

ZEDCOR INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**FOR THE THREE & SIX MONTHS ENDED
JUNE 30, 2025 AND 2024**



ZEDCOR INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(Stated in thousands of Canadian dollars)		June 30, 2025	December 31, 2024
Assets			
Current assets:			
Cash	\$	6,395	\$ 5,763
Accounts receivable		11,354	7,833
Current portion of finance lease receivable		701	682
Inventory		444	468
Prepaid expenses and deposits		715	795
		<u>19,609</u>	<u>15,541</u>
Non-current assets:			
Finance lease receivable		752	1,108
Prepaid expenses and deposits		996	221
Property and equipment (note 3)		62,722	42,714
Right-of-use assets (note 4)		6,928	5,862
Deferred tax		2,005	2,005
		<u>73,403</u>	<u>51,910</u>
Total assets	\$	93,012	\$ 67,451
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	\$	8,830	\$ 7,134
Current portion of lease liabilities (note 5)		3,604	3,037
Current debt (note 6)		4,266	4,068
		<u>16,700</u>	<u>14,239</u>
Non-current liabilities:			
Lease liabilities (note 5)		5,237	5,167
Long term debt (note 6)		14,300	16,054
		<u>19,537</u>	<u>21,221</u>
Total liabilities		<u>36,237</u>	<u>35,460</u>
Shareholders' equity:			
Share capital (note 7)		155,971	131,317
Contributed surplus		3,948	3,403
Accumulated other comprehensive (loss) income		(636)	861
Deficit		(102,508)	(103,590)
		<u>56,775</u>	<u>31,991</u>
Total Liabilities and Shareholders' Equity	\$	93,012	\$ 67,451

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ZEDCOR INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME AND
COMPREHENSIVE INCOME
(Unaudited)

(Stated in thousands of Canadian dollars, except per share amounts)	Three months ended		Six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenues (note 10)	\$ 13,536	\$ 7,372	\$ 25,012	\$ 13,506
Direct expenses				
Direct operating costs	2,994	2,015	5,519	4,116
Depreciation of property & equipment (note 3)	2,047	1,142	3,702	2,264
	5,041	3,157	9,221	6,380
Gross margin	8,495	4,215	15,791	7,126
Operating expenses				
General and administrative	6,488	2,944	11,910	5,294
Depreciation of other property & equipment (note 3)	275	114	418	218
Depreciation of right-of-use assets (note 4)	725	422	1,344	797
Loss on sale of equipment (note 3)	4	—	4	—
Loss on disposal of right-of-use assets (note 4)	—	2	25	16
	7,492	3,482	13,701	6,325
Other expenses (income)				
Finance costs (note 11)	531	511	969	1,047
Loss on foreign exchange	12	13	39	15
Loss on repayment of note payable	—	173	—	173
Other income	—	(1,373)	—	(1,373)
	543	(676)	1,008	(138)
Income before income taxes	460	1,409	1,082	939
Income taxes				
Current income taxes	—	—	—	—
Net income	460	1,409	1,082	939
Other comprehensive (loss) income				
Unrealized foreign currency translation (loss) gain	(1,499)	47	(1,497)	94
Comprehensive income (loss)	\$ (1,039)	\$ 1,456	\$ (415)	\$ 1,033
Net income per share				
Basic	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.01
Diluted	\$ 0.00	\$ 0.02	\$ 0.01	\$ 0.01
Weighted average number of shares outstanding (note 9)				
Basic	104,207,577	82,734,774	102,416,008	78,586,987
Diluted	111,929,086	87,562,633	110,137,517	82,893,621

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ZEDCOR INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN
SHAREHOLDERS' EQUITY
(Unaudited)

(Stated in thousands of Canadian dollars)	Share capital	Warrants	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total
Balance – December 31, 2023	\$ 114,024	\$ 1,122	\$ 2,216	\$ (28)	\$ (105,219)	\$ 12,115
Stock based compensation	—	—	497	—	—	497
Exercise of stock options and RSUs	264	—	(115)	—	—	149
Exercise of warrants	3,277	(1,122)	—	—	—	2,155
Shares issued, net of share issue costs	13,585	—	—	—	—	13,585
Net income	—	—	—	—	939	939
Foreign currency translation gain	—	—	—	94	—	94
Balance – June 30, 2024	131,150	—	2,598	66	(104,280)	29,534
Stock based compensation	—	—	1,069	—	—	1,069
Exercise of stock options and RSUs	340	—	(264)	—	—	76
Exercise of warrants	(1)	—	—	—	—	(1)
Shares issued, net of share issue costs	(172)	—	—	—	—	(172)
Net income	—	—	—	—	690	690
Foreign currency translation gain	—	—	—	795	—	795
Balance – December 31, 2024	131,317	—	3,403	861	(103,590)	31,991
Stock based compensation	—	—	1,459	—	—	1,459
Exercise of stock options and RSUs	1,090	—	(914)	—	—	176
Shares issued, net of share issue costs	23,564	—	—	—	—	23,564
Net income	—	—	—	—	1,082	1,082
Foreign currency translation loss	—	—	—	(1,497)	—	(1,497)
Balance – June 30, 2025	\$ 155,971	\$ —	\$ 3,948	\$ (636)	\$ (102,508)	\$ 56,775

