



# **Zedcor**

**Corporate Presentation  
January 2025**

**TSX-V:ZDC**



# DISCLAIMER & FORWARD-LOOKING STATEMENTS



TSX-V:ZDC | [www.zedcor.com](http://www.zedcor.com)

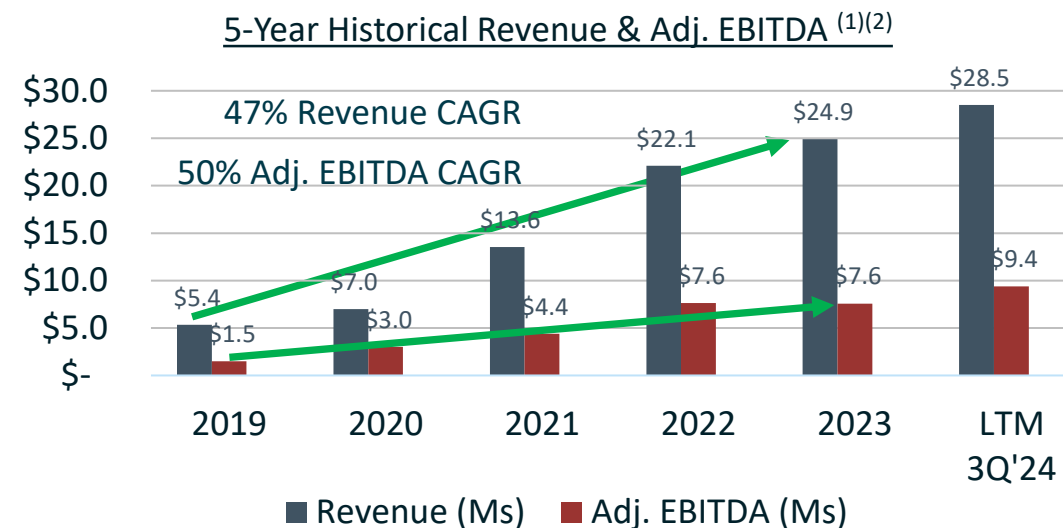
Certain statements and information in this presentation constitute forward-looking statements or forward-looking information relating to Zedcor Inc. (the “Company”) which are based upon the Company’s current internal expectations, estimates, projections, assumptions and beliefs. Forward-looking statements or information can be identified as statements that contain the words “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “propose”, “budget”, “should”, “project”, “would”, “may”, “will” or similar words or expressions suggesting future outcomes or expectations. Forward-looking statements or information in this presentation include, but are not limited to: management’s expectations for growth, including expected growth of rental fleet and expansion plans into Eastern Canada, expansion into the United States, the performance and characteristics of the Company’s rental fleet, the Company’s forecasted revenues, revenue streams and recurrence, EBITDA, and the Company’s financial performance. 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. Some of the risks and other factors that can cause results to differ from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada and the United States, stock market volatility, competition, availability of skilled personnel, utilization of the Company’s rental equipment fleet and access to capital on acceptable terms. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of assumptions about the future and uncertainties. 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 presentation 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 presentation are expressly qualified by this cautionary statement.

# ZEDCOR INC. CORPORATE PROFILE

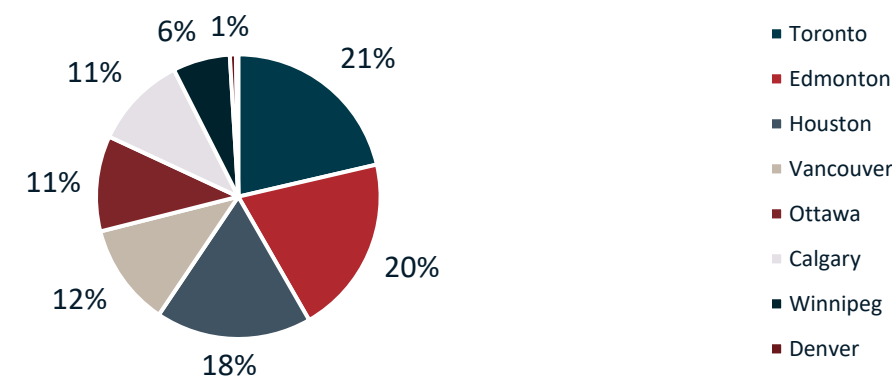


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- Zedcor Inc. (“ZDC”) provides turnkey surveillance solutions to industrial and commercial customers in North America through its fleet of MobileyeZ™ security surveillance and monitoring towers
- Zedcor is disrupting the traditional security market by leveraging its existing surveillance platform and adopting innovation; the proven model significantly reduces operating cost and provides better outcomes for customers (reduced theft, liability prevention, etc).
- Headquartered in Calgary, AB with a Live, Verified Monitoring™ center that streams security videos across North America, 24 hours a day, 7 days a week, and is monitored by trained professionals
- Established track record of execution, supported by data from large & diverse blue-chip customers served by a fleet of 1,200+ units across North America



**MobileyeZ™ By Service Center**



1. Revenue and Adj. EBITDA excludes discontinued energy services operations sold in 2021 for \$11.3M.

2. Adj. EBITDA, or Adjusted EBITDA, LTM 3Q'24 and CAGR are non-IFRS standard measures employed by management to illustrate financial performance. LTM 3Q'24 is the sum of revenue and adj EBITDA for Q4 2023, Q1 2024, Q2 2024 and Q3 2024. Please refer to page 22 for additional information on Financial Measures and Non-IFRS Metrics.



