Zedcor Inc. Reports Quarterly Results, Including $10.3 million in Revenue and $4.0 million in Adjusted EBITDA for the Fourth Quarter 2024

CALGARY, ALBERTA – April 10, 2025: Zedcor Inc. ("Zedcor" or the "Company") (TSX-V: ZDC) is pleased to announce its financial and operating results for the three and twelve months ended December 31, 2024. Highlights include:

- Record quarterly revenue of $10.3 million, representing an increase of 78% year-over-year and 12% quarter-over-quarter
- Record quarterly Adjusted EBITDA of $4.0 million, representing an increase of 185% year-over-year and 18% quarter-over-quarter
- Adjusted EBITDA margin increased to 39%, despite significant scaling costs out of the U.S., driven by strong contribution margins in Canada and increased operational efficiency from its AI at-the-edge cameras
- Deployed 186 MobileyeZ™ security towers during the three months ended December 31, 2024 and 512 MobileyeZ™ security towers during the year ended December 31, 2024; these security towers were deployed throughout North America and realized total fleet utilization rates above 90% for the quarter
- U.S. revenue exceeded 20% of total revenues for Q4 2024
- The Company expects to be largely insulated from tariffs as manufacturing is based in Houston, Texas and camera costs have been locked in for 2025, while there have been no signs of demand waning, despite the geopolitical risks in the market

Zedcor generated revenue of $10.3 million and $33.0 million for the three and twelve months ended December 31, 2024, respectively, and Adjusted EBITDA of $4.0 million and $12.0 million. Revenue and Adjusted EBITDA generated in the quarter were both record highs for the Company.

Furthermore, the Company successfully continued its customer diversification and revenue growth efforts during the quarter, which was reflected in the revenue and Adjusted EBITDA results. Zedcor generated record daily revenue from its fleet of MobileyeZ™ security towers while successfully deploying 186 new MobileyeZ™ towers throughout North America, with growth focused in Texas. Notably, fleet-wide MobileyeZ™ utilization rate exceeded 90% for the quarter.

The U.S. accounted for more than 20% of the Company's fourth quarter revenue. The utilization rate for the fleet of security towers in the U.S. is near 100% capacity and the Company is starting to build a backlog of demand at its Houston service center. In addition, the Company has continued to establish its service offering throughout the state of Texas and into Colorado.

In Canada, Zedcor continued to experience revenue growth and strong utilization rates during the quarter. While one of the focuses for Zedcor is its U.S. expansion, the Company remains committed to allocating capital as appropriate to service its growing customer base across Canada where there is continued opportunity and growth.

Todd Ziniuk, President and CEO of Zedcor, commented: "The fourth quarter saw the Company continue to execute our growth strategy and deliver excellent service to customers. We have been expanding our sales team and platform to further accelerate unit sales and are seeing significant contributions in the fourth quarter from US expansion. We are currently able to service all of Texas and the Southern US, Colorado and the Midwest US, and are expanding into Arizona, California, Tennessee and other major metro areas of the United States in order to service customers. We remain focused on providing turnkey security solutions to our customers with industry leading service levels. Our equity financing which we completed subsequent to year end, and expanded debt facilities which we secured in December 2024, allow us to increase production of our security towers in anticipation of further acceleration of sales in 2025. We have ramped up our production capacity in anticipation of strong growth in 2025. We also continue to invest in growing our enterprise customer base throughout North America. While tariffs are not an immediate concern impacting our results with U.S. manufacturing in Houston, we are exploring investments down the value chain to further control our supply chain and reduce capital costs per tower."

FINANCIAL & OPERATING RESULTS FOR THE THREE & TWELVE MONTHS ENDED DECEMBER 31, 2024:

	Three months ended December 31		Twelve months ended December 31	
(in $000s, except per share amounts)	**2024**	**2023**	**2024**	**2023**
Revenue	10,334	5,799	32,992	24,889
EBITDA[1]	2,934	1,046	10,687	9,136
Adjusted EBITDA[1]	4,002	1,401	12,004	7,645
Adjusted EBIT[1]	884	(391)	2,378	2,114
Net income (loss) before income taxes	380	(860)	1,629	2,652
Net income (loss) per share				
Basic	0.01	(0.00)	0.02	0.04
Diluted	0.01	(0.01)	0.02	0.03

1 *See Financial Measures Reconciliations below*

Zedcor recorded $10.3 million and $33.0 million of revenue for the three and twelve months ended December 31, 2024. This compares to $5.8 million and $24.9 million of revenue from the three and twelve months ended December 31, 2023. The revenue growth of 33% for the year is the result of a larger fleet of security towers located throughout the Company's six service centers in Canada. In addition, the Company has expanded its operations in the United States with locations in Texas and Colorado.