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ZEDCOR INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW
(Unaudited)

	Three months ended		Six months ended	
	June 30,	June 30,	June 30,	June 30,
	2025	2024	2025	2024
(Stated in thousands of Canadian dollars)				
Cash provided by (used in):				
Operating activities				
Net income	\$ 460	\$ 1,409	\$ 1,082	\$ 939
Depreciation of property and equipment (note 3)	2,322	1,256	4,120	2,482
Depreciation of right-of-use assets (note 4)	725	422	1,344	797
Loss on sale of property & equipment (note 3)	4	—	4	—
Loss on disposal of right-of-use assets (note 4)	—	2	25	16
Foreign currency translation	89	(80)	13	(34)
Loss on repayment of note payable	—	173	—	173
Stock based compensation	879	282	1,459	497
Non-cash interest expense and other financing costs	26	7	13	52
Receipt of finance lease receivable	169	141	338	280
	4,674	3,612	8,398	5,202
Changes in non-cash working capital	(3,485)	(1,160)	(5,545)	(2,092)
Cash flow from operating activities	1,189	2,452	2,853	3,110
Investing activities				
Change in non-cash working capital related to investing activities	807	420	3,036	847
Purchase of property and equipment (note 3)	(14,503)	(6,042)	(25,797)	(8,471)
Cash flow used in investing activities	(13,696)	(5,622)	(22,761)	(7,624)
Financing activities				
Proceeds from debt	276	269	550	2,776
Repayment of debt	(1,014)	(991)	(2,056)	(1,837)
Payment of lease liability	(877)	(651)	(1,694)	(1,222)
Proceeds from share issuance, net of costs (note 7)	(12)	13,585	23,564	13,585
Repayment of note payable	—	(3,450)	—	(3,450)
Proceeds from exercise of stock options	142	72	176	149
Proceeds from exercise of warrants	—	2,008	—	2,155
Cash flow (used in) from financing activities	(1,485)	10,842	20,540	12,156
Net change in cash in the period	(13,992)	7,672	632	7,642
Cash, beginning of period	20,387	1,444	5,763	1,474
Cash, end of period	\$ 6,395	\$ 9,116	\$ 6,395	\$ 9,116

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

ZEDCOR INC.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2025 AND 2024
(Unaudited)
IN THOUSANDS OF CANADIAN DOLLARS

1. CORPORATE INFORMATION

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 equipment and services centers throughout Texas, as well as Denver, Colorado, Las Vegas, Nevada and Phoenix, Arizona with a MobileyeZ™ assembly facility in Houston, Texas. 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 is listed on the TSX Venture Exchange under the symbol ZDC.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. These condensed consolidated interim financial statements do not include all of the information required for full financial disclosure. The disclosures provided below are incremental to those included in the annual consolidated financial statements and certain disclosures, which are normally required to be included in the notes to annual consolidated financial statements, have been condensed or omitted. The same accounting policies and methods of computation were followed in the preparation to the annual consolidated financial statements as were followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2024.

These condensed consolidated interim financial statements were approved by the Board of Directors on August 12, 2025.

b) Functional and presentation currency and basis of presentation

These condensed consolidated interim financial statements are presented in Canadian dollars which is the Company's presentation currency. Each of the Company's subsidiaries determines its functional currency, and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Canadian operations is the Canadian Dollar and the functional currency of the United States ("US") operations is the United States Dollar. All financial information presented in Canadian Dollars and has been rounded to the nearest thousand except for share and per share amounts.

The Company's condensed consolidated interim financial statements are prepared under the historical cost convention, with the exception of items that IFRS requires to be measured at fair value.

c) Significant accounting policies

The significant accounting policies adopted in the preparation of these condensed consolidated interim financial statements are the same as those set out in the annual audited consolidated financial statements for the year ended December 31, 2024.

