



Zedcor Inc. Reports Quarterly Results, Including \$13.5 million in Revenue and \$4.9 million in Adjusted EBITDA for the Second Quarter 2025

CALGARY, ALBERTA – August 12, 2025: Zedcor Inc. (“Zedcor” or the “Company”) (TSX-V: ZDC) is pleased to announce its financial and operating results for the three and six months ended June 30, 2025. Highlights include:

- Record quarterly revenue of \$13.5 million, representing an increase of 84% year-over-year and 18% quarter-over-quarter
- Record quarterly Adjusted EBITDA of \$4.9 million, representing an increase of 83% year-over-year
- Q2 2025 revenues and Adjusted EBITDA represent the sixth straight quarter of the Company exceeding analyst consensus
- Adjusted EBITDA margin was 36%, driven by strong contribution margins in Canada, continued US growth and increased operational efficiency from its AI at-the-edge cameras
- Deployed 316 MobileyeZ™ security towers during the three months ended June 30, 2025 and 547 for the six months; these security towers were deployed throughout North America, with a focus on US expansion; Zedcor exited Q2 2025 with a total fleet of 1,882 MobileyeZ™ security towers
- Product innovation continued as deployments of the wall-mounted ZBox units eclipsed 115 in Canada
- Realized total fleet utilization rates above 90% for the quarter
- U.S. revenue was 32% of total revenue for Q2 2025 and 31% of total revenue for the six months ended June 30, 2025

Zedcor generated revenue of \$13.5 million for the three months ended June 30, 2025, and Adjusted EBITDA of \$4.9 million. Revenue and Adjusted EBITDA generated in the quarter were both record highs for the Company.

Furthermore, the Company successfully continued its revenue growth initiatives 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 316 new MobileyeZ™ towers throughout North America, with growth focused in the U.S., but balanced between Canada and the U.S. Notably, fleet-wide MobileyeZ™ utilization rate exceeded 90% for the quarter. The Company has onboarded a number of new customers in all verticals and continues to see growing demand in its residential home construction services.

The U.S. accounted for 32% of the Company’s second quarter revenue. The utilization rate for the fleet of security towers in the U.S. is near 100% and the Company continues to see strong demand. In addition, the Company has continued to establish its service offering throughout the state of Texas and into a number of other cities across the southern USA. Zedcor also experienced growth in Canada and the Company experienced revenue growth and strong utilization rates during the quarter.

Todd Ziniuk, President and CEO of Zedcor, commented:

“We are extremely pleased with the pace of our expansion in the U.S. and the sustained demand we are experiencing in Canada. Our continued investments in sales capabilities, operational infrastructure, and technology are driving strong momentum across both markets. Today we have the capacity to service the Southern U.S., Colorado, the Midwest, and our recently added regions of Arizona and Nevada. Looking ahead, we are developing strategic plans to establish locations in a number of key regions in late 2025 and 2026.

We remain committed to delivering turnkey, innovative security solutions with industry leading service levels, and are on track to achieve our 2025 manufacturing target of 1,200 to 1,400 security towers. We are also advancing initiatives to strengthen our supply chain and capture additional economies of scale which we expect will reduce per unit capital costs.

Our pipeline of opportunities with major national enterprises continues to grow, including discussions with some of the largest organizations in North America. These relationships have the potential to unlock multi-market, multi-year deployments, further solidifying our leadership positions in mobile surveillance.”

FINANCIAL & OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2025:

(in \$000s)	Three months ended June 30		Six months ended June 30		Three months ended March 31
	2025	2024	2025	2024	2025
Revenue	13,536	7,372	25,012	13,506	11,476
EBITDA	4,038	3,598	7,515	5,265	3,477
Adjusted EBITDA^{1,2}	4,933	2,695	9,042	4,593	4,109
Adjusted EBIT^{1,2}	991	720	2,051	786	1,060
Net income	460	1,409	1,082	939	622
Net income per share					
Basic	0.00	0.02	0.01	0.01	0.01
Diluted	0.00	0.02	0.01	0.01	0.01

¹ See Financial Measures Reconciliations below

Zedcor recorded \$13,536 of revenue for the three months ended June 30, 2025. This compares to \$7,372 of revenue for the three months ended June 30, 2024. The revenue increase of 84% year over year was due to:

- the execution of the strategic initiative for US expansion;
- diversification of our customer base and attracting new customers across the US and Canada and;
- meeting the strong customer demand through the production and deployment of MobileyeZ™ towers.