# CUSTOM SECURITY SOLUTIONS FOR ANY INDUSTRY



Construction



Mining



Pipeline Projects



Energy Sector



Automotive Dealerships



Residential Areas



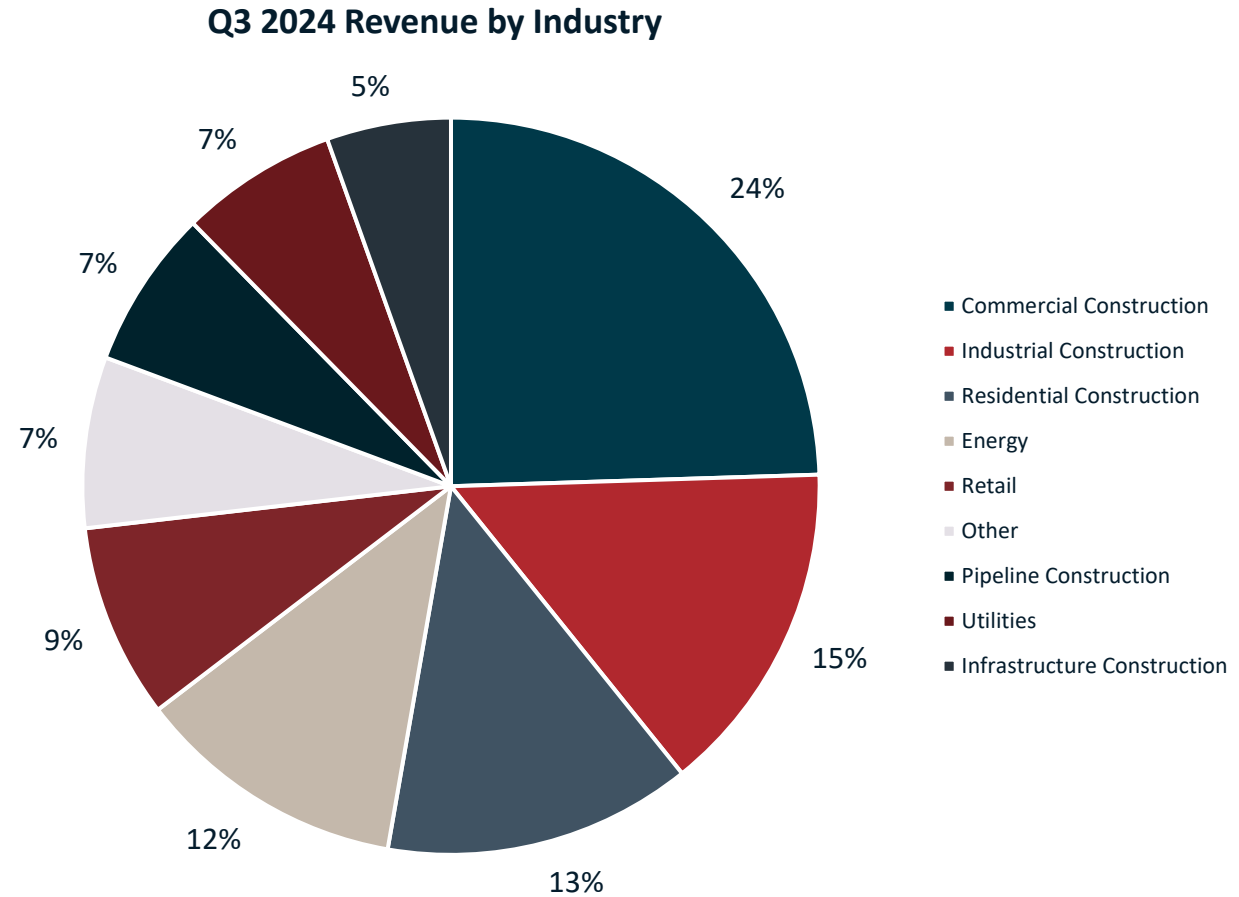
Transportation Centers



Industrial, Manufacturing, & Warehousing



Office, Commercial, & Retail

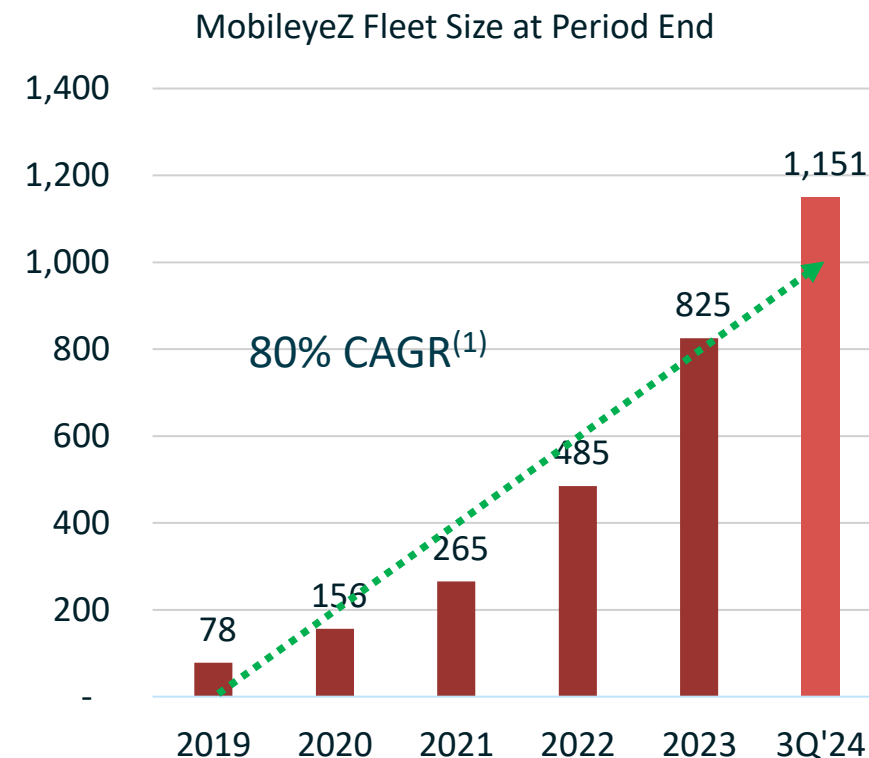
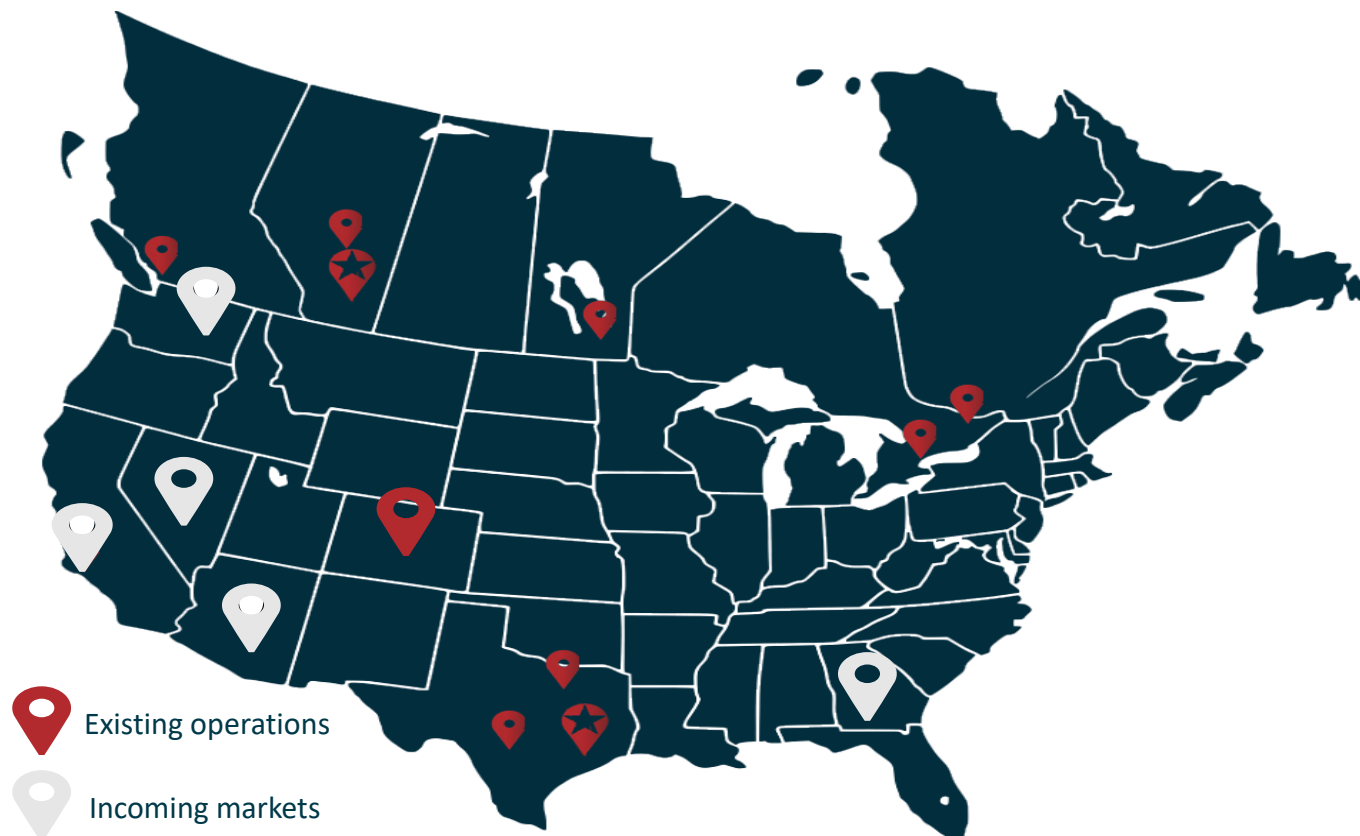