ZEDCOR INC.
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FOR THE THREE MONTHS ENDED JUNE 30, 2025 AND 2024
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3. PROPERTY AND EQUIPMENT

Cost	Security towers & equipment	Automotive & other equipment	Office furniture & equipment	Leasehold improvements	Total
At December 31, 2023	35,484	121	2,214	359	38,178
Additions	20,456	104	785	46	21,391
Disposals	(2,464)	—	—	—	(2,464)
Effects of foreign exchange	141	—	7	—	148
At December 31, 2024	53,617	225	3,006	405	57,253
Additions	24,180	99	1,075	443	25,797
Disposals	(44)	—	—	—	(44)
Effects of foreign exchange	(1,793)	—	—	—	(1,793)
At June 30, 2025	75,960	324	4,081	848	81,213

Accumulated depreciation	Security towers & equipment	Automotive & other equipment	Office furniture & equipment	Leasehold improvements	Total
At December 31, 2023	9,582	50	1,179	127	10,938
Depreciation	4,755	20	479	49	5,303
Disposals	(1,702)	—	—	—	(1,702)
At December 31, 2024	12,635	70	1,658	176	14,539
Depreciation	3,685	18	356	61	4,120
Disposals	(40)	—	—	—	(40)
Effects of foreign exchange	(128)	—	—	—	(128)
At June 30, 2025	16,152	88	2,014	237	18,491

Net Book Value	Security towers & equipment	Automotive & other equipment	Office furniture & equipment	Leasehold improvements	Total
At December 31, 2024	40,982	155	1,348	229	42,714
At June 30, 2025	59,808	236	2,067	611	62,722

The Company reviews the carrying value of its long-lived assets and cash generating units (“CGU”) at each reporting date to determine whether there is any indication of impairment. As of June 30, 2025 no indicators of impairment were identified for the Security & Surveillance CGU.

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4. RIGHT-OF-USE ASSETS

Cost	Properties	Automotive	Equipment	Total
At December 31, 2023	3,525	2,291	422	6,238
Additions	1,282	2,215	—	3,497
Disposals	(276)	(1,083)	—	(1,359)
Effect of foreign exchange	80	31	—	111
At December 31, 2024	4,611	3,454	422	8,487
Additions	1,446	1,115	—	2,561
Effect of foreign exchange	(117)	(95)	—	(212)
At June 30, 2025	5,940	4,474	422	10,836

Accumulated depreciation	Properties	Automotive	Equipment	Total
At December 31, 2023	854	749	166	1,769
Depreciation	1,076	698	32	1,806
Disposals	(276)	(707)	—	(983)
Effect of foreign exchange	13	20	—	33
At December 31, 2024	1,667	760	198	2,625
Depreciation	630	698	16	1,344
Effect of foreign exchange	(28)	(33)	—	(61)
At June 30, 2025	2,269	1,425	214	3,908

Net Book Value	Properties	Automotive	Equipment	Total
At December 31, 2024	2,944	2,694	224	5,862
At June 30, 2025	3,671	3,049	208	6,928

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5. LEASE LIABILITIES

	Properties	Automotive	Equipment	Total
At December 31, 2023	5,983	1,575	173	7,731
Repayments	(1,702)	(1,003)	(124)	(2,829)
Additions	1,282	2,303	—	3,585
Disposals	—	(382)	—	(382)
Effect of foreign exchange	70	29	—	99
At December 31, 2024	5,633	2,522	49	8,204
Repayments	(984)	(661)	(49)	(1,694)
Additions	1,446	1,115	—	2,561
Disposals	(72)	—	—	(72)
Effect of foreign exchange	(84)	(74)	—	(158)
At June 30, 2025	5,939	2,902	—	8,841

Maturity Analysis	Total
Current	3,604
Long Term	5,237
Total as at June 30, 2025	8,841

6. CREDIT FACILITIES

	Interest rate	Final maturity	Facility maximum	Outstanding as at June 30, 2025	Outstanding as at December 31, 2024
Non-Revolving Reducing Term Loan	Prime + 1.50%	Dec. 2027	20,000	17,745	19,732
Revolving Operating Loan	Prime + 1.50%	Dec. 2027	10,000	—	—
Equipment Financing	Various	Various	N/A	821	390
				18,566	20,122
Current portion				(4,266)	(4,068)
Long term debt				14,300	16,054

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

1. A \$10.0 million revolving operating loan. The Company is able to draw on this facility for working capital, capital expenditures, and general corporate purposes. The Company may borrow, repay, reborrow, and convert between types of borrowings. This is due and payable in full on the maturity date of December 17, 2027.

