ZEDCOR INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED
MARCH 31, 2024 AND 2023

Dated May 22, 2024

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") for the three ended March 31, 2024 when compared to the three months ended March 31, 2023. 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, 2023 and 2022 and the condensed consolidated interim financial statements for the three months ended March 31, 2024 and 2023. These consolidated financial statements are available on the Company's website at www.zedcor.com as well as on SEDAR+ at www.seadarplus.ca.

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 May 22, 2024.

OVERVIEW AND CORPORATE PROFILE

Zedcor Inc., a Canadian public corporation, is a technology enabled company that is changing how physical security services are provided to businesses. Zedcor operates throughout Canada with equipment and service centers in British Columbia, Alberta, Manitoba, and Ontario. The Company also operates in Texas with a MobileyeZ™ assembly facility in Houston and equipment and service centers in Houston, with plans to expand to Dallas, Austin, San Antonio and West Texas by the end of the year. 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 950 proprietary MobileyeZ™ security towers, equipped with high resolution, technology-based cameras, and monitors numerous 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 interested in supplementing video-based security for valuable, high risk, or mission critical operational assets.

EXECUTIVE SUMMARY:

Selected Financial Highlights

(in $000s, except per share amounts)	2024	Three months ended March 31 2023	Three months ended December 31 2023
Revenue	6,134	6,443	5,799
Adjusted EBITDA[1,2]	1,898	2,135	1,401
Adjusted EBIT[2]	76	1,088	(391)
Net (loss) income	(470)	752	(860)
Net (loss) income per share			
Basic	(0.01)	0.01	(0.00)
Diluted	(0.01)	0.01	(0.01)

[1] *Adjusted for stock based compensation and foreign exchange loss*
[2] *See Financial Measures Reconciliations below*

Zedcor recorded $6,134 of revenue for the three months ended March 31, 2024. This compares to $6,443 of revenue from for the three months ended March 31, 2023. The revenue decrease of 5% year over year was due to reductions in revenue for Zedcor's ancillary services of security personnel, cameras sales and other service revenue. The decrease was driven largely by reduced service revenues as non-pipeline security towers do not need significant service. The Company's core security and surveillance service revenue was up slightly year over year. Quarter over quarter, the Company's total revenue was up $335 or 6% and EBITDA was up $497 or 35%. Revenue increased both year over year and quarter over quarter as a result of a larger fleet of security towers, revenue growth in the US and recovering utilization rates in the latter half of Q1 2024 as the Company was able to redeploy security towers returned from its large pipeline security project which ended in Q4 2023.

Adjusted EBITDA was to $1,898 for the three months ended March 31, 2024, compared to $2,135 and for the three months ended March 31, 2023. While EBITDA decreased year over year due, in part, to higher G&A costs as a result of a larger geographical footprint and increases in sales staff, EBITDA increased quarter over quarter by 35% as a result of reduced repairs & maintenance costs and headcount reductions in Canada as we streamlined our operational G&A.

The Company's security and surveillance services continued to see strong demand and growth in revenues for the three months ended March 31, 2024 due largely to increased customer demand of its larger fleet of MobileyeZ security towers and expanded US presence. The increased revenue was offset in the first half of Q1 2024 by: 1) reduced service work and third party revenue; and 2) reduced revenue from a two large pipeline construction projects that were completed in the second half of 2023. A majority of the security towers returned from the pipeline construction projects have been rented to new or existing customers across Canada and, therefore, reduced the Company's customer and industry concentration risks. Utilization for the Company's fleet of security towers returned to normalized historical levels in February 2024 and remain strong subsequent to the end of the quarter. Utilization exceeded 90% for the Company's fleet of Electric MobileyeZ™ throughout Q1 2024. The Company's US based operations also ramped up throughout the quarter. The Company recognized $333 in US revenues and this helped to reduce the negative impact on adjusted EBITDA.

Zedcor exited the period with 870 MobileyeZ™ security towers which was an increase of 55 when compared to December 31, 2023 and an increase of 306 when compared to March 31, 2023. Of the 870 units, 72 are located in Zedcor's Houston, Texas service center.

Financial and operational highlights for the three months ended March 31, 2024 include:

- For the three months ended March 31, 2024 net loss before tax was $470 compared to net income before tax of $752 for the three months ended March 31, 2023. The decrease in net income year over year is directly attributable to: 1) two of the Company's largest customers wrapping up pipeline construction projects during the second half of 2023 and 2) USA net loss, which totaled $507, negatively impacted net income before tax. When compared to the three months ended December 31, 2023, net loss decreased from ($860) to ($470) for the three months ended March 31, 2024. The decrease in net loss was due to higher revenues, lower general & administrative costs, offset by higher depreciation of equipment and finance costs.