# THE ZEDCOR PLATFORM



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- Hub and spoke model provides reliable and adaptable service to customers across North America
- Industry-leading, local service allows all customers to receive high-quality, tailored, security response without significant cost
- AI-enabled hardware, supported by industry-leading software, empowering scalable monitoring centre



1. CAGR is a non-IFRS standard measure employed by management to illustrate financial performance. Please refer to page 22 for additional information on Financial Measures and Non-IFRS Metrics.

# INVESTMENT HIGHLIGHTS



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- 1 Differentiated, Turnkey Solutions with Acute Focus on Innovation; Market Leader in Canada Backed by Strong Reference Contracts
- 2 Compelling Macro-Economic Backdrop with Large Market Opportunity >\$10B
- 3 Established Platform in North America Serving 400+ Customers; Fleet of 1,000+ MobileyeZ™ to grow to 1,200+ by YE 2024
- 4 Diversified & Recurring Revenue Model Provides Visibility; Further Bolstered by Blue-Chip Customer Base
- 5 Scalable Business Model Supports Strong & Expanding Adj. EBITDA<sup>(1)</sup> Margins (>30% in 2023) with Low Maintenance Capex
- 6 Well-Established Culture Focused on Execution of ESG Plan; Market Leader in Solar-Powered Units with Battery Backup

Capital Structure (November 15, 2024)	
Ticker Symbol	ZDC.V
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Average 3 Month Daily Trading Volume	241,793
Shares Out. Basic (M)	96.1
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Diluted Market Cap (M) <sup>(3)</sup>	\$330.2
Net Debt (M) <sup>(2)</sup>	\$11.0
Enterprise Value (M) <sup>(3)</sup>	\$339.3

**Well-Funded for Growth**  
 \$24M+ of Credit Facilities;  
 \$15M Equity Raise in May 2024

**Strong Insider Ownership**  
 ~40%

**Analyst Coverage<sup>(4)</sup>**  
 Beacon Securities (PT: \$4.25) | Paradigm Capital (PT: \$3.80)  
 Cormark Securities (PT: \$4.00) | Raymond James (PT: \$3.75)

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 3. Diluted Market Cap = Last Price x Shares Out. Diluted. Enterprise Value = Diluted Market Cap + Net Debt, less ~\$1.9M from implied exercise of 3.4M options at mid-point exercise price of \$0.55.  
 4. Beacon's PT as of Nov 15, 2024, Paradigm's PT as of Nov 15, 2024, Cormark's PT as of Nov 15, 2024, and Raymond James' PT as of Nov 14, 2024, provided by FactSet.

## MobileyeZ™ Surveillance

### Solar Hybrid MobileyeZ™

- Standalone unit w/ lithium battery pack charged through solar panels
- Diesel backup when solar is unavailable
- Lower emissions and operating costs

### Electric MobileyeZ™

- Zero-emission tower that plugs into any on-site power source or Solar Hybrid or Diesel MobileyeZ unit for power
- Diesel backup good for 24+ hours

### Solar Electric MobileyeZ™

- Zero-emission tower powered by solar with battery backup. Electric plugins available for lighting or low-sun areas

## Product Features

### 24/7 Live, Verified Monitoring™

- 25-60% cheaper than security guards
- Monitored by security experts from centralized monitoring hub 24/7/365

### Advanced Technology

- All cameras equipped with AI at the edge; reducing alarms and improving effectiveness
- High-definition display sees up to 500m
- Various sensors available, increasing use cases

### Completely Tailored to Client Needs

- Various power sources and communication through cell or satellite
- Client video portals available through Zedcor's app for live video feed for subsequent review of safety incidents, liability, disputes, etc.



### Occurring On-Site via MobileyeZ™

#### Motion Alert

On-site activity picked up  
by MobileyeZ towers

Alert is triggered at the  
local monitoring hub for  
review

#### Threat Assessment

Trained security  
professionals determine if  
alert is a false alarm or if  
further engagement is  
required

#### Loudspeaker Voice Warning

Attempt to resolve  
situation as concisely as  
possible by alerting  
intruders / relevant actors  
of Live, Verified  
Monitoring™

#### Police / Security Dispatch

Utilize relationship with  
local law enforcement to  
ensure a rapid response if  
further de-escalation  
actions are required

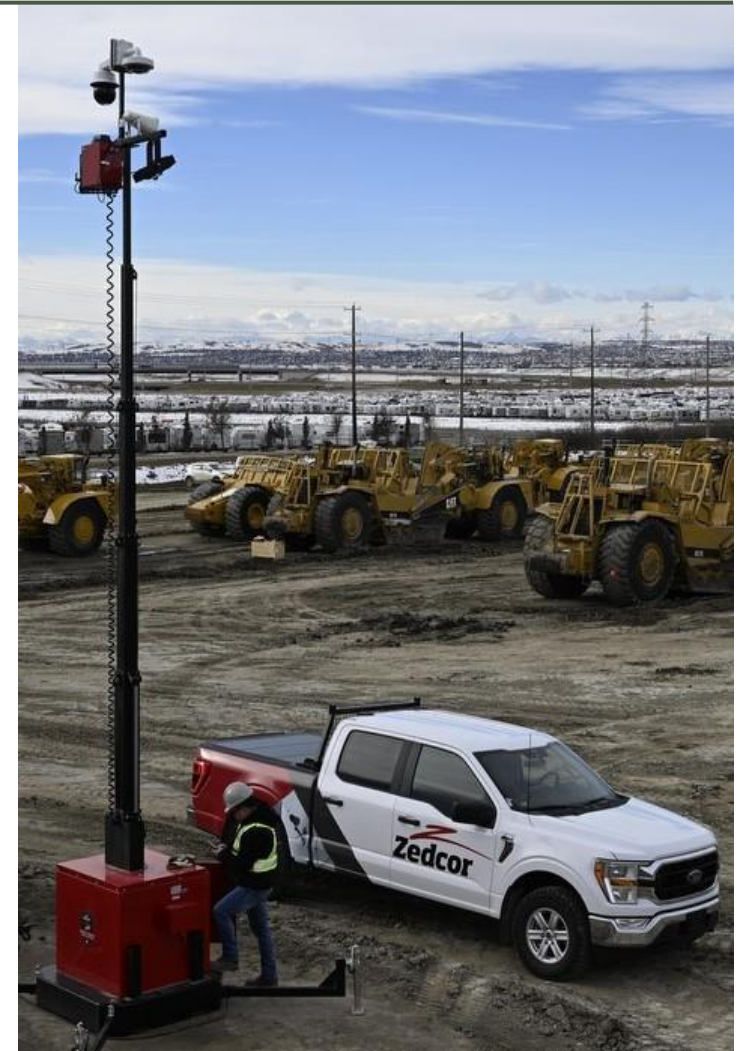
### Occurring from Centralized Monitoring Hub







