	1%	-92%	-41%	Q2 2021 compared to Q2 2019 (April to June)	23%	-66%	-18%
July	13%	-76%	-29%	July	16%	-40%	-11%
August	12%	-59%	-23%	August	11%	-30%	-9%
September	12%	-53%	-20%	September	12%	-28%	-8%
Q3 2020 compared to Q3 2019 (July to September)	12%	-63%	-24%	Q3 2021 compared to Q3 2019 (July to September)	13%	-33%	-9%
October	12%	-61%	-20%	October	12%	-28%	-5%
November	19%	-69%	-18%	November	19%	-23%	1%
December	24%	-78%	-22%	December	20%	-23%	1%
Q4 2020 compared to Q4 2019 (October to December)	18%	-69%	-20%	Q4 2021 compared to Q4 2019 (October to December)	17%	-25%	-1%
YTD	9%	-60%	-22%	YTD	20%	-49%	-11%



Disciplined and systematic management of the business has provided strong cash flow

Stated intention to pay dividends on a monthly basis at a rate of \$0.10 per common share (\$1.20 annualized per share)

The continued ability to maintain and grow available cash flow is made possible by:

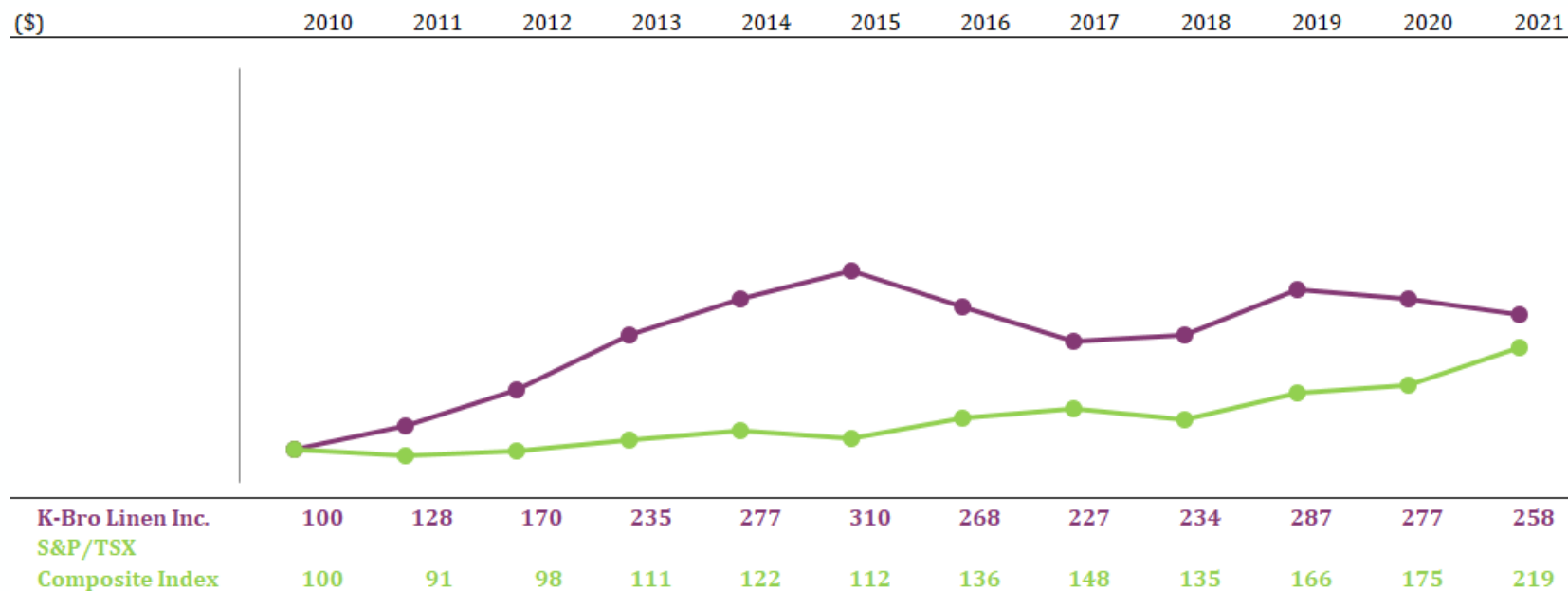
- Increasing market share by negotiating new contracts
- Extending core services to new markets through greenfield activity and targeted acquisitions
- Introducing new related services
- Undertaking accretive strategic capital expenditures
- Controlling costs by entering into fixed rate supply contracts

Balance sheet provides the right mix of leverage with flexibility to grow the business

	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
LT Debt / Adjusted EBITDA ⁽¹⁾ ratio (TTM)	0.9x	0.9x	1.3x
Long-term debt	\$38.0 million	\$40.7 million	\$62.5 million
Payout ratio (TTM)	46.8%	40.9%	42.9%
Available credit facility under current bank agreement	\$59.6 million	\$58.7 million	\$36.4 million

(1) In addition, in Q1 2020 the Corporation recorded an impairment to goodwill that has been removed from the EBITDA numbers reported above in the amount of \$5.5 million.

Track record of value creation



⁽¹⁾ The graph reflects the total cumulative return, assuming reinvestment of all dividends, of \$100 invested on December 31, 2010 in each of the Shares of the Corporation and the S&P/TSX Composite (TRIV) Index.

⁽²⁾ The year-end values of each investment shown on the graph are based on share price appreciation plus dividend reinvestment.

Investment Summary

- Established long-term relationships
- Industry experience and reputation
- Long-term exclusive contracts
- Up-front capital and linen investment in place
- Transitioning of large customers is complex
- Strong financial position and credit profile



K·BRO

Strategic
growth.
Dependable
income.

