



Zedcor Inc. Reports Record Quarterly Results, Including \$11.5 million in Revenue and \$4.1 million in Adjusted EBITDA for the First Quarter 2025

CALGARY, ALBERTA – May 21, 2025: Zedcor Inc. (“Zedcor” or the “Company”) (TSX-V: ZDC) is pleased to announce its financial and operating results for the three months ended March 31, 2025. Highlights include:

- Record quarterly revenue of \$11.5 million, representing an increase of 87% year-over-year and 11% quarter-over-quarter
- Record quarterly Adjusted EBITDA of \$4.1 million, representing an increase of 116% year-over-year
- Adjusted EBITDA margin was 36%, despite significant expansion costs out of the U.S., driven by strong contribution margins in Canada and increased operational efficiency from its AI at-the-edge cameras
- Deployed 229 MobileyeZ™ security towers during the three months ended March 31, 2025; these security towers were deployed throughout North America, with a focus on US expansion, and realized total fleet utilization rates above 90% for the quarter
- U.S. revenue was 29% of total revenue for Q1 2025
- Manufacturing monthly run rate eclipsed 100 units with anticipated growth to 120 units in Q2 2025
- The Company expects to be largely insulated from tariffs as manufacturing is based in Houston, Texas and camera costs have been locked in for 2025, while there have been no signs of demand waning, despite the geopolitical risks in the market

Zedcor generated revenue of \$11.5 million for the three months ended March 31, 2025, and Adjusted EBITDA of \$4.1 million. Revenue and Adjusted EBITDA generated in the quarter were both record highs for the Company.

Furthermore, the Company successfully continued its customer diversification and revenue growth initiatives during the quarter, which was reflected in the revenue and Adjusted EBITDA results. Zedcor generated record daily revenue from its fleet of MobileyeZ™ security towers while successfully deploying 229 new MobileyeZ™ towers throughout North America, with growth focused in Texas. Notably, fleet-wide MobileyeZ™ utilization rate exceeded 90% for the quarter. The Company has won a number of new customers in all verticals and continues to see growing demand in its residential home construction services.

The U.S. accounted for 29% of the Company’s first quarter revenue. The utilization rate for the fleet of security towers in the U.S. is near 100% capacity and the Company is starting to build a backlog of demand. In addition, the Company has continued to establish its service offering throughout the state of Texas and into a number of other cities across the southern USA.

In Canada, Zedcor experienced revenue growth and strong utilization rates during the quarter. While January sales were slower than anticipated due to inclement weather in Western Canada and permitting delays in Eastern Canada, demand ramped up quickly and subsequent to the quarter, the Company has allocated more units than budgeted to meet demand in Canada.

Todd Ziniuk, President and CEO of Zedcor, commented: “We are extremely pleased with the pace of our growth in the U.S. and encouraged by the demand we are experiencing in Canada which has exceeded our internal estimates. We continue to expand our sales team and platform to further accelerate unit sales and are seeing significant contributions in both Canada and the U.S. We are currently able to service all of Texas and the Southern US, Colorado and the Midwest U.S., and have expanded into Arizona, and Nevada. We remain focused on providing turnkey, innovative security solutions to our customers with industry leading service levels. Our equity financing which we closed in Q1 2025 and expanded debt facilities which we secured in December 2024, allow us to increase production of our security towers in anticipation of further acceleration of sales throughout 2025. We remain committed to our 1,200 - 1,400 tower manufacturing target for 2025 and are on pace to achieve this targeted range. Also, we continue to invest in growing our enterprise customer base throughout North America and are getting traction with some of the largest Corporations in the U.S. While tariffs are not an immediate concern impacting our results with U.S. manufacturing in Houston, we are exploring options to further control our supply chain and reduce capital costs per tower.”

FINANCIAL & OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2025:

		Three months ended March 31	Three months ended December 31
(in \$000s, except per share amounts)	2025	2024	2024
Revenue	11,476	6,134	10,334
EBITDA¹	3,477	1,667	2,934
Adjusted EBITDA^{1,2}	4,109	1,898	4,002
Adjusted EBIT²	1,060	76	884
Net (loss) income	622	(470)	380
Net (loss) income per share			
Basic	0.01	(0.01)	0.01
Diluted	0.01	(0.01)	0.01

¹ See Financial Measures Reconciliations below

Zedcor recorded \$11.5 million of revenue for the three months ended March 31, 2025. This compares to \$6.1 million of revenue for the three months ended March 31, 2024. The revenue increase of 87% year over year was due to:

- the execution of the strategic initiative for US expansion;
- diversification of our customer base and attracting new customers across the US and Canada; and
- meeting the strong customer demand through the production and deployment of MobileyeZ™ towers.