- ✓ Solutions that are supported by empirical data from established blue chip customer contracts across diverse geographies and industries
- ✓ Advanced AI-driven software that learns and responds to alarm conditions supported by human intelligence; industry leading service levels and response times
- ✓ North American based 24/7, Live, Verified™ video monitoring with local, qualified security personnel supervised by ex-law enforcement, coupled with proprietary monitoring methodology and operated by Zedcor (98% effective at crime deterrence)
- ✓ Rental equipment that is upgraded to meet latest technology advancements, reducing customer's capital requirements
- ✓ Full suite of customized, smart camera options, with AI at the edge, designed to withstand extreme conditions and transmit video feed from any location (cellular or satellite streaming options)
- ✓ Alarm conditions are responded to by Canadian based monitoring personnel who deploy customized solutions based on client needs
- ✓ Mobile and fixed security solutions that work seamlessly together; sensors available for added protection



# 2 COMPELLING MACRO BACKDROP SUPPORTS GROWTH



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- High inflation, high interest rates, rising construction commodity prices, stressed consumers, etc, leading to record number of security incidents across industries such as construction, retail, auto.
- Retail, auto, and construction theft leading to “unprecedented” financial losses

**CNN BUSINESS** Markets Tech Media Calculators Videos

## Why retail theft is soaring: inflation, the economy – and opportunity

By [Parija Kavilanz](#), CNN  
5 minute read · Published 9:32 AM EDT, Tue May 23, 2023

[f](#) [X](#) [e](#) [l](#)

**Los Angeles Times** (Sept 2023)

BUSINESS

## ‘Unprecedented’ theft contributed to \$112 billion in retail losses last year

LOCAL

## ‘Rampant’ construction thefts increasing prices for homebuyers says developer

[f](#) [t](#) [e](#) [l](#)

By [Louie Tran](#), KIRO 7 News  
December 15, 2023 at 8:11 pm PST

**CBC** | MENU

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New Brunswick

## Theft and demand for security services are up in Moncton, say business interests

Losses and safety risk have businesses hiring security guards and lobbying for police blitzes

[Jennifer Sweet](#) · CBC News · Posted: Oct 15, 2023 6:30 AM NDT | Last Updated: October 15, 2023

**CBC** | MENU

NEWS Top Stories Local CI

(May 2021)

British Columbia

## High lumber prices behind spike in construction site thefts, Vancouver police say

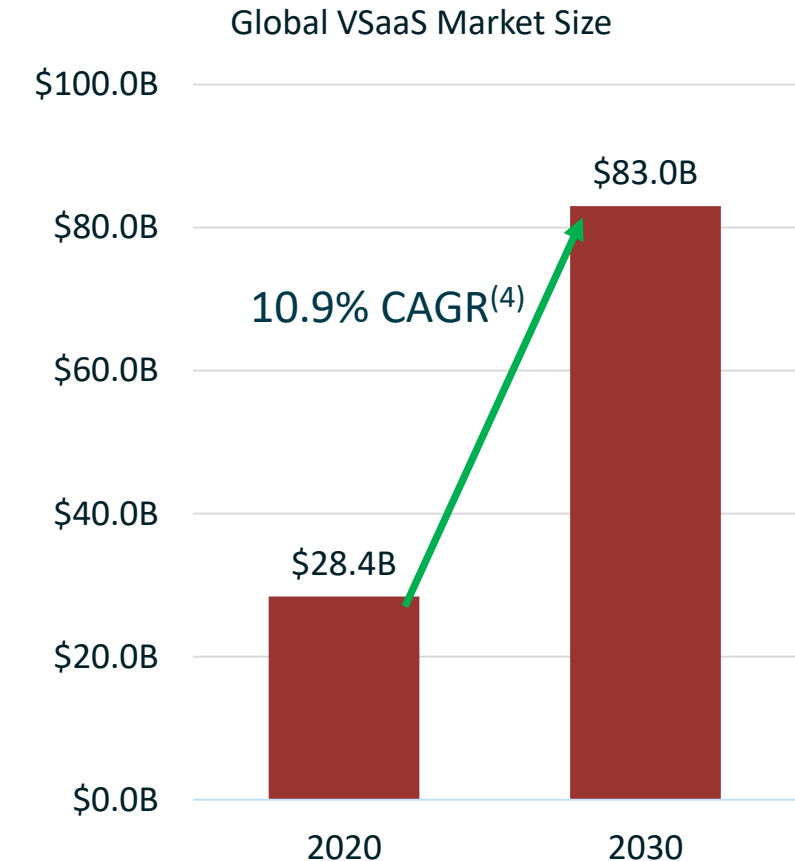
**canadian auto dealer**

Home News Columns Opinion Features Sales Reports Video

## A vehicle is now being stolen every 5 minutes

INDUSTRY NEWS / NEWS  
February 7, 2024

- Zedcor’s integrated Video Surveillance as a Service (“VSaaS”) offering is geography, industry and customer agnostic
- Zedcor is one of few companies bundling all aspects of VSaaS to provide customers a turnkey solution that disrupts traditional security service
- Increasing number of security incidents is “resulting in the need for stronger security measures”<sup>(1)</sup>
- Increasingly expensive security officer wages makes physical security less attractive / feasible
  - Security guard hourly wage ranges from \$11.50 to \$44.56 in Canada (avg. \$20 in U.S.)<sup>(2)(3)</sup>
  - Rising minimum wage to keep increasing the floor
- Remote security monitoring is on the rise:
  - Lower cost vs physical security guards
  - Improved security outcomes with the help of AI
  - Proactive vs reactive security approach
  - Monitor everywhere, all the time, all at once



1. [Financial Post \(2023, Aug 10\) - Posthaste: Some anti-theft measures a step too far as inflation tempts more Canadians to shoplift: poll](#)

2. [Paladin Security \(2023, December 17\) - HOW MUCH DO SECURITY GUARDS MAKE IN CANADA?](#)