Adjusted EBITDA was to $4.0 million and $12.0 million for the three and twelve months ended December 31, 2024, compared to $1.4 million and $7.6 million for the three and twelve months ended December 31, 2023. This represents a growth of 57% for the twelve months ended December 31, 2024. The growth was driven by higher revenue strong operating expense cost controls and realized efficiencies as a result of the Company's upgraded cameras with AI at-the-edge.

The Company's security and surveillance services saw increased revenues and EBITDA for the twelve months ended December 31, 2024 compared to 2023 due largely to increased customer demand of its larger fleet of MobileyeZ security towers and a diversified customer base. In addition, the Company had a full year of operations within the United States which resulted in increased revenues of $2.1 million and $4.5 million for the three and twelve months ended December 31, 2024.

Zedcor exited the period with 1,337 MobileyeZ™ security towers which was an increase of 512 when compared to December 31, 2023. Of the 1,337 units, more than 360, or more than 25%, security towers are located in the Company's US based service centers. In addition, the company manufactured and deployed more than 50 ZBox wall mounted security units in Canada during the year ended December 31, 2024.

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

- For the twelve months ended December 31, 2024 net income before tax was $1.6 million compared to net income before tax of $2.6 million for the twelve months ended December 31, 2023. The decrease in net income year over year is directly attributable to: 1) an increase in corporate-related costs and higher finance charges; 2) an increase in general & administrative costs to support the continued expansion throughout Canada and the United States; and 3) lower bonus amount related to the Company's sale of its oilfield equipment rental business from 2021. Zedcor still remained profitable during 2024 due to: 1) a larger fleet of towers and strong customer demand which drove utilization and, in turn, revenues; and 2) cost controls and efficiencies generated from our AI camera implementations which related in lower operating expenses year over year despite a large fleet of towers and US operations.

- 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 the first twelve months of 2024 as we were able to diversify our customers across the construction industry, into retail security and across other business segments. In addition, of our $10.3 million of revenue for the three months ended December 31, 2024, more than 85% of it is reoccurring and 21% of it was generated from the US.

- The Company attract numerous new customers across Canada. For the 3 months ended December 31, 2024, the Company provided services to more than 50 new customers. For the 12 months ended December 31, 2024, the Company added over 190 new customers.

- On track US expansion. Zedcor exited the year with over 350 MobileyeZ™ located in the US, expanded the base of operations with the ability to service customers across Texas, and opened an equipment and servicing center in Denver, Colorado. For the year ended December 31, 2024, the Company generated $4,.5 million of revenues in the US. This number is expected to expand as the Company intends to build out its footprint in the US and increase customers its customer base.

- Continued development and expansion of manufacturing capabilities. Zedcor has manufactured over 420 of its Solar MobileyeZ™ Security Towers and has ramped up production capacity out of its Houston, Texas facility with the ability to meet customer demand in North America. The Company is actively managing its component suppliers and supply chains, while finding efficiencies in order to streamline manufacturing. Subsequent to the end of the year, the Company increased its capacity to manufacture 25 units weekly.

- Growth in the retail security segment with an expanded rental and service agreement to provide MobileyeZ™ security towers at over 20 sites for a leading North American home improvement retailer. This represented an additional ten store locations and thirteen locations across Canada for the customer's capital initiatives program, including new store builds or major renovations, bringing the total MobileyeZ™ coverage for the customer in Canada to over 20 stores and two distribution centers.

- Investment in expansion of enterprise-level sales and obtaining enterprise-level customers.

- Payment of $3.5 million to retire the balance of a promissory note issued in February 2016 and exercise of all outstanding warrants on the Company's balance sheet. This resulted in a streamlined capital structure for the Company.

- Completion of a $15.0 million equity financing in 2024 and $30.0 million debt financing in December 2024 to help expedite our long-term strategy.

