ZEDCOR INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SECURITY SOLUTIONS

FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2022 AND 2021

zedcor.ca

The following management's discussion and analysis ("MD&A") provides an overview of the events and transactions that have affected the performance of Zedcor Inc. (the "Company" or "our" or "we" or "Zedcor") for the three months ended September 30, 2022 when compared to the three months ended September 30, 2021. The MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto of Zedcor Inc. for the years ended December 31, 2021 and 2020 and the condensed consolidated interim financial statements for the three and nine months ended September 30, 2022 and 2021. These consolidated financial statements are available on the Company's website at www.zedcor.ca as well as on SEDAR at www.sedar.com.

This MD&A is management's assessment of the Company's operations and financial results, as well as management's view of future prospects. These assessments and views are based on certain assumptions related to future events which are uncertain. Statements related to assessments and views which are not statements of historical fact are considered to be forward-looking statements. For a discussion on the risks and uncertainties related to such information please refer to "Forward-Looking Statements" at the end of this MD&A.

This MD&A has been prepared by management and reviewed and approved by the Board of Directors of Zedcor Inc. as of November 15, 2022.

OVERVIEW AND CORPORATE PROFILE

Zedcor Inc. is a Canadian public corporation and is currently the parent company to Zedcor Security Solutions Corp. Zedcor is a technology enabled business that is changing how physical security services are provided to businesses. Zedcor operates throughout Canada with branches in British Columbia, Alberta, Manitoba and Ontario. The Company has three main service offerings to customers across all market segments: 1) surveillance and live monitoring through its proprietary MobileyeZ security towers; 2) surveillance and live monitoring of fixed site locations; and 3) security personnel.

The Company operates a fleet of over 450 proprietary MobileyeZ security towers, equipped with high resolution, technology-based cameras, and monitors over 80 fixed site locations for customers across various industries. Video from security towers and fixed site locations is streamed to the Company's central monitoring station where video alarms are live verified and responded to based on customer requirements. Zedcor also offers high level security guard services to enterprise level customers who are looking to supplement video-based security for valuable, high risk, or mission critical operational assets.

EXECUTIVE SUMMARY:

Selected Financial Highlights

(in $000s)	Three months ended September 30 2022	2021	Nine months ended September 30 2022	2021
Revenue	5,797	3,684	15,682	9,474
EBITDA from continuing operations[1,2]	2,090	1,316	5,941	3,303
Adjusted EBITDA from continuing operations[1,2]	2,121	1,373	5,188	3,466
Adjusted EBIT[1,2]	1,255	726	2,782	1,197
Net income (loss) from continuing operations	966	296	2,922	(1,045)
Net income (loss) from operations	966	296	2,922	(3,097)
Net income (loss) per share from continuing operations				
Basic	0.01	0.01	0.04	(0.02)
Diluted	0.01	0.01	0.04	(0.02)

[1] *Adjusted for severance costs*
[2] *See Financial Measures Reconciliations below*

Zedcor recorded $2,121 and $5,188 of adjusted EBITDA from continuing operations for the three and nine months ended September 30, 2022. This compares to $1,373 and $3,466 of adjusted EBITDA from continuing operations for the three and nine months ended September 30, 2021.

The Company's security and surveillance services saw increased revenues and EBITDA for the three and nine months ended September 30, 2022 compared to 2021 due to higher customer demand which drove utilization of a larger fleet of MobileyeZ security towers. Zedcor exited the period with 441 MobileyeZ security towers which was an increase of 177 when compared to December 31, 2021 and 220 units when compared to September 30, 2021. While a smaller part of the business, the Company's other two service lines also saw increased revenues when compared to prior periods. Fixed site monitoring contracts and service revenue saw increases of 76% and 132% for the three and nine months ended September 30, 2022 while security personnel revenues also increased significantly as a result of a contract award for integrated security services in February 2022.