This growth in revenue was offset by lower security personnel revenue, camera sales, and other service revenue. EBITDA increased from \$1.9 million for the months ended March 31, 2024 to \$4.1 million for the three months ended March 31, 2025.

Quarter over quarter, the Company’s total revenue was up \$1.1 million or 11% and EBITDA was up \$0.6 million or 19%. Revenue increased quarter over quarter as a result of a larger fleet of security towers, higher daily rates in Canada, and revenue growth in the US and Canada through customer acquisition and growing revenues from existing customers in both regions.

Adjusted EBITDA was \$4.1 million for the three months ended March 31, 2025, compared to \$1.9 million for the three months ended March 31, 2024. This was an increase of \$2.2 million or 116%. Adjusted EBITDA increased year over year due to higher revenues and operating cost controls, offset by the increase in administrative and sales staff costs.

The Company’s security and surveillance services continued to see strong demand and growth in revenues for the three months ended March 31, 2025 due largely to increased customer demand of its larger fleet of MobileyeZ security towers and expanded US presence. Utilization reached 95% for the Company’s Canada fleet and remained above 90% for the Company’s US fleet throughout Q1 2025.

Zedcor exited the period with 1,566 MobileyeZ™ security towers which was an increase of 229 when compared to December 31, 2024 and an increase of 696 when compared to March 31, 2024. Of the 1,566 units, 564, or 36%, are located in the US. The Company remains on track to meet its annual fleet increase target of 1,200 to 1,400 units.

Financial and operational highlights for the three months ended March 31, 2025 include:

- For the three months ended March 31, 2025 net income before tax was \$0.6 million compared to a net loss before tax of (\$0.5) million for the three months ended March 31, 2024. The increase in net income year over year is directly attributable to: 1) Growth in Canadian and US sales attributable to new customers and growing revenue from existing customers; 2) strong margins in Canada as a result of general and administrative expenses being established and the operational efficiencies related to our AI at the edge cameras being implemented across the fleet; and 3) operations in the US continued to see growth and strong demand in our areas of focus.
- On February 5, 2025, the Company closed a equity financing for \$25.3 million on a bought deal share financing at a price of \$3.35 per share. The Company issued 7.6 million common shares. This funding, along with the increased banking facilities secured in Q4 2024 allows the Company to expedite its growth in the US.
- Expansion into strategic US markets including all major metros in Texas (Houston, Dallas, San Antonio, Austin and Midland), Denver, Colorado, Phoenix, Arizona and Las Vegas, Nevada. The Company has seen demand for its security services outside of Texas and its locations that are established for less than a year are seeing rapid growth.
- Significant customer wins in the residential home building segment of the Company's customer base across Texas, in Denver, in Las Vegas and across Canada as well. We anticipate demand in this vertical to continue to increase as we establish our footprint in the US.
- Diversification away from the Company's core pipeline construction customers. As the Company increases its fleet of MobileyeZ™ and expands geographically, our risk related to customer concentration has decreased. Zedcor's services are customer and industry agonistic and we continued to see that in 2025 as we were able to diversify our customer base across the construction industry and into retail security.
- Continued traction across Canada with the Company's established base of customers as well as expansion with new customers. The Company's intention to diversify its geographical footprint and grow its customer base is yielding results and we are continuing to see strong demand for the Company's service offering across this region.
- On track US expansion. Zedcor exited Q1 2025 with 564 MobileyeZ™ located in the US, expanded the base of operations with the ability to serve customers across Texas and Colorado, and continued positive business development with both existing and new US customers. During Q1 the Company has also established operations in Phoenix, Arizona, Las Vegas, Nevada and is able to service customers on the US west coast.
- The Company continued to develop and expand its manufacturing capabilities. Zedcor has manufactured over 225 of its Solar MobileyeZ™ Security Towers in Q1 2025 and continues to ramp up the production capacity out of Houston, Texas facility to meet the customer demand in the US. The Company is actively managing its component suppliers and supply chains, while finding efficiencies in order to streamline manufacturing. As at the end of Q1 2025, the Company has the ability to manufacture 20 - 25 security towers weekly.
- The Company assessing the impact of tariffs. Cameras for its 2025 fleet expansion were ordered late in 2024 and the supplier does not intend to adjust prices, while approximately 35% of steel components were also procured prior to tariffs being imposed. Raw steel components comprise less than 10% of total capital costs of each MobileyeZ™ Security Tower.