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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 June 30, 2025 the Applicable Margin was 1.50%. As at June 30, 2025 the Canadian prime rate was 4.95%.

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 are secured with a first charge over the Company's current and after acquired equipment, a general security agreement, a subordination and postponement agreement with a director of the Company with respect to a note payable, and other standard non-financial security. As at June 30, 2025, the Company is in compliance with its financial covenant requirements.

The Company may also enter into specific financing agreements with certain vendors for specific pieces of equipment. These financing agreements are entered into at the time of purchase and granted by various third parties based on the Company's financial condition at the time. They are secured with specific equipment being financed and terms and interest rates are decided at the time of application. As at June 30, 2025 the Company had \$821 outstanding with respect to these specific financing agreements as compared to \$390 as at December 31, 2024.

As at June 30, 2025 the Company also has a letter of credit facility of \$240 (as at December 31, 2024 - \$240). The facility is unused as at June 30, 2025.

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7. SHARE CAPITAL

Common share capital

Common shares issued and fully paid:	Number of shares	\$
Balance, December 31, 2023	74,208,925	114,024
Issued on exercise of stock options	1,091,665	392
Issued on exercise of warrants	5,361,870	3,276
Issued on vesting of restricted share units	399,997	212
Share issuance, net of share issue costs	15,000,000	13,413
Balance, December 31, 2024	96,062,457	131,317
Issued on exercise of stock options	625,000	301
Issued on vesting of restricted share units	924,998	789
Share issuance, net of share issue costs ¹	7,555,500	23,564
Balance, June 30, 2025	105,167,955	155,971

¹ On February 5, 2025, 7,555,500 shares were issued at \$3.35 per Offered Share for gross proceeds of \$25.3 million.

8. STOCK BASED COMPENSATION

Restricted share units

RSUs issued, outstanding, and the weighted average remaining life of the RSUs as at December 31, 2023, December 31, 2024 and June 30, 2025 are as follows:

	Number of RSUs	Remaining contractual life in years
RSUs as at December 31, 2023	1,300,000	0.95
RSUs vested & exercised	(399,997)	—
RSU forfeited	(225,000)	—
RSUs granted	2,250,000	2.08
RSUs as at December 31, 2024	2,925,003	1.85
RSUs vested & exercised	(924,998)	—
RSU forfeited	(125,000)	—
RSUs granted	2,935,000	2.91
RSUs as at June 30, 2025	4,810,005	2.46

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9. PER SHARE AMOUNTS

Basic and diluted earnings per share have been calculated on the basis of weighted average number of common shares outstanding as outlined below:

	For the three months ended		For the six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Net income for the period	460	1,409	1,082	939
Weighted average number of shares outstanding – basic	104,207,577	82,734,774	102,416,008	78,586,987
Earnings per share – basic	0.00	0.02	0.01	0.01
Weighted average number of shares outstanding – basic	104,207,577	82,734,774	102,416,008	78,586,987
Stock based compensation dilution	7,721,509	4,827,859	7,721,509	4,306,634
Weighted average number of shares outstanding – diluted	111,929,086	87,562,633	110,137,517	82,893,621
Earnings per share – diluted	0.00	0.02	0.01	0.01

10. REVENUE

Revenue is generated from the following sales and services:

	For the three months ended		For the six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Security tower rental and service	13,411	7,092	24,776	12,847
Fixed site monitoring and service	121	198	232	419
Security personnel	4	82	4	240
	13,536	7,372	25,012	13,506

11. FINANCE COSTS

Finance costs are comprised of the following:

	For the three months ended		For the six months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Bank charges and interest	109	2	128	24
Interest on debt	243	380	503	728
Interest on note payable	—	40	—	101
Interest on leases	179	89	338	194
	531	511	969	1,047

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12. GEOGRAPHICAL INFORMATION

The Company has operations in two countries: (i) Canada and (ii) US. The Company's corporate costs are located in both countries and presented separately. Information regarding the results of the countries in which the Company operates is included below.