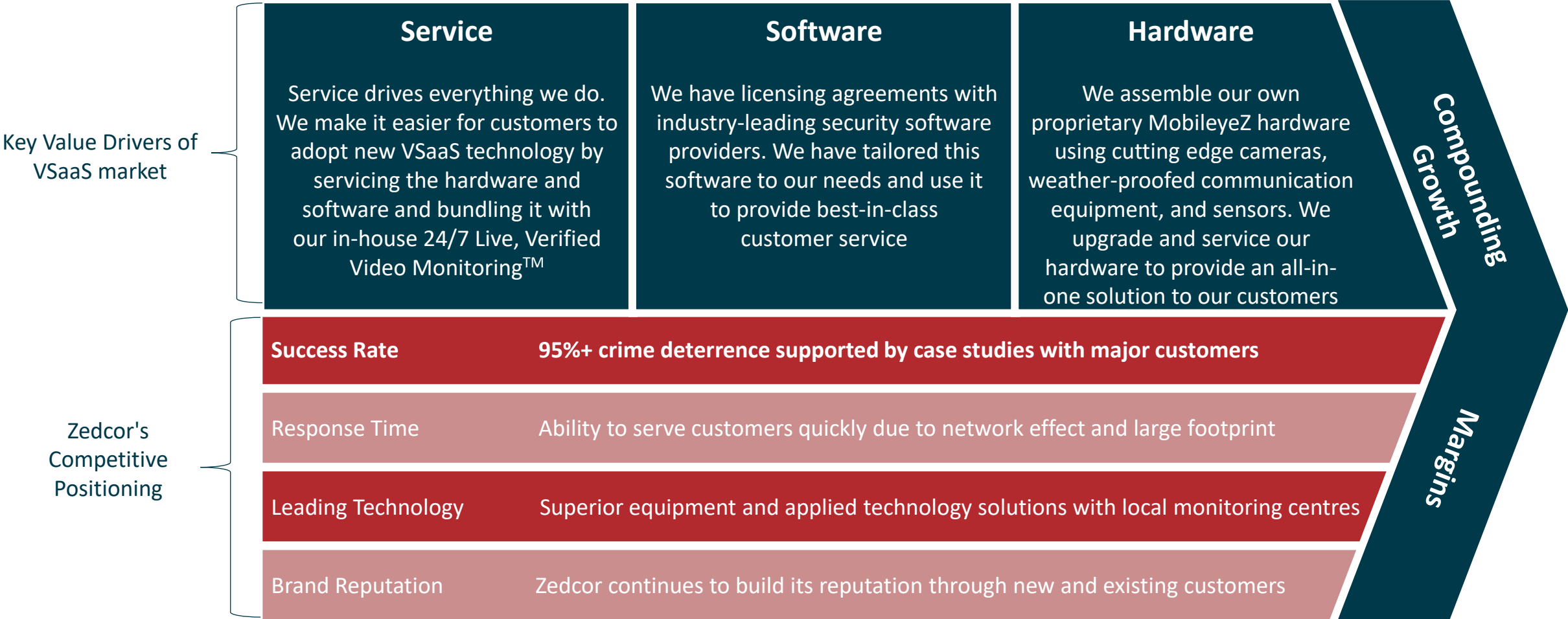
3. [Zip Recruiter \(2024, April 11\) - Live In Security Guard Salary](#)

4. 10.9% CAGR refers to the Cumulative Annual Growth Rate for the Global VSaaS market size. Source: Allied Market Research (<https://www.alliedmarketresearch.com/IP-video-surveillance-VSaaS-market>)

# 2 CAPTURING GROWTH THROUGHOUT THE VALUE CHAIN



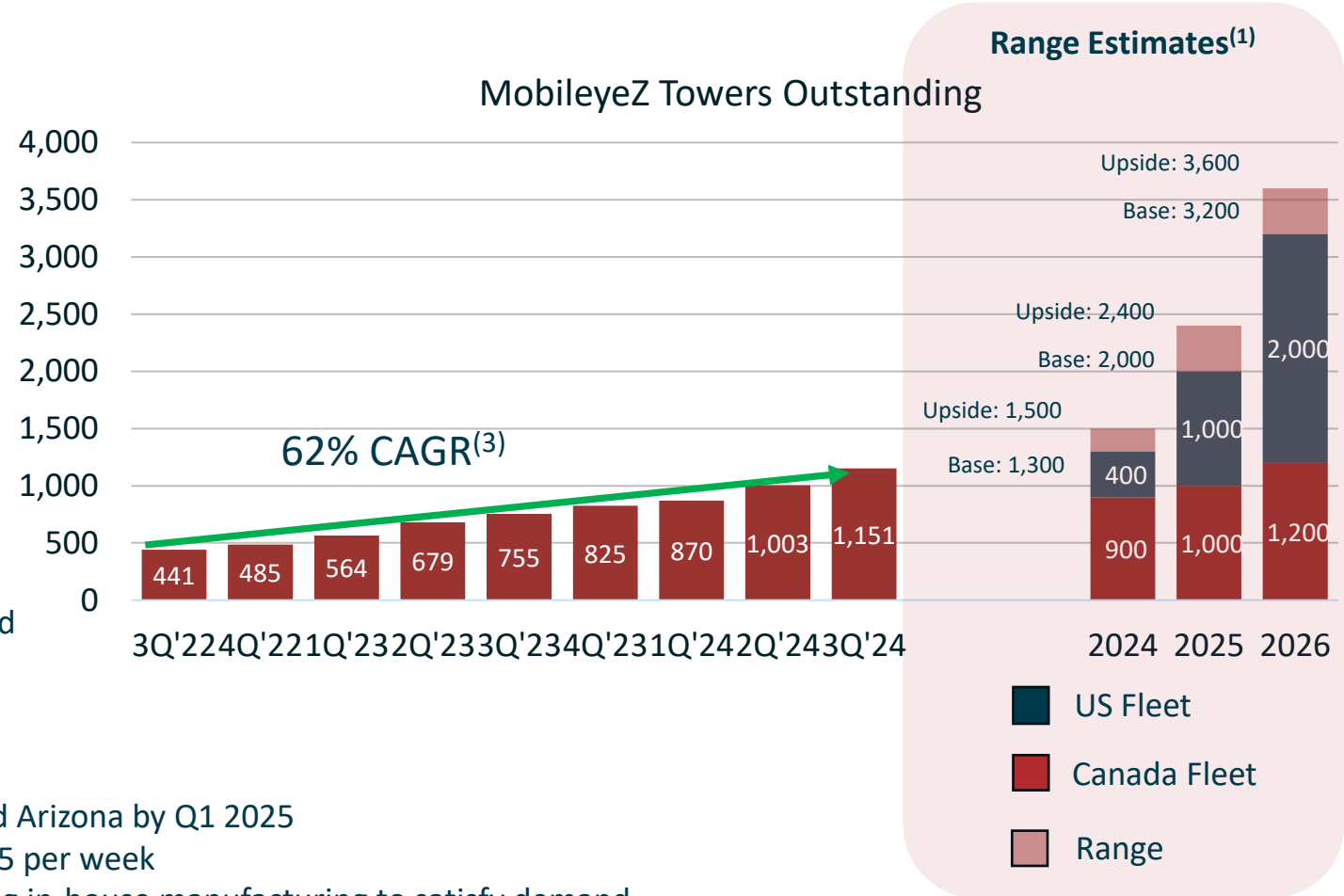
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# 3 GROWING ALREADY-ESTABLISHED MOBILEYEZ PLATFORM