Financial and operational highlights for the three and nine months ended September 30, 2022 include:

- Revenue for the three and nine months ended September 30, 2022 increased by $2,111 and $6,208 from $3,684 and $9,474 to $5,795 and $15,682. This increase was driven by a larger fleet of MobileyeZ security towers and high utilization rates of the Company's fleet. The Company's flagship Solar Hybrid MobileyeZ saw utilization rates over 90% for the nine months ended September 30, 2022.

- Net income from continuing operations was $966 for the three months ended September 30, 2022. This compares to a net income of $296 for the three months ended September 30, 2021. For the nine months ended September 30, 2022 net income from continuing operations was $2,922 compared to a net loss of ($1,045) for the nine months ended September 30, 2021. The reversal of the net loss is directly attributable to: 1) a larger fleet of towers and strong customer demand which drove utilization and, in turn, revenues; 2) reduced financing costs as a result of reduced debt load and interest rates when the Company obtained a new financing agreement in Q4 2021 which provided additional capital, and significantly reduced interest rates; and 3) $883 in other income. As part of the sale of the Company's Rental segment assets in 2021, the Company is to receive a 35% bonus for every dollar of EBITDA over certain thresholds. As a result of this agreement, the Company received $883 in 2022.
- The Company expanded to Ontario with equipment and service branch openings in Ottawa and Toronto. As at September 30, 2022, approximately 10% of the Company's MobileyeZ security tower fleet is located in Ontario. We are seeing strong demand for the Company's services in Eastern Canada and additional security towers will be delivered to Ontario in Q4 2022.
- Entering into a one-year contract for a minimum of ten Electric MobileyeZ security towers with a commercial real estate development firm. This contract reflects the Company's efforts to secure more contracted work and build a stronger recurring revenue base for multiple MobileyeZ.
- Seeing continued growth in its fixed monitoring service line. Zedcor exited the quarter with 77 fixed monitoring sites which is a 63% increase when compared to September 30, 2021. In addition, the Company has additional contracts signed with customers for fixed monitoring services with camera installations expected to be completed throughout Q4 2022.
- Adding 118 additional Electric MobileyeZ and 59 additional Solar Hybrid MobileyeZ bringing its total fleet to 171 and 249 units, respectively. Of the 249 Solar Hybrid MobileyeZ, 120 are equipped with vibration sensors which further enhances the capabilities of these units. The Company will continue to manage its supply chain and logistics by constructing additional security towers based on customer demand and expansion plans into other strategic markets in Canada.
- On February 17, 2022, the Company announced that it has entered into an agreement to provide integrated security solutions to a Canadian based energy infrastructure company. This contract continued in Q3 2022 and has been expanded beyond the initial introductory term.
- The issuance of 5.2 million common shares and 2.6 million common share purchase warrants for gross proceeds of $3.0 million. This financing was used to grow the Company's fleet of MobileyeZ security towers and expand its geographical footprint.

SELECTED QUARTERLY FINANCIAL INFORMATION

(Unaudited – in $000s)	Sept 30 2022	Jun 31 2022	Mar 31 2022	Dec 31 2021	Sept 30 2021	Jun 30 2021	Mar 31 2021	Dec 31 2020
Revenue from continuing operations	5,797	5,256	4,631	4,076	3,684	3,103	2,683	2,458
Net income (loss)	966	1,528	428	(535)	296	(935)	(373)	26
Adjusted EBITDA[1]	2,121	1,694	1,373	961	1,353	1,492	2,163	1,789
Adjusted EBITDA per share - basic[1]	0.03	0.02	0.02	0.02	0.02	0.03	0.04	0.03
Net income (loss) per share from continuing operations								
Basic	0.01	0.02	0.01	(0.01)	0.01	(0.02)	(0.01)	(0.00)
Diluted	0.01	0.02	0.01	(0.01)	0.01	(0.02)	(0.01)	(0.00)
Net income (loss) per share from discontinued operations								
Basic	—	—	—	—	—	(0.05)	0.01	(0.04)
Diluted	—	—	—	—	—	(0.05)	0.01	(0.04)
Adjusted free cash flow[1]	2,076	(292)	1,216	345	2,068	198	(284)	(279)

[1] *See Financial Measures Reconciliations below*

RESULTS OF OPERATIONS

The Company structured its operations in one operating and reportable segment, Security & Surveillance, based on the way that management organizes the Company's business for making operating decisions and assessing performance.