SELECTED QUARTERLY FINANCIAL INFORMATION

	Mar 31 2025	Dec 31 2024	Sept 30 2024	June 30 2024	Mar 31 2024	Dec 31 2023	Sept 30 2023	June 30 2023
(Unaudited – in \$000s)								
Revenue	11,476	10,334	9,152	7,372	6,134	5,799	6,431	6,216
Net income (loss)	622	380	310	1,409	(470)	(860)	288	2,472
Adjusted EBITDA ¹	4,109	4,002	3,409	2,695	1,898	1,401	2,285	1,824
Adjusted EBITDA per share - basic ¹	0.04	0.04	0.04	0.03	0.03	0.02	0.03	0.02
Net income (loss) per share								
Basic	0.01	0.01	0.00	0.02	(0.01)	(0.00)	0.00	0.03
Diluted	0.01	0.01	0.00	0.02	(0.01)	(0.01)	0.00	0.03
Adjusted free cash flow ¹	1,546	3,305	3,342	1,016	458	482	4,664	968

¹ See Financial Measures Reconciliations below

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended March 31			
(in \$000s)	2025	2024	\$ Change	% Change
Cash flow from operating activities	1,664	658	1,006	153%
Cash flow used in investing activities	(9,065)	(2,002)	(7,063)	353%
Cash flow from financing activities	22,025	1,314	20,711	1,576%

The following table presents a summary of working capital information:

	As at March 31			
(in \$000s)	2025	2024	\$ Change	% Change
Current assets	31,270	7,684	23,586	307%
Current liabilities *	16,285	9,475	6,810	72%
Working capital	14,985	(1,791)	16,777	937%

*Includes \$4.1 million of debt and \$3.3 million of lease liabilities in 2025 and \$4.1 million of debt and \$2.2 million of lease liabilities in 2024.

The primary uses of funds are operating expenses, growth capital spending, interest and principal payments on debt facilities. The Company has a variety of sources available to meet these liquidity needs, including cash generated from operations. In general, the Company funds its operations with cash flow generated from operations, while growth capital and acquisitions are typically funded by issuing new equity or debt.

Principal Credit Facility

	Interest rate	Final maturity	Facility maximum	Outstanding as at March 31, 2025	Outstanding as at December 31, 2024
Non-Revolving Reducing Term Loan	Prime + 1.50%	Dec 2027	20,000	18,720	19,732
Revolving Operating Loan	Prime + 1.50%	Dec 2027	10,000	—	—
Equipment Financing	Various	Various	N/A	620	390
				19,340	20,122
Current portion				(4,136)	(4,068)
Long term debt				15,204	16,054

On December 18, 2024, the Company entered into a Commitment Letter with ATB Financial which provided the Company with the following:

1. A \$10.0 million revolving operating loan. The Company is able to draw on this facility for working capital, capital expenditures, and general corporate purposes. The Company may borrow, repay, reborrow, and convert between types of borrowings. This is due and payable in full on the maturity date of December 17, 2027.
2. A \$20.0 million non-revolving reducing term loan, available in two advances, (i) initial advance to pay out in full the indebtedness of the existing Term Loan and (ii) an amount not exceeding the remainder of the maximum amount shall be used for working capital, capital expenditures, and general corporate purposes. This loan is amortized over 60 months with any unpaid balance due and payable on December 17, 2027. Commencing on January 31, 2025, and on the last Business Day of each month thereafter, the Company shall make equal principal and interest repayments.

The interest is payable at Prime plus the applicable margin. The applicable margin means, with respect to each facility, the percentage per annum applicable to the Net Funded Debt to EBITDA ratio. As at March 31, 2025 the Applicable Margin was 1.50%.

The agreement has the following quarterly financial covenant requirements:

- A Net Funded Debt to EBITDA ratio of no more than 3.50:1.00, as at the Closing Date or as at the end of any fiscal quarter thereafter up to and including June 30, 2025; or
- A Net Funded Debt to EBITDA ratio of no more than 3.00:1.00 as at the end of fiscal quarter ending September 30, 2025 or any Fiscal Quarter thereafter; and,
- A Fixed Charge Coverage Ratio of no less than 1.15:1.00 as at the Closing Date or as at the end of any fiscal quarter thereafter

The credit facilities were secured with a first charge over the Company's current and after acquired equipment, a general security agreement, a subordination and postponement agreement with a director of the Company with respect to a note payable, and other standard non-financial security. As at March 31, 2025, the Company is in compliance with its financial covenant requirements.