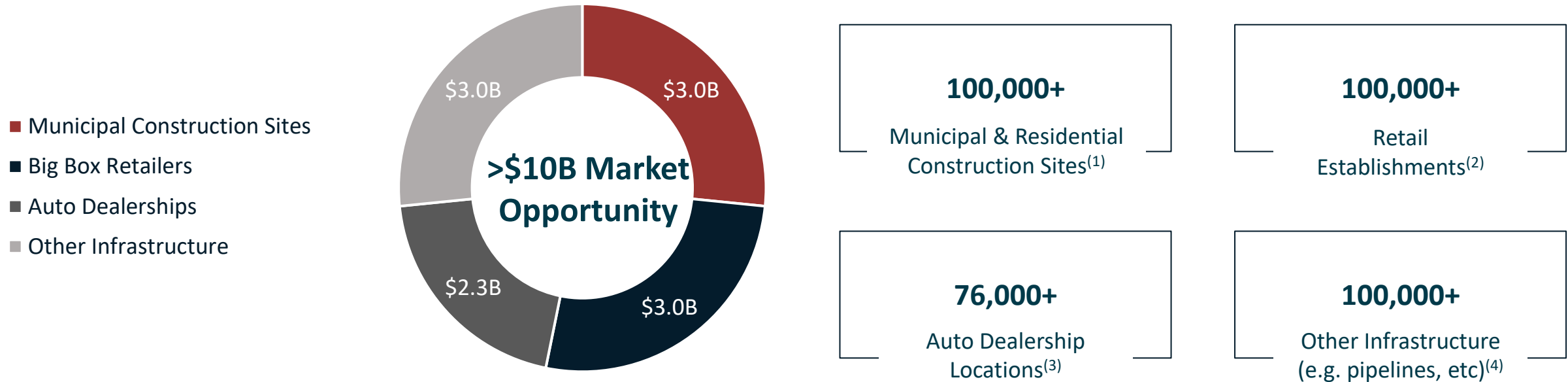
- MobileyeZ fleet is 1,000+ units strong and growing rapidly
- Total customer count exceeds 400 as of Q3 2024
- Market leadership position in Canada provides solid foundation for successful expansion into U.S. market
- **U.S. Expansion Progress:**
  - Represents a >\$10B/annum market opportunity<sup>(2)</sup>
  - Completed:
    - 130+ MobileyeZ in the US at 100% utilization
    - Service centre in Houston, TX, servicing Dallas, Austin, San Antonio, and West Texas
    - Owned manufacturing capacity is ramping
    - 15-20% reduction in production capital costs and reduced bottlenecks
  - Go-Forward Plan:
    - Grow U.S. fleet to 400+ by year end 2024
    - Expand in West Texas and Denver, Colorado, and Arizona by Q1 2025
    - Increase MobileyeZ production capacity to 20-25 per week
    - Take further control of supply chain by increasing in-house manufacturing to satisfy demand



1. Management estimates with low and high cases  
 2. [Grand View Research – Control Tower Market Size 2023-2030](#)  
 3. CAGR is a non-IFRS standard measure employed by management to illustrate financial performance. Please refer to page 22 for additional information on Financial Measures and Non-IFRS Metrics.

# 3 NORTH AMERICAN MARKET OPPORTUNITY >\$10B / YEAR

- North American physical security market is US\$35B; 90% of the physical security market is dominated by security guards with the remaining 10% utilizing technology enabled solutions, meaning the industry is in its infancy
- Expansion across the U.S. significantly increases the market opportunity and is supported by manufacturing and National headquarters in Texas
- Annual market opportunity derived by multiplying number of sites by \$2,500 monthly fee per year per MobileyeZ security tower <sup>(5)</sup>



1. ConstructConnect (2024, November 17) - Municipal & Residential Projects  
 2. Statista - Number of retail establishments in the United States from 2015 to 2022 & Company Estimates  
 3. IBIS World (2024, April 18) - New Car Dealers in the US - Number of Businesses; New Car Dealers in Canada  
 4. ConstructConnect (2024, April 18,) - Active power generation, roads/highways, and industrial construction projects  
 5. Zedcor currently has 1,200+ security towers in its fleet currently and may need additional capital in order to capture additional markets, build more security towers, etc

### Recurring Revenue



Of revenue is recurring in nature<sup>(1)</sup>

- Revenue visibility & predictability
- Lower risk and uncertainty

### Diverse Blue-Chip Customers



- Esteemed customer references
- Revenue well-diversified between customers and across industries

### Stable Utilization Rates

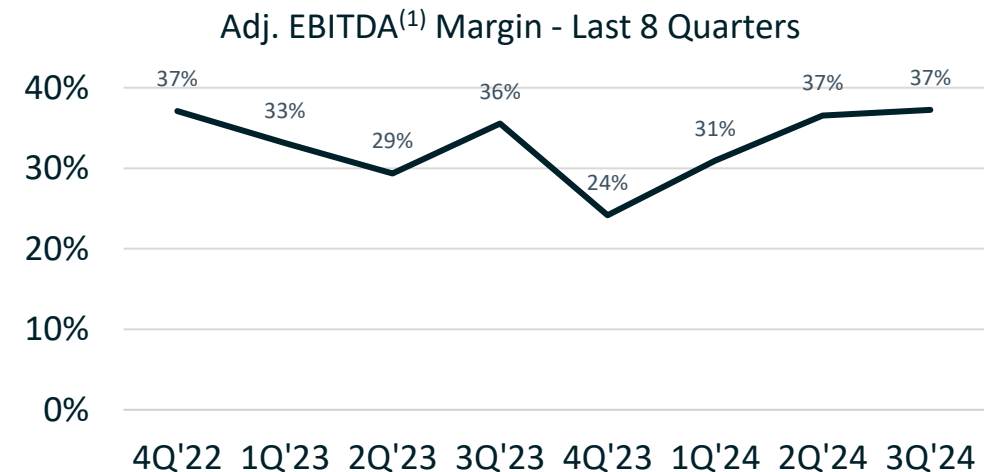
>90%

Consistent MobileyeZ utilization rate supported by blue-chip customer base

- Enhanced revenue stability
- Testament to product functionality
- Q3 2024 utilization rates were >90%

1. Based on management estimates and revenues with contracts >1 year as of Q3 2024

- 30% Adjusted EBITDA<sup>(1)</sup> Margin in FY 2023 (37% in Q3 2024)
- Scalable Business Model Supports Margin Expansion:
  - Pricing Power vs Traditional Security Guards
    - Converging of pricing gap while maintaining attractive MobileyeZ™ value proposition relative to security guards
    - Pricing that reflects superior service & security outcomes of MobileyeZ™ compared to competitors; unmatched service levels create high switching costs which reduce customer churn
    - General inflation adjustments overtime
  - Stable Gross Margin and Overhead Cost Structure
    - MobileyeZ™ gross margin stable around ~65%
    - Relatively fixed SG&A vs revenue growth creates opportunities from additional economies of scale
- Low Maintenance Capex in Steady-State
  - Growth capital is required to build-out MobileyeZ™ fleet, however maintenance capex is minimal
  - 18 – 24-month payback<sup>(1)</sup> on new investment; ~22% ROIC<sup>(2)</sup>



1. Adj. EBITDA, or Adjusted EBITDA, payback, and ROIC are all non-IFRS standard measures employed by management to illustrate financial performance. Please refer to page 22 for additional information on Financial Measures and Non-IFRS Metrics.