Security & Surveillance Segment

The S&S segment provides technology-based security solutions and operates a fleet of security towers equipped with high resolution security cameras and vibration sensors. A central monitoring center provides 24/7 live, verified monitoring to support the fleet of towers and monitoring for fixed camera installations. In addition, the segment offers on-site security personnel to customers across all market segments.

SECURITY AND SURVEILLANCE SEGMENT RESULTS

	Three months ended September 30			Nine months ended September 30		
(in $000s)	2022	2021	% change	2022	2021	% change
Security & surveillance service revenue	5,112	3,263	57%	13,631	8,612	58%
Security personnel, camera sales and other service revenue	683	421	62%	2,051	862	138%
Total revenue	5,795	3,684	57%	15,682	9,474	66%
Security & surveillance service operating costs	1,592	1,259	26%	4,880	3,286	49%
Security personnel, camera sales and other service operating costs	602	360	67%	1,803	641	181%
Total operating costs	2,194	1,619	36%	6,683	3,927	70%
Depreciation of operating assets*	581	369	57%	1,537	1,081	42%
Gross Margin	3,020	1,696	78%	7,462	4,466	67%
Security & surveillance service margin %	57%	50%		53%	49%	
Security personnel, camera sales and other service margin	12%	14%		12%	26%	

** Depreciation excludes gain/loss on disposal of assets in segment results.*

Security & Surveillance Service Revenue
Q3 2022 vs Q3 2021

Revenue for the three month period ended September 30, 2022 was $5,112 compared to $3,263 for the three month period ended September 30, 2021. This was an increase of $1,849 or 57%. The increase in Q3 2022 revenue reflects the Company's expanded fleet of MobileyeZ security towers, strong utilization levels of the MobileyeZ fleet and increased number of fixed monitoring sites. Strong customer demand was driven by:

a. a need for better physical security services
b. operational cost savings for customers
c. Macro-economic factors such as labour shortages and increased spending on infrastructure

These factors allowed Zedcor to expand its fleet of MobileyeZ, maintain utilization and expand its geographical footprint with two branch openings in Ontario. As at September 30, 2022, approximately 10% of the Company's fleet of MobileyeZ is located in Ontario.

Security Personnel, Camera Sales and Other Service Revenue
Q3 2022 vs Q3 2021

Revenue for the three-month period ended September 30, 2022 was $683 compared to $421 for the three month period ended September 30, 2021. This was an increase of $262 or 62%. During the quarter, the Company provided integrated security services for a large customer which increased security personnel revenues in 2022 when compared to the same period in 2021. In addition, the Company completed fixed installations at five customer sites which drove camera sales.

Operating Margins
Q3 2022 vs Q3 2021

Security & surveillance service margin increased by 7% percent for the three months ended September 30, 2022 when compared to the three months ended September 30, 2021. This increase was despite inflationary pressure on costs for wages and spare parts, and while the Company did see increased service technician and monitoring room headcounts and increased R&M costs as a result of a larger fleet, the Company was able to maintain margins as a result of: 1) cost controls; 2) realized efficiencies from a maintenance recall program launched on its MobileyeZ fleet in 2021; and 3) proactively managing its supply chain when possible.

Security personnel, camera sales and other services margin percentage will fluctuate depending on sales mix. For the three months ended September 30, 2022, the Company did see higher security personnel revenues, which is generally higher margin, but this was offset by increased camera sales, which is a lower margin service, and increased other service revenue which is essentially a pass through cost. This resulted in margins being lower.

The S&S segment continues to expand geographically and into alternative industry segments including industrial facilities, commercial construction and diversified business security solutions. As a result of this growth, the Company intends to continue investing in its fleet of MobileyeZ.