The Company may also enter into specific financing agreements with certain vendors for specific pieces of equipment. These financing agreements are entered into at the time of purchase and granted by various third parties based on the Company's financial condition at the time. They are secured with specific equipment being financed and terms and interest rates are decided at the time of application. As at March 31, 2025 the Company had \$390 outstanding with respect to these specific financing agreements.

As at March 31, 2025 the Company also have a letter of credit facility of \$240 (as at December 31, 2023 - \$240). The facility is unused as at March 31, 2025.

CREDIT RISK

The Company extends credit to customers, primarily comprised of construction companies, energy companies and pipeline construction companies, in the normal course of its operations. Historically, bad debt expenses have been limited to specific customer circumstances. However, the volatility in economic activity may result in higher collection risk on trade receivables. The Company has reviewed its outstanding accounts receivable as at March 31, 2025 and believes the expected loss provision is sufficient.

OUTLOOK

Zedcor continues to execute its long-term strategy of growing its technology enabled security services across North America. The Company continues to effectively use a mix of cash flow, debt and the proceeds from its equity financing to build additional MobileyeZ™ security towers to provide surveillance services to our expanding customer base. The Company was able to effectively redeploy equipment to new customers throughout the Company's operating regions and grow US revenues to \$3.4 million in Q1 2025. The Company has also grown its salesforce across Canada in order to obtain contracts for its MobileyeZ™ and continue to expand its service offering to different industries.

Priorities that the Company intends to focus on for the remainder for 2025 include:

- 1) Expanding operations in the United States and continuing to grow revenues in Canada. Due to significant spending on infrastructure in North America, along with increased theft and vandalism, the Company is continuing to see strong demand for its products in both countries. Zedcor's innovative products, coupled with the Company's commitment to customer service, are perfectly situated to disrupt the traditional security market.
- 2) With the strong demand that Zedcor is seeing for its security towers, the Company continues to further take control of its supply chain and remove bottlenecks for its security towers by manufacturing and assembling more of the components of its towers in house. This will allow us to actively manage demand and, over time, reduce our capital costs.
- 3) Building new, innovative products based on customer demand. As the Company has obtained customers in different industry verticals, it has seen an increasing number of use cases for its security solutions coupled with Zedcor's 24/7 Live, Verified™ video monitoring. This includes a need for additional AI-based technology that is actively monitored as well as a mobile security product with a smaller footprint.
- 4) The Company intends to generate customer and shareholder value and positive earnings per share. By effectively managing its growth, executing on the above noted strategies and increasing its capital markets presence, Zedcor will be able to continue to generate positive earnings per share, grow its shareholder base and increase share price.

NON-IFRS MEASURES RECONCILIATION

Zedcor Inc. uses certain measures in this MD&A which do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS"). These measures which are derived from information reported in the consolidated statements of operations and comprehensive income may not be comparable to similar measures presented by other reporting issuers. These measures have been described and presented in this MD&A in order to provide shareholders and potential investors with additional information regarding the Company.

Investors are cautioned that EBITDA, adjusted EBITDA, adjusted EBITDA per share, adjusted EBIT and adjusted free cash flow are not acceptable alternatives to net income or net income per share, a measurement of liquidity, or comparable measures as determined in accordance with IFRS.

EBITDA and Adjusted EBITDA

EBITDA refers to net income before finance costs, income taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA before costs associated with foreign exchange gains or losses, gains and losses on sale of equipment and stock based compensation. These measures do not have a standardized definition prescribed by IFRS and therefore may not be comparable to similar captioned terms presented by other issuers.

Management believes that EBITDA and Adjusted EBITDA are useful measures of performance as they eliminate non-recurring items and the impact of finance and tax structure variables that exist between entities. "Adjusted EBITDA per share – basic" refers to Adjusted EBITDA divided by the weighted average basic number of shares outstanding during the relevant periods.

A reconciliation of net income to Adjusted EBITDA is provided below:

(in \$000s)	Three months ended March 31	
	2025	2024
Net (loss) income	622	(470)
Add (less):		
Finance costs	438	536
Depreciation of property & equipment	1,798	1,226
Depreciation of right-of-use assets	619	375
EBITDA	3,477	1,667
Add:		
Stock based compensation	580	215
Loss on disposal of right-of-use assets	25	14
Foreign exchange loss	27	2
	632	231
Adjusted EBITDA	4,109	1,898

Adjusted EBIT

Adjusted EBIT refers to earnings before interest and finance charges, and taxes.