- 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 2024 as we were able to diversify our customers across the construction industry and into retail security.

- Continued traction across Ontario and Texas which are key expansion areas for the Company. The Company expanded to Ottawa in Q2 2022, Toronto in Q3 2022 and Texas in Q4 2023. As at March 31, 2024, more than 50% of the Company's MobileyeZ™ security tower fleet is located in these three service and equipment centers which is a significant change compared to all of the security towers being operated in Western Canada. The Company's intentions to diversify its geographical footprint and grow its customer base is yielding results. We are continuity to see strong demand for the Company's across these three operating regions.

- On track US expansion. In Q3 2023 the Company leased a facility and hired its first employee in the US. In addition, the Company shipped a small number of security towers for research & development purposes to help ensure supply targets are met for its 2024 expansion program. Zedcor exited the Q1 2024 with 72 MobileyeZ™, continued positive business development with both existing Canadian customers with operations in the US and potential US based customers, grew the sales team in the Houston market and generated $333 of revenue for the 3 months ended March 31, 2024.

- The Company continued to attract new customers across Canada. For the 3 months ended March 31, 2024, the Company has added 30 new customers.

- The Company continued to manage its supply chain and logistics. Orders were proactively placed for light tower materials, cameras and communication equipment for the Company's 2024 capital program. Zedcor also ramped up manufacturing operations out of its Houston facility in order to resolve bottle necks related to light tower assembly. By addressing this bottleneck, the Company can ramp up production to meet anticipated customer demand for the expansive US market. This will also allow the Company to control its capital costs, while designing innovative solutions in order to proactively meet customer needs.

SELECTED QUARTERLY FINANCIAL INFORMATION

(Unaudited – in $000s)	Mar 31 2024	Dec 31 2023	Sept 30 2023	June 30 2023	Mar 31 2023	Dec 31 2022	Sept 30 2022	Jun 30 2022
Revenue	6,134	5,799	6,431	6,216	6,443	6,415	5,797	5,256
Net income (loss)	(470)	(860)	288	2,472	752	3,076	966	1,528
Adjusted EBITDA[1]	1,898	1,401	2,285	1,824	2,135	2,380	2,121	1,694
Adjusted EBITDA per share - basic[1]	0.03	0.02	0.03	0.02	0.03	0.04	0.03	0.02
Net income (loss) per share								
Basic	(0.01)	(0.00)	0.00	0.03	0.01	0.05	0.01	0.02
Diluted	(0.01)	(0.01)	0.00	0.03	0.01	0.04	0.01	0.02
Adjusted free cash flow[1]	458	482	4,664	968	978	1,931	2,076	(292)

[1] *See Financial Measures Reconciliations below*

OPERATING SEGMENT REVIEW

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 disturbance sensors. A central command center provides 24/7 Live, Verified Video Monitoring™ to support the fleet of towers and remote monitoring for fixed camera installations. In addition, the segment offers on-site security personnel to customers across all market segments.

SECURITY & SURVEILLANCE SEGMENT RESULTS

	Three months ended March 31,		
(in $000s)	2024	2023	% change
Security & surveillance service revenue	5,793	5,741	1%
Security personnel, camera sales and other service revenue	341	702	(51%)
Total revenue	6,134	6,443	(5%)
Security & surveillance service operating costs	1,878	2,042	(8%)
Security personnel, camera sales and other service costs	223	531	(58%)
Total operating costs	2,101	2,573	(18%)
Depreciation of operating assets*	1,122	658	71%
Gross Margin	2,911	3,212	9%
Security & surveillance service margin %	48%	53%	
Security personnel, camera sales and other service margin	35%	24%	

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

Operational Review
Q1 2024 vs Q1 2023

S&S segment revenue is driven by utilization and service of its security tower fleet, service revenue related to security personnel and camera installations and remote monitoring of fixed site locations. For the three months ended December 31, 2023, revenue increased by 1% compared to the three months ended March 31, 2023. Q1 2023 revenues included significant revenue from the Company's two large pipeline construction security projects. These projects ended in Q4 2023 and utilization rates in January 2024 were lower than historical levels as the Company was redeploying the security towers from the two pipeline construction projects to other clients. The strategic decision to expand across Canada and into Texas, grow the sales team and pursue customer diversification yielded results and the Company achieved record daily security & surveillance revenues in March 2024.

Overall, customer demand remains strong in all of the Company's operating regions and and is 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
d. increased spending on infrastructure.

These factors allowed Zedcor to continue to expand its fleet of MobileyeZ™, expand its geographical footprint and diversify its customer base across Canada and into the US. As at March 31, 2024, over 45% of the Company's fleet of MobileyeZ™ is located in Ontario and Manitoba. The three equipment and service centers in these two provinces have been open for approximately a year and shown significant growth in that time period.