OTHER EXPENSES

(in $000s)	Three months ended September 30 2022	2021	% change	Nine months ended September 30 2022	2021	% change
General and administrative	1,490	725	106%	3,894	2,220	75%
Depreciation of administrative assets	60	38	58%	173	96	80%
Depreciation of right-of-use assets	255	177	44%	694	394	76%
Finance costs	289	430	(33%)	743	2,198	(66%)

For the three months ended September 30, 2022:

- Total general and administrative expenses from continuing operations increased 106% compared to the same quarter in 2021. This increase to general and administrative costs of $765 was due to headcount increases in sales, operations management staff, administrative staff and a $350 bonus accrual. In addition, the Company did not receive wage and rent subsidies in Q3 2022.
- Depreciation of right-of-use assets increased by $78, or 44%, due to a larger vehicle fleet as a result of headcount increases, and increased number of equipment branches across Canada.
- Finance costs decreased by 33% as a result of lower total debt and reduced interest rates.

OUTLOOK

Zedcor continues to execute on its long-term strategy of growing its technology enabled security services. While there were supply chain delays throughout the year to date which slowed down the Company's ability to build security towers, we continue to effectively use a mix of cash flow, the proceeds of our equity raise and debt to purchase additional MobileyeZ security towers to provide surveillance services to our expanding customer base. The Company was able to offset the supply chain delays with higher utilization of the tower fleet, allowing internal revenue targets to be exceeded throughout the year. In addition, there are inflationary pressures that the Company is actively monitoring to maintain margins and this remains a priority for management.

Utilization of the Company's surveillance towers fitted with high resolution cameras and supported by live verified, 24/7 remote monitoring, continues to be high and we expect the utilization rates to remain steady going forward. The Company has also grown its salesforce to focus on growing on-site security personnel and remote monitoring revenues, in addition to expanding its geographical footprint throughout Canada. During the quarter, the Company has opened branches in Toronto, Ontario and Ottawa, Ontario with plans to open a second monitoring station in Eastern Canada in Q1 2023. Currently the Company has approximately 10% of its MobileyeZ fleet located in Ontario with plans to significantly expand the fleet in Eastern Canada.

Priorities that the Company intends to focus on for 2022 and 2023 include:

1) Expansion of Zedcor's fleet of security towers. In addition, the Company plans to continue to invest in research & development of new MobileyeZ security towers, including the development of a plug-in solar version of its MobileyeZ security tower.
2) Growing presence in Eastern Canada. The Company has expanded to Ontario with equipment branches in Ottawa and Toronto. The Company has secured customers in Ontario and Quebec and intends to allocate a sizable portion of its remaining 2022 capital spending to expand its Eastern Canada operations and fleet size. The Company has also hired salespeople and a branch manager in Ottawa.
3) Increase revenues from both the fixed site monitoring services and security personnel services. Zedcor anticipates exiting the year with over 100 fixed sites being monitored which provides a base of contracted monthly recurring revenues on top of its security tower revenue.
4) Expand its base of recurring monthly revenue through contracts for its MobileyeZ fleet.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

The following table shows a summary of the Company's cash flows by source or (use) for the nine months ended September 30, 2022 and 2021:

	Nine months ended September 30			
(in $000s)	**2022**	**2021**	**$ Change**	**% Change**
Cash flow from continuing operating activities	4,168	2,791	1,377	49%
Cash flow used by continuing investing activities	(6,973)	(2,976)	(3,977)	134%
Cash flow from (used by) financing activities	3,829	(13,791)	17,620	(128%)

The following table presents a summary of working capital information:

			As at September 30	
(in $000s)	**2022**	**2021**	**$ Change**	**% Change**
Current assets	7,841	4,461	3,380	43%
Current liabilities *	7,178	7,504	(326)	(5%)
Working capital	663	(3,043)	3,706	559%

**Includes $2.2 million of debt and $1.6 million of lease liabilities in 2022 and $2.8 million of debt and $1.5 million of lease liabilities in 2021*

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, debt or cash flow from operations.