SELECTED QUARTERLY FINANCIAL INFORMATION

(Unaudited – in $000s)	Dec 31 2024	Sept 30 2024	June 30 2024	Mar 31 2024	Dec 31 2023	Sept 30 2023	Jun 30 2023	Mar 31 2023
Revenue	10,334	9,152	7,372	6,134	5,799	6,431	6,216	6,443
Net income (loss)	380	310	1,409	(470)	(860)	288	2,472	752
Adjusted EBITDA[1]	4,002	3,409	2,695	1,898	1,401	2,285	1,824	2,135
Adjusted EBITDA per share - basic[1]	0.04	0.04	0.03	0.03	0.02	0.03	0.02	0.03
Net income (loss) per share								
Basic	0.01	0.00	0.02	(0.01)	(0.00)	0.00	0.03	0.01
Diluted	0.01	0.00	0.02	(0.01)	(0.01)	0.00	0.03	0.01
Adjusted free cash flow[1]	3,305	3,342	1,016	458	482	4,664	968	978

1 *See Financial Measures Reconciliations below*

LIQUIDITY AND CAPITAL RESOURCES

	Twelve months ended December 31			
(in $000s)	2024	2023	$ Change	% Change
Cash flow from operating activities	11,020	9,886	1,134	11%
Cash flow used in investing activities	(20,533)	(13,451)	(7,082)	(53%)
Cash flow from financing activities	13,802	4,468	9,334	209%

The following table presents a summary of working capital information:

	Twelve months ended December 31			
(in $000s)	2024	2023	$ Change	% Change
Current assets	15,541	7,286	8,256	113%
Current liabilities *	14,239	9,451	4,788	51%
Working capital	1,302	(2,165)	3,467	160%

**Includes $4.1 million of debt and $3.0 million of lease liabilities in 2024 and $3.8 million of debt and $2.4 million of lease liabilities in 2023*

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

Principal Credit Facility

(in $000s)	Interest rate	Final maturity	Facility maximum	Outstanding as at December 31, 2024	Outstanding as at December 31, 2023
Non-Revolving Reducing Term Loan	Prime + 1.50%	Dec 2027	20,000	19,732	—
Revolving Operating Loan	Prime + 1.50%	Revolving	10,000	—	—
Term Loan	N/A	N/A	N/A	—	3,538
Revolving Equipment Financing	N/A	N/A	N/A	—	13,096
Authorized Overdraft	N/A	N/A	N/A	—	—
Equipment Financing	Various	Various	N/A	390	—
				20,122	16,634
Current portion				(4,068)	(3,788)
Long term debt				16,054	12,846

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

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

The interest is payable at Prime plus the applicable margin. The applicable margin means, with respect to each facility, the percentage per annum applicable to the Net Funded Debt to EBITDA ratio. As at December 31, 2024 the Applicable Margin was 1.50%.

The agreement has the following quarterly financial covenant requirements:

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

The credit facilities were secured with a first charge over the Company's current and after acquired equipment, a general security agreement, and other standard non-financial security. As at December 31, 2024, the Company is in compliance with its financial covenant requirements.

The Company may also enter into specific financing agreements with certain vendors for specific pieces of equipment. These financing agreements are entered into at the time of purchase and granted by various third parties based on the Company's financial condition at the time. They are secured with specific equipment being financed and terms and interest rates are decided at the time of application. As at December 31, 2024 the Company had $390 outstanding with respect to these specific financing agreements.

As at December 31, 2023, the Company had the following credit facilities which were repaid in 2024 and replaced with the ATB Financial facilities:

1. A $6.1 million term loan. The term loan bore interest at 5.15% and had monthly blended principal and interest payments of $0.1 million.
2. A $15.0 million revolving equipment financing facility.
3. An authorized overdraft facility up to $6.0 million, secured by the Company's accounts receivable, up to 75%, less priority payables which were GST payable, income taxes payable, employee remittances payable and WCB payables.

CREDIT RISK

Credit risk is the risk of financial loss resulting from a customer or counter party to a financial instrument failing to meet its obligation to the Company. Credit risk arises principally from the Company's cash, accounts receivable and leases receivable.

The Company is exposed to credit risk with respect to cash and actively manages that risk with deposits at reputable financial institutions.

The Company is exposed to credit risk with respect to accounts receivable as it has a concentration of customers involved in the construction industry. The Company's accounts receivable represent balances owing, largely, by a number of unrelated companies with no significant exposure to any individual customer. Management believes that the Company's credit risk with respect to accounts receivable is limited due to the Company's broad customer base. Historically credit losses have not been significant. As at December 31, 2024, no one customer makes up 10% or more of the Company's accounts receivable balance (As at December 31, 2023 – one customer accounted for 11%).