2. ROIC is return on invested capital and is a management estimate of how much the Company makes on the money it invests in the business. Please refer to page 22 for additional information on Financial Measures and Non-IFRS Metrics.



Focused on Innovation  
& Customer Service

- Proven track-record of innovation, most recently via the introduction of zero-emission Solar Electric MobileyeZ
- Incorporating artificial intelligence and radar capabilities into cameras
- Meeting increasingly unique and diverse needs of rapidly expanding customer base

Market Leader in Low-  
Emission Solutions

- All MobileyeZ designed with low carbon intensity and reliability at the core, reducing operating costs for Zedcor and our customers
- Committed to reducing overall footprint of MobileyeZ for new and future customers

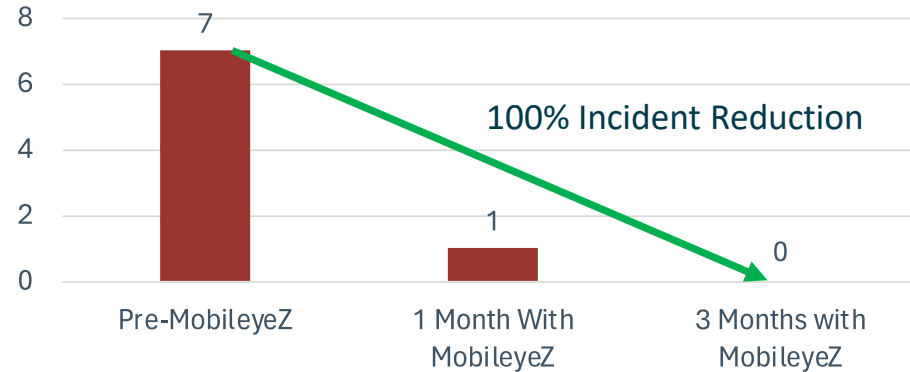
Making Our World  
Secure

- As a leader in safety services, we pride ourselves on helping to protect our customers and the surrounding communities in which we operate

# CASE STUDY – THE HOME DEPOT & D.R. HORTON



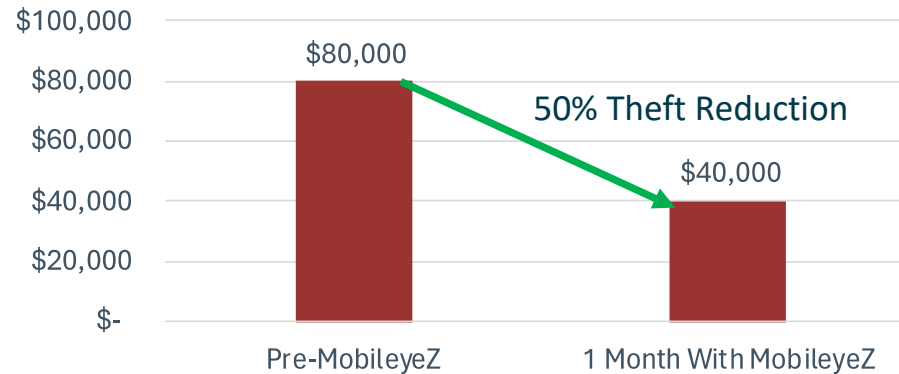
### Incidents / Month At Vancouver Parking Lot



- 100% reduction of parking lot incidences in just 3-months using MobileyeZ at a Vancouver Home Depot



### Theft / Month at Site (USD)



- 50% reduction of theft due to internal arrest based on MobileyeZ video footage at D.R. Horton Site

# INVESTMENT HIGHLIGHTS



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# EXPERIENCED MANAGEMENT & BOARD OF DIRECTORS



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## Management Team

### **Todd Ziniuk**

President & CEO, Director

### **Amin Ladha**

Chief Financial Officer

### **Kyle Doenz**

Chief Technology Officer

### **James Leganchuk**

President, USA Sales & Operations

### **Tony Ciarla**

President, CDN Sales & Operations

## Board of Directors

### **Wade Felesky**

Chairman

### **Todd Ziniuk**

President & CEO, Director

### **Dean Swanberg**

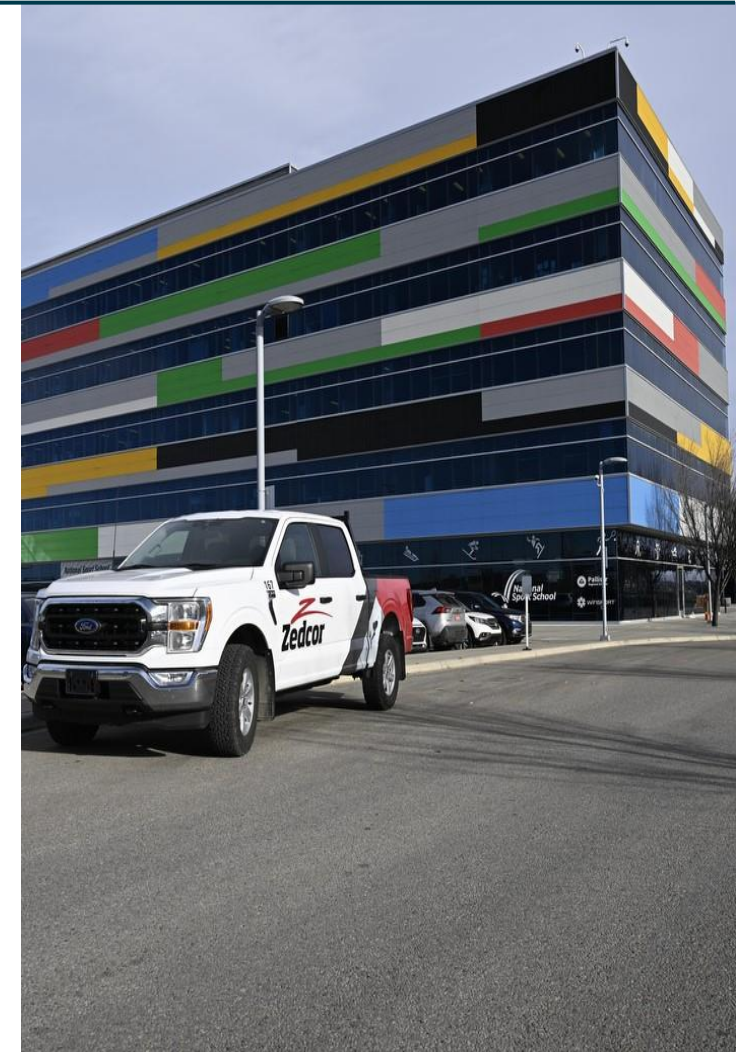
Director

### **Dean Shillington**

Director

### **Brian McGill**

Director





# CONTACT US



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## Investor Relations

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(403) 930-5430

Amin Ladha, CFO  
[aladha@zedcor.com](mailto:aladha@zedcor.com)  
(403) 930-5430



## General Inquiries

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1-877-511-9332  
[www.zedcor.com](http://www.zedcor.com)



## Head Office

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Calgary, Alberta, Canada  
T3B 6B7



# APPENDIX: FINANCIAL MEASURES AND NON-IFRS METRICS



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Zedcor Inc. uses certain measures in this presentation 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 cash flow and income and comprehensive income may not be comparable to similar measures presented by other reporting issuers.