Principal Credit Facility

	Interest rate	Final maturity	Facility maximum	Outstanding as at September 30, 2022	Outstanding as at December 31, 2021
Term Loan	5.15%	Oct 2026	6,100	5,005	5,861
Revolving Equipment Financing	Prime + 2.00%	Revolving	6,000	6,000	1,182
Authorized Overdraft	Prime + 1.50%	Revolving	3,000	—	905
				11,005	7,948
Current portion				(2,192)	(2,231)
Long term debt				8,813	5,717

On April 27, 2022, the Company entered into an amended financing agreement with its lender (the "Amended Financing Agreement") which consists of:

1. A $6.1 million term loan that is fully committed for five years ("Term Loan"). The Term Loan bears interest at 5.15% and will have monthly blended principal and interest payments of $116.
2. A $6.0 million revolving equipment financing facility ("Revolving Equipment Financing"). The Company is able to draw on this facility at any time for up to 75% of new equipment purchases. The draws bear interest at Prime + 2.0% and each draw will be amortized over 5 years with blended principal and interest payments. As at September 30, 2022 the Prime Interest Rate was 5.45% and the interest rate on the Revolving Equipment Financing was 7.45%. As the Company pays down the Revolving Equipment Financing, it can borrow back up to the facility maximum of $6.0 million.

3. An authorized overdraft facility ("Authorized Overdraft") up to $3.0 million, secured by the Company's accounts receivable, up to 75%, less priority payables which are GST payable, income taxes payable, employee remittances payable and WCB payables. The Authorized Overdraft is due on demand and any outstanding overdraft bears interest at Prime + 1.5%. As at September 30, 2022 the Prime Interest Rate was 5.45% and the interest rate on the Revolving Equipment Financing was 6.95%.

The Amended Financing Agreement is 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 the Note Payable, and other standard non-financial security.

The agreement has the following annual financial covenant requirements:

- For the fiscal year ends December 31, 2022 and onwards, a debt servicing covenant of 1.25 to 1.00 and a funded debt to EBITDA covenant of 3.00 to 1.00.

As at September 30, 2022, the Company did not have quarterly financial covenant requirements that it had to comply with.

CREDIT RISK

The Company extends credit to customers, primarily comprised of pipeline construction companies and 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 September 30, 2022 and believes the expected loss provision is sufficient.

Commitments and obligations

The following table shows the undiscounted contractual maturities of the Company's financial liabilities and finance lease obligations as at September 30, 2022:

(in $000s)	1 Year	2-3 years	4-5 years	Thereafter	Total	Carrying value
Accounts payable and accrued liabilities	3,338	—	—	—	3,338	3,338
Current debt	2,830	—	—	—	2,830	2,192
Long-term debt	—	5,660	4,106	990	10,756	8,813
Note payable	175	350	3,669	—	4,194	3,165
Finance lease liabilities	1,997	3,586	2,220	26	7,829	7,063
Total	8,340	9,596	9,995	1,016	28,947	24,571

OUTSTANDING SECURITIES

At November 15, 2022, the Company had the following securities outstanding:

- 70,892,259 common shares issued and outstanding.
- 4,744,905 warrants are outstanding with an exercise price of $0.12 and 2,616,965 warrants are outstanding with an exercise price of $0.70; and
- 3,600,000 options are outstanding with exercise prices ranging from $0.15 per share to $0.50 per share; 1,799,997 options are exercisable at prices ranging from $0.15 per share to $0.305 per share.

RELATED PARTY TRANSACTIONS

As at September 30, 2022, the Company owed $3,165 for a Note Payable to a corporation controlled by a director of the Company (December 31, 2021 - $3,115).

The Company had the following related party transactions for continued and discontinued operations for the nine months ended September 30, 2022:

- $131 in interest paid on the Note Payable to a corporation controlled by a director of the Company (nine months ended September 30, 2021 - $nil).
- $80 in wages paid to a close family members of an executive officer (nine months ended September 30, 2021 - $99).
- $32 in promotional products and uniforms purchased from a company owned by a close family member of an executive officer (nine months ended September 30, 2021 - $64).
- $458 in management fees and rent received from a company controlled by a director as per the purchase and sale agreement for the sale of the Company's Rentals assets (nine months ended September 30, 2021 - $152).
- $883 in other income from the annual bonus as EBITDA targets were exceeded as per the purchase and sale agreement for the sale of the Company's Rentals assets (nine months ended September 30, 2021 - $nil).