OUTLOOK

Zedcor continues to execute its long-term strategy of growing its technology enabled security services across North America. Zedcor continues to effectively use a mix of cash flow and debt to build additional MobileyeZ™ security towers to provide surveillance services to our expanding customer base. 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 Company also expanded its service offering throughout Texas and is excited about the early results we are seeing for expansion to other regions in the United States. As at December 31, 2024 the US total fleet was 367 with a utilization rate over 90%. This compares to Canada with a fleet of 970.

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

1) Expanding operations in the United States and continuing to grow revenue 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 intends 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 focus on creating customer and shareholder value and realizing positive earnings per share. By effectively managing its growth, executing on the above-noted strategies and increasing its capital markets presence, Zedcor expects to continue to generate positive earnings per share and to, grow investor interest in the Company.

NON-IFRS MEASURES RECONCILIATION

Zedcor uses certain measures in this news release 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 statement of comprehensive income may not be comparable to similar measures presented by other reporting issuers. These measures have been described and presented in this news release 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., and gains and losses on sale of equipment Adjusted EBITDA is calculated as EBITDA before costs associated with severance, gains and losses relating to foreign exchange, loss on sale of equipment, loss on disposal of right of use asset, loss on repayment of note payable 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 December 31 2024	2023	Twelve months ended December 31 2024	2023
Net income (loss)	380	(860)	1,629	2,652
Add (less):				
Finance costs	504	469	1,949	1,621
Depreciation of property & equipment	1,416	1,048	5,303	3,614
Depreciation of right-of-use assets	634	389	1,806	1,249
EBITDA	2,934	1,046	10,687	9,136
Add (deduct):				
Stock based compensation	531	180	1,566	562
Foreign exchange loss (gain)	20	6	55	(2)
Loss on sale of equipment	405	100	755	27
Loss on disposal of right-of-use asset	112	69	141	81
Loss on repayment of note payable	—	—	173	—
Other income	—	—	(1,373)	(2,159)
	1,068	355	1,317	(1,491)
Adjusted EBITDA	4,002	1,401	12,004	7,645

Adjusted EBIT

Adjusted EBIT refers to earnings before interest and finance charges, taxes, loss on repayment of note payable and other income.

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

(in $000s)	Three months ended December 31 2024	2023	Twelve months ended December 31 2024	2023
Net income (loss)	380	(860)	1,629	2,652
Add (deduct):				
Finance costs	504	469	1,949	1,621
Loss on repayment of note payable	—	—	173	—
Other income	—	—	(1,373)	(2,159)
Adjusted EBIT	884	(391)	2,378	2,114

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 (if applicable). 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 adjusted free cash flow 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 December 31 2024	2023	Twelve months ended December 31 2024	2023
Net income (loss)	380	(860)	1,629	2,652
Add non-cash expenses:				
Depreciation of property & equipment	1,416	1,048	5,303	3,614
Depreciation of right-of-use assets	634	389	1,806	1,249
Stock based compensation	531	180	1,566	562
Finance costs (non-cash portion)	(186)	116	(128)	151
Loss on repayment of note payable	—	—	173	—
	2,775	873	10,349	8,228
(Deduct) non-recurring income				
Other income	—	—	(1,373)	(2,159)
	2,775	873	8,976	6,069
Change in non-cash working capital	529	(391)	(855)	1,023
Adjusted free cash flow	3,304	482	8,121	7,092

CONFERENCE CALL

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

Date:	Thursday, April 10, 2025
Time:	10:00 am ET (8:00 am MT)
Webinar Link:	**bit.ly/ZDCQ42024**
Dial:	647-374-4685 Toronto local
	780-666-0144 Calgary local
	778-907-2071 Vancouver local
	346-248-7799 Houston local
Meeting ID #:	933 2477 9565
Pass code:	516205

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

Full details of the Company's financial results, in the form of the consolidated financial statements and notes for the three and twelve months ended December 31, 2024 and 2023, and Management's Discussion and Analysis of the results are available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.zedcor.com.

About Zedcor Inc.

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

FORWARD-LOOKING STATEMENTS

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

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

For further information contact:

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