A reconciliation of net income to Adjusted EBIT is provided below:

(in \$000s)	Three months ended March 31	
	2025	2024
Net (loss) income	622	(470)
Add:		
Finance costs	438	536
Adjusted EBIT	1,060	66

Adjusted free cash flow

Adjusted free cash flow is defined by management as net income plus non-cash expenses, plus or minus the net change in non-cash working capital, less maintenance capital. Maintenance capital is also a non-IFRS term. Management defines maintenance capital as the amount of capital expenditure required to keep its operating assets functioning at the same level of efficiency. Management believes that adjusted free cash flow reflects the cash generated from the ongoing operation of the business. Adjusted free cash flow is a non-IFRS measure generally used as an indicator of funds available for re-investment and debt payment. There is no standardized method of determining free cash flow, adjusted free cash flow or maintenance capital prescribed under IFRS and therefore the Company's method of calculating these amounts is unlikely to be comparable to similar terms presented by other issuers.

Adjusted free cash flow from continuing operations is calculated as follows:

(in \$000s)	Three months ended March 31	
	2024	2024
Net (loss) income	622	(470)
Add non-cash expenses:		
Depreciation of property & equipment	1,798	1,226
Depreciation of right-of-use assets	619	375
Stock based compensation	580	215
Finance costs (non-cash portion)	(13)	45
	3,606	1,391
Change in non-cash working capital	(2,060)	(933)
Adjusted free cash flow	1,546	458

CONFERENCE CALL

A conference call will be held in conjunction with this release:

Date: Thursday, May 22, 2025
Time: 10:00 am ET (8:00 am MT)
Webinar Link: bit.ly/ZDCQ12025
Dial: 647-374-4685 Toronto local
780-666-0144 Calgary local
778-907-2071 Vancouver local
346-248-7799 Houston local
Meeting ID #: 990 2015 0384

Please connect 10 minutes prior to the conference call to ensure time for any software download that may be required. Participants wishing to login to the webinar will be required to register before the start of the call. Audio only dial in available without registering.

Full details of the Company's financial results, in the form of the consolidated financial statements and notes for the three months ended March 31, 2025 and 2024, and Management's Discussion and Analysis of the results are available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.zedcor.com.

About Zedcor Inc.

Zedcor Inc. is disrupting the traditional physical security industry through its proprietary MobileyeZTM security towers by providing turnkey and customized mobile surveillance and live monitoring solutions to blue-chip customers across North America. The Company continues to expand its established MobileyeZTM platform in Canada and the United States, with emphasis on industry leading service levels, data-supported efficiency outcomes, and continued innovation. Zedcor services the Canadian market through equipment and service centers currently located in British Columbia, Alberta, Manitoba, and Ontario. The Company continues to advance its U.S. expansion which now has the capacity to service markets throughout the Midwest and West Coast with locations throughout Texas and in Denver, Colorado, Phoenix, Arizona and Las Vegas, Nevada.

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this news release constitute forward-looking statements or forward-looking information, including expectations for customer and revenue growth in 2025, the ability of the Company to build out its footprint in the U.S. and add additional customers as a result thereof, the Company's intention to take control of its supply chain, thereby allowing it to manage demand and reduce capital costs, and the Company's intention to increase its capital markets presence and grow investor interest in the Company. Forward-looking statements or information may contain statements with the words "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget", "should", "project", "would", "may" or similar words suggesting future outcomes or expectations, including negative or grammatical variations thereof. Although the Company believes that the expectations implied in such forward-looking statements or information are reasonable, undue reliance should not be placed on these forward-looking statements because the Company can give no assurance that such statements will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of assumptions about the future and uncertainties. These assumptions include anticipated manufacturing capacity and expected fleet numbers, expected utilization rates, customer growth, the impact of tariffs on the Company's business and customer buying trends, and changes in the regulatory environment and political landscape in each of Canada and the United States. Although management believes these assumptions are reasonable, there can be no assurance that they will prove to be correct, and actual results will differ materially from those anticipated. For this purpose, any statements herein that are not statements of historical fact may be deemed to be forward-looking statements. The forward-looking statements or information contained in this news release are made as of the date hereof and the Company assumes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new contrary information, future events or any other reason, unless it is required by any applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

This news release also makes reference to certain non-IFRS measures, which management believes assists in assessing the Company's financial performance. Readers are directed to the section above entitled "Financial Measures Reconciliations" for an explanation of the non-IFRS measures used.

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