These related party transactions are in the normal course of business and have been recorded at the exchange amount. At September 30, 2022 the amounts receivable from related parties was $70 and amounts payable to related parties was $6 (as at September 30, 2022 - $129 receivable and $nil payable).

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

BUSINESS RISKS AND UNCERTAINTIES

Business risks and uncertainties remain substantially unchanged from those disclosed in the annual Management Discussion and Analysis dated April 9, 2022. For a discussion of the business risks and uncertainties related to Zedcor Inc., please refer to the annual Management Discussion and Analysis and to Zedcor Inc.'s Annual Information Form dated April 9, 2022, both of which can be found on the Company's website or at www.SEDAR.com.

ACCOUNTING POLICIES

The Company's accounting policies are set out in Note 3 of the Annual Financial Statements.

FINANCIAL MEASURES RECONCILIATIONS

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 severance, 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 September 30 2022	2021	Nine months ended September 30 2022	2021
Net income (loss) from continuing operations	966	296	2,922	(1,045)
Add:				
Finance costs	289	430	743	2,198
Depreciation of property & equipment	641	407	1,710	1,177
Depreciation of right-of-use assets	255	177	694	394
(Gain) loss on sale of equipment	(50)	52	(124)	52
(Gain) loss on disposal of right-of-use asset	(11)	(46)	(4)	527
EBITDA from continuing operations	2,090	1,316	5,941	3,303
Add (deduct):				
Stock based compensation	10	33	83	95
Severance costs	—	—	—	44
Loss on foreign exchange	21	24	47	24
Other income	—	—	(883)	—
Adjusted EBITDA from continuing operations	2,121	1,373	5,188	3,466
Discontinued operations	—	—	—	1,561
Adjusted EBITDA	2,121	1,373	5,188	5,027

Adjusted EBIT

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

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

(in $000s)	Three months ended September 30 2022	2021	Nine months ended September 30 2022	2021
Net income (loss)	966	296	2,922	(3,097)
Add (deduct):				
Finance costs	289	430	743	2,198
Severance costs	—	—	—	44
Other income	—	—	(883)	—
Discontinued operations	—	—	—	2,052
Adjusted EBIT from continuing operations	1,255	726	2,782	1,197

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, plus severance costs, 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 September 30 2022	2021	Nine months ended September 30 2022	2021
Net income (loss) from continuing operations	966	296	2,922	(1,045)
Add non-cash expenses:				
Depreciation of property & equipment	641	407	1,710	1,177
Depreciation of right-of-use assets	255	177	694	394
Stock based compensation	10	33	83	95
Finance costs (non-cash portion)	53	262	131	776
	1,925	1,175	5,540	1,397
Add (deduct) non-recurring income and expenses:				
Severance	—	—	—	44
Other income	—	—	(883)	—
	1,925	1,175	4,657	1,441
Change in non-cash working capital	151	893	(1,657)	545
Adjusted Free Cash Flow from continuing operations	2,076	2,068	3,000	1,986

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this MD&A constitute forward-looking statements or forward-looking information, including management's belief that streamlining rental assets with newer equipment will drive improvements in equipment rental rates and utilization, and that the expanded market reach and customer base will lead to more diversity in the Company's revenue stream and increase utilization. Forward-looking statements or information may contain statements with the words "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget", "should", "project", "would have realized', "may have been" or similar words suggesting future outcomes or expectations. 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 that the Company's new solar hybrid light tower and related security and surveillance service offerings will lead to more diversity in revenue streams and protect against future down swings in the economic environment. 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 MD&A 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 MD&A are expressly qualified by this cautionary statement.

This MD&A 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.

ADDITIONAL INFORMATION

Information about Zedcor Inc. may be found on the SEDAR website at www.sedar.com on the Company's website at www.zedcor.ca. The Company trades on the TSX Venture Exchange under the symbol ZDC.