Security Personnel, Camera Sales and Other Service Revenue
Q1 2024 vs Q1 2023

Revenue for the three-month period ended March 31, 2024 was $341 compared to $702 for the three month period ended March 31, 2023. This was an decrease of $361. The decrease in revenue was due to fewer camera sales in Q1 2024. These are ancillary services to the Company's main service offerings of MobileyeZ™ and fixed site monitoring. Revenue will fluctuate from quarter to quarter based on the types of projects and amount of fixed installations that can be completed.

Gross Margins
Q1 2024 vs Q1 2023

Security & surveillance service margin decreased by 5% percent for the three months ended March 31, 2024 when compared to the three months ended March 31, 2023. This decrease was due to lower margins in the Company's US operations as a result of the startup nature of that location where costs exceed revenues as the Company builds a base of operations.

Security personnel, camera sales and other services margin percentage will fluctuate depending on sales mix. For the three months ended March 31, 2024, the Company saw higher security personnel revenues due to the projects we were awarded. These projects for security personnel were higher margin projects.

OTHER EXPENSES

(in $000s)	Three months ended March 31 2024	2023	% change
General and administrative	2,350	1,789	31%
Depreciation of administrative assets	104	80	30%
Depreciation of right-of-use assets	375	254	48%
Finance costs	536	336	60%

For the three months ended March 31, 2024:

- Total general and administrative expenses increased 31% compared to the same quarter in 2023. This increase to general and administrative costs of $672 was due to headcount increases in sales, operations management staff, US expansion costs, and higher stock-based compensation expense.
- Finance costs increased by $200 as a result of higher total debt.

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. Subsequent to March 31, 2024, the Company completed a $15.0 million equity financing which will help expedite our long-term strategy. While there was a decrease in utilization in Q4 2023 and the start of Q1 2024, this was temporary and revenue and utilization levels increased steadily during Q1 2024. The Company was able to effectively redeploy equipment to new customers throughout the Company's operating regions and grow US revenues to $333 in Q1 2024. The Company has grown its salesforce across Canada in order to obtain contracts for its MobileyeZ™ and continue to expand its service offering to different industries. The US fleet of security towers is fully utilized and the Company continues to build a backlog of demand.

Priorities that the Company intends to focus on for the remainder for 2024 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 seeing 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.

SUBSEQUENT EVENTS

Subsequent to March 31, 2024, 2,407,000 warrants with an exercise price of $0.70 were exercised for total proceeds of $1,685.

On May 1, 2024, and subsequent to March 31, 2024, the Company announced a $10.0 million private placement offering and a concurrent $4.0 million bought deal financing, pursuant to the Listed Issuer Financing Exemption, at a price of $1.00 per share. As part of the $4.0 million bought deal financing, the Company granted the underwriters the option to purchase an additional 1.0 million shares at $1.00 per share (the private placement together with the concurrent bought deal financing and additional option, the "Financing"). The Financing closed on May 16, 2024 and the Company issued 15.0 million common shares at $1.00 per share for gross proceeds for of $15.0 million.

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 three months ended March 31, 2024 and 2023:

	Three months ended March 31			
(in $000s)	**2024**	**2023**	**$ Change**	**% Change**
Cash flow from operating activities	658	1,104	(446)	(40%)
Cash flow used in continuing investing activities	(2,002)	(1,622)	(380)	23%
Cash flow from financing activities	1,314	195	1,119	574%

The following table presents a summary of working capital information:

	As at March 31			
(in $000s)	**2024**	**2023**	**$ Change**	**% Change**
Current assets	7,684	8,366	(682)	(8%)
Current liabilities *	9,475	8,946	529	6%
Working capital	(1,791)	(580)	(1,211)	(209%)

**Includes $4.1 million of debt and $2.2 million of lease liabilities in 2024 and $3.2 million of debt and $1.8 million of lease liabilities in 2023*

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.

IN THOUSANDS OF CANADIAN DOLLARS

Principal Credit Facility

	Interest rate	Final maturity	Facility maximum	Outstanding as at March 31, 2024	Outstanding as at December 31, 2023
Term Loan	5.15%	Oct 2026	6,100	3,345	3,538
Revolving Equipment Financing	Prime + 2.00%	Revolving	15,000	14,959	13,096
Authorized Overdraft	Prime + 1.50%	Revolving	3,000	—	—
				18,304	16,634
Current portion				(4,108)	(3,788)
Long term debt				14,196	12,846

On June 6, 2023, the Company entered into a second amending agreement ("Second Amended Financing Agreement") which increased the Company's equipment financing from $6.0 million to $15.0 million. As at December 31, 2023, the Second Amended Financing Agreement provides the Company with the following:

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 $15.0 million revolving equipment financing facility ("Revolving Equipment Financing"). The Company is able to draw on this facility at any time for up to 100% 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 March 31, 2024 the Prime Interest Rate was 7.20% and the interest rate on the Revolving Equipment Financing was 9.20%. As the Company pays down the Revolving Equipment Financing, it can borrow back up to the facility maximum of $15.0 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 March 31, 2024 the Prime Interest Rate was 7.20% and the interest rate on the Revolving Equipment Financing was 8.70%.