The following is a summary of the Company's results by geographic region for the three months and six ended June 30, 2025 and 2024:

Three months ended June 30, 2025	Canada	US	Corporate	Total
Revenues	9,200	4,336	—	13,536
Direct expenses				
Direct operating costs	1,807	1,187	—	2,994
Depreciation of property & equipment	1,120	927	—	2,047
	2,927	2,114	—	5,041
Gross margin	6,273	2,222	—	8,495
Operating expenses				
General and administrative	1,349	2,026	3,113	6,488
Depreciation of other property and equipment	104	94	77	275
Depreciation of right-of-use assets	268	394	63	725
Loss on sale of equipment	4	—	—	4
	1,725	2,514	3,253	7,492
Other expenses				
Finance costs	44	280	207	531
Foreign exchange loss	12	—	—	12
	56	280	207	543
Income (loss) before taxes	4,492	(572)	(3,460)	460

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Six months ended June 30, 2025	Canada	US	Corporate	Total
Revenues	17,319	7,693	—	25,012
Direct expenses				
Direct operating costs	3,542	1,977	—	5,519
Depreciation of property & equipment	2,123	1,579	—	3,702
	5,665	3,556	—	9,221
Gross margin	11,654	4,137	—	15,791
Operating expenses				
General and administrative	2,501	3,652	5,757	11,910
Depreciation of other property and equipment	240	94	84	418
Depreciation of right-of-use assets	532	637	175	1,344
Loss on sale of equipment	4	—	—	4
Loss on disposal of right-of-use assets	25	—	—	25
	3,302	4,383	6,016	13,701
Other expenses				
Finance costs	97	294	578	969
Foreign exchange loss	39	—	—	39
	136	294	578	1,008
Income (loss) before taxes	8,216	(540)	(6,594)	1,082

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Three months ended June 30, 2024	Canada	US	Corporate	Total
Revenues	6,623	749	—	7,372
Direct expenses				
Direct operating costs	1,722	293	—	2,015
Depreciation of property & equipment	981	161	—	1,142
	2,703	454	—	3,157
Gross margin	3,920	295	—	4,215
Operating expenses				
General and administrative	962	394	1,588	2,944
Depreciation of other property and equipment	105	—	9	114
Depreciation of right-of-use assets	281	98	43	422
Loss (gain) on disposal of right-of-use assets	19	—	(17)	2
	1,367	492	1,623	3,482
Other expenses				
Finance costs	76	32	403	511
Foreign exchange loss	13	—	—	13
Loss on repayment of note payable	—	—	173	173
Other income	—	—	(1,373)	(1,373)
	89	32	(797)	(676)
Income (loss) before taxes	2,464	(229)	(826)	1,409

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Six months ended June 30, 2024	Canada	US	Corporate	Total
Revenues	12,424	1,082	—	13,506
Direct expenses				
Direct operating costs	3,733	383	—	4,116
Depreciation of property & equipment	1,928	336	—	2,264
	5,661	719	—	6,380
Gross margin	6,763	363	—	7,126
Operating expenses				
General and administrative	2,008	521	2,765	5,294
Depreciation of other property and equipment	201	—	17	218
Depreciation of right-of-use-assets	556	139	102	797
Loss (gain) on disposal of right-of-use assets	33	—	(17)	16
	2,798	660	2,867	6,325
Other expenses				
Finance costs	212	32	803	1,047
Foreign exchange loss	15	—	—	15
Loss on repayment of note payable	—	—	173	173
Other income	—	—	(1,373)	(1,373)
	227	32	(397)	(138)
Income (loss) before taxes	3,738	(329)	(2,470)	939

The following is a summary of the Company's property and equipment and right-of-use assets by country and for its corporate assets as at June 30, 2025 and June 30, 2024:

As at June 30, 2025	Canada	US	Corporate	Total
Property and equipment	29,426	32,376	920	62,722
Right-of-use assets	1,819	4,636	473	6,928

As at June 30, 2024	Canada	US	Corporate	Total
Property and equipment	24,749	8,371	162	33,282
Right-of-use assets	2,434	1,393	849	4,676

13. DEPENDENCE ON MAJOR CUSTOMER

The Company generates approximately 10% of its revenues from its top customer (six months ended June 30, 2024 – no customer over 10% of revenues). No other customer accounts for more than 10% of revenues. There can be no assurance that the current customer will continue their relationships with the Company. The loss of the Company's major customer, or any significant decrease in services provided to a customer, prices paid or any other changes to the terms of service with customers, could have a material adverse effect on the financial results, cash flows, and the overall financial condition of the Company.

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14. FINANCIAL INSTRUMENTS

The fair value of the Company's financial instruments consisting of cash, accounts receivable, deposits, accounts payable and accrued liabilities, and debt approximate their carrying value as at June 30, 2025, due to their short-term maturities, floating interest rates and that the interest rates for the debt approximates market interest rates. Debt is measured at amortized cost.