These measures have been described and presented in this presentation in order to provide shareholders and potential investors with additional information regarding the Company.

Investors are cautioned that Adjusted EBITDA, net debt, Adjusted EBITDA CAGR, and Adjusted EBITDA margin are not acceptable alternatives to net income or other comparable measures as determined in accordance with IFRS.

Zedcor also uses certain supplementary financial measures including revenue CAGR and return on invested capital.

## Adjusted EBITDA and Net Debt

Adjusted EBITDA refers to net income before finance costs, income taxes, depreciation, and amortization. Adjusted EBITDA is calculated as EBITDA before gains and losses on foreign exchange, stock based compensation, and bonus payments from the disposition of the rentals segment. Net Debt represents debt excluding lease liabilities less cash. 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.

The Company believes that Adjusted EBITDA is a useful measure of performance as it eliminates non-recurring items and the impact of finance and tax structure variables that exist between entities.

A reconciliation of net income to Adjusted EBITDA is provided on the following page and in the Company’s MD&A.

## Adjusted EBITDA CAGR and Adjusted EBITDA margin

Adjusted EBITDA CAGR and Adjusted EBITDA margin are non-GAAP ratios. Adjusted EBITDA CAGR represents the compound annual growth rate of Adjusted EBITDA. Adjusted EBITDA margin represents Adjusted EBITDA divided by revenue. The Company believes that Adjusted EBITDA CAGR and Adjusted EBITDA margin are useful measures to evaluate cost efficiency and profitability.

## Revenue CAGR and ROIC

Revenue CAGR is a supplementary financial measure and refers to compound annual growth rate of revenue. Revenue CAGR is calculated as the compound annual growth rate of revenue over a given time interval. ROIC is a supplementary financial measure and refers to return on invested capital. It assesses the efficiency in allocating capital to profitable investments. It is calculated by dividing cash flow from operating activities after tax by invested capital (average of annual shareholders equity + non-current liabilities). ROIC gives a sense of how well capital is being used to generate profits.

(CAD\$M)

	12 Months Ended December					5 Year Average
	2019	2020	2021	2022	2023	
Net Cash from Operating Activities	4.2	2.7	4.5	6.2	9.9	
Average Total Invested Capital	31.0	31.9	20.1	19.5	29.4	
<b>Return On Invested Capital</b>	<b>13.5%</b>	<b>8.5%</b>	<b>22.6%</b>	<b>31.7%</b>	<b>33.7%</b>	<b>22.0%</b>

# APPENDIX: RECONCILIATION OF EBITDA & ADJUSTED EBITDA



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

(CAD\$M)

	12 Months Ended December				3 Months Ended	9 Months Ended	Last Twelve Months
	2020	2021	2022	2023	Dec 31 2023	Sep 30 2024	3Q 2024
<b>Net Income (loss)</b>	(1,810)	(1,580)	5,998	2,652	(860) +	1,249 =	389
Add (less):							
Depreciation of property & equipment	1,285	1,625	2,412	3,614	1,048 +	3,887 =	4,935
Depreciation of right-of-use assets	670	649	938	1,249	389 +	1,172 =	1,561
Income tax recovery	(88)	-	(2,005)	-	- +	- =	-
<b>EBITDA</b>	<b>57</b>	<b>694</b>	<b>7,343</b>	<b>7,515</b>	<b>577 +</b>	<b>6,308 =</b>	<b>6,885</b>
Add (deduct):							
Finance costs	3,476	3,164	1,063	1,621	469 +	1,445 =	1,914
Loss (gain) on sale of equipment	-	(17)	(139)	27	100 +	350 =	450
Loss (gain) on disposal of right-of-use asset	(105)	407	(14)	81	69 +	29 =	98
Loss (gain) on substantial debt modification	(576)	(45)	-	-	- +	- =	-
Loss on repayment of note payable	-	-	-	-	- +	173 =	173
Stock based compensation	77	135	129	562	180 +	1,035 =	1,215
Foreign exchange loss (gain)	7	25	70	(2)	6 +	35 =	41
Severance costs	83	44	-	-	- +	- =	-
Other income	-	-	(883)	(2,159)	- +	(1,373) =	(1,373)
	2,962	3,713	226	130	824 +	1,694 =	2,518
<b>Adjusted EBITDA</b>	<b>3,019</b>	<b>4,407</b>	<b>7,569</b>	<b>7,645</b>	<b>1,401 +</b>	<b>8,002 =</b>	<b>9,403</b>
<b>Revenue</b>	<b>13,762</b>	<b>13,550</b>	<b>22,099</b>	<b>24,889</b>	<b>5,799 +</b>	<b>22,658 =</b>	<b>28,457</b>
EBITDA Margin	0.4%	5.1%	33.2%	30.2%	9.9%	27.8%	24.2%
Adjusted EBITDA Margin	21.9%	32.5%	34.3%	30.7%	24.2%	35.3%	33.0%

# APPENDIX: FINANCIAL MEASURES AND NON-IFRS METRICS



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## Diluted Market Cap, Net Debt, Enterprise Value and Payback Period

Diluted Market Cap, or diluted market capitalization, is the November 15, 2024 closing share price of Zedcor's common shares on the TSX Venture Exchange of \$3.20 multiplied by the Shares Out. Diluted, or diluted common shares outstanding. The Shares Out. Diluted are the 96.1M shares outstanding plus 3.4M common share options outstanding with exercise prices less than \$3.20, plus 2.7M RSUs outstanding and 1.0M DSUs outstanding.

Net Debt is debt outstanding, excluding lease liabilities, less cash on hand. As at September 30, 2024, net debt outstanding was  $\$4.4\text{M} + \$12.1\text{M} - \$5.4\text{M} = \$11.1\text{M}$ .

Enterprise Value = Diluted Market Cap + Net Debt, less ~\$1.9M from implied cash proceeds on the exercise of 3.4M options with exercise prices less than \$3.20.

Payback Period = Capital cost of security tower divided by annual revenue per tower less direct operating costs.

## Financial Statements and MD&A

For further details, shareholders and potential investors are encouraged to review the Company's financial statements and MD&A on SEDAR+ or the Company's website at [www.zedcor.com](http://www.zedcor.com)