The Second 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 a note payable, and other standard non-financial security.

The agreement has the following quarterly financial covenant requirements, calculated on a trailing twelve month basis:

- a debt servicing covenant of no less than 1.25 to 1.00; and
- a funded debt to EBITDA covenant of no more than 3.00 to 1.00.

As at March 31, 2024, the Company is in compliance with its financial covenant requirements. The debt servicing ratio as calculated based on the Second Amended Financing Agreement was 2.04 to 1.00 and the funded debt to EBITDA was 1.95 to 1.00.

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, 2024 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 and operating lease obligations as at March 31, 2024:

(in $000s)	1 Year	2-3 years	4-5 years	Thereafter	Total	Carrying value
Accounts payable and accrued liabilities	4,595	—	—	—	4,595	4,595
Current debt	5,217	—	—	—	5,217	4,108
Long-term debt	—	15,277	—	—	15,277	14,196
Note payable	175	3,725	—	—	3,900	3,265
Finance lease liabilities	2,893	4,374	1,261	—	8,528	5,110
Total	12,880	23,376	1,261	—	37,517	31,274

OUTSTANDING SECURITIES

At May 22, 2024, the Company had the following securities outstanding:

- 92,575,889 common shares issued and outstanding.
- 2,744,905 warrants are outstanding with an exercise price of $0.12;
- 2,200,000 restricted share units and deferred share units; and
- 1,655,834 options are outstanding with exercise prices ranging from $0.15 per share to $0.58 per share; of the 1,655,834 options outstanding 1,064,165 options are exercisable at prices ranging from $0.15 per share to $0.50 per share.

RELATED PARTY TRANSACTIONS

As at March 31, 2024, the Company owed $3,265 for a Note Payable to a corporation controlled by a director of the Company (December 31, 2023 - $3,182).

The Company had the following related party transactions for the three months ended March 31, 2024:

- $44 in interest paid on the Note Payable to a corporation controlled by a director of the Company (three months ended March 31, 2023 - $44).
- $72 in wages paid to close family members of an executive officer (three months ended March 31, 2023 - $49).
- $12 in promotional products and uniforms purchased from a company owned by a close family member of an executive officer (three months ended March 31, 2023 - $15).
- $69 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 (three months ended March 31, 2023 - $127).
- $33 in corporate secretarial services paid to a company owned by a close family member of an executive officer (March 31, 2023 - $41).

These related party transactions are in the normal course of business and have been recorded at the exchange amount. At March 31, 2024 the amounts receivable from related parties was $27 and amounts payable to related parties was $14 (as at March 31, 2023 - $68 receivable and $23 payable).

OFF BALANCE SHEET ARRANGEMENTS

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

ACCOUNTING POLICIES

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

BUSINESS RISKS AND UNCERTAINTIES

Business risks and uncertainties remain substantially unchanged from those disclosed in the annual Management Discussion and analysis dated April 10, 2024. For a discussion of the business risks and uncertainties related to Zedcor Inc., please refer to the annual Management Discussion and Analysis and Zedcor Inc.'s Annual Information Form date April 10, 2024, both of which can be found on the Company's website or at www.sedarplus.ca.

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 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 2024	2023
Net (loss) income	(470)	752
Add (less):		
Finance costs	536	336
Depreciation of property & equipment	1,226	738
Depreciation of right-of-use assets	375	254
Loss on disposal of right-of-use assets	14	—
EBITDA	1,681	2,080
Add:		
Stock based compensation	215	54
Foreign exchange loss	2	1
	217	55
Adjusted EBITDA	1,898	2,135

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 2024	2023
Net (loss) income	(470)	752
Add:		
Finance costs	536	336
Adjusted EBIT	66	1,088

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	2023
Net (loss) income	(470)	752
Add non-cash expenses:		
Depreciation of property & equipment	1,226	738
Depreciation of right-of-use assets	375	254
Stock based compensation	215	54
Finance costs (non-cash portion)	45	24
	1,391	1,822
Change in non-cash working capital	(933)	(844)
Adjusted free cash flow	458	978

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.sedarplus.ca on the Company's website at www.zedcor.com. The Company trades on the TSX Venture Exchange under the symbol ZDC.