This growth in revenue was offset by lower security personnel revenue, camera sales, and other service revenue.

Quarter over quarter, the Company’s total revenue was up \$2,060 or 18% and Adjusted EBITDA was up \$824 or 20%. Revenue increased quarter over quarter as a result of a larger fleet of security towers, revenue growth in the US and Canada through customer acquisition, and growing revenues from existing customers in both regions.

Adjusted EBITDA was \$4,933 for the three months ended June 30, 2025, compared to \$2,695 for the three months ended June 30, 2024. This was an increase of \$2,238 or 83%. Adjusted EBITDA increased year over year due to higher revenues and operating cost controls, offset by the increase in administrative and sales staff costs. Adjusted EBITDA margin for the three months ended June 30, 2025 and three months ended June 30, 2024 has held steady at 36% as the Company has carefully managed costs while growing revenue.

The Company’s security and surveillance services continued to see strong demand and growth in revenues for the three months ended June 30, 2025 due largely to increased customer demand of its larger fleet of MobileyeZ security towers and expanded US presence. Utilization rates remain strong above 90% throughout Q2 2025 for the companies US and Canada fleet.

Financial and operational highlights for the three and six months ended June 30, 2025 include:

- For the three months ended June 30, 2025 net income before tax was \$460 compared to a net income before tax of \$1,409 for the three months ended June 30, 2024. The decrease in net income year over year is primarily attributable to other income of \$1,373 in 2024 related to the sale of the Company's Rental segment assets. Excluding the impact of other income, net income for the three months ended June 30, 2024 would have been \$36, resulting in an increase of \$424 from higher revenues and cost controls.
- On February 5, 2025, the Company closed a bought deal equity financing for \$25,311 on a bought deal share financing at a price of \$3.35 per share. The Company issued 7.6 million common shares. This funding, along with the increased banking facilities secured in Q4 2024 will continue and allow the Company to expedite its growth in the US.
- Expansion into strategic US markets including all major metros in Texas (Houston, Dallas, San Antonio, Austin, and Midland), Denver, Colorado, Phoenix, Arizona and Las Vegas, Nevada. The Company has seen demand for its security services outside of Texas and its locations that have been established for less than a year are seeing rapid growth.
- Significant customer wins in the residential home building segment across Texas, in Denver, Las Vegas, and across Canada as well. We anticipate demand in this vertical to continue to increase as we expand our footprint in the US.
- As the Company increases its fleet of MobileyeZ™ and expands geographically, the risk related to customer concentration has decreased. Zedcor's services continue to be customer and industry agonistic and the Company was able to diversify its customer base across the construction industry, and into retail security and logistics.
- Continued traction across Canada with the Company's established base of customers as well as expansion with new customers. The Company's intention to diversify its geographical footprint and grow its customer base is yielding results and is continuing to see strong demand for the Company's service offering across this region.
- On track US expansion. Zedcor exited Q2 2025 with 746 MobileyeZ™ located in the US, expanded the base of operations with the ability to serve customers across Texas and Colorado, and continued positive business development with both existing and new US customers. During Q2 the Company has also established operations in Phoenix, Arizona, and Las Vegas, Nevada.
- As at June 30, 2025 the company has over 100 ZBoxes located in Canada as compared to 54 Zboxes as at December 31, 2024.
- The Company continued to develop and expand its manufacturing capabilities. Zedcor has manufactured over 316 of its Solar MobileyeZ™ Security Towers in Q2 2025 and 547 for the six months ended June 30, 2025. The Company continues to ramp up the production capacity out of its Houston, Texas facility to meet the customer demand in the US. This equates to 20 towers per week throughout most of Q2 2025. As at the end of Q2 2025, the Company has the ability to manufacture 30-35 security towers per week. To support this increase the Company is actively managing its component suppliers and supply chains, while finding efficiencies to streamline manufacturing.
- The Company is assessing the impact of tariffs. Cameras for its 2025 fleet expansion were ordered late in 2024 and the supplier does not intend to adjust prices, while approximately 35% of steel components were also procured prior to tariffs being imposed. Raw steel components comprise less than 10% of total capital costs of each MobileyeZ™ Security Tower.
- The Company is focusing on improving its economies of scale to support customer demand as it continues to expand across the US. While focusing on efficiencies and manufacturing volume, the Company is concentrating on reducing its exposure to cost increases as a result of tariffs.

SELECTED QUARTERLY FINANCIAL INFORMATION

(Unaudited – in \$000s, except per share amounts)	June 30 2025	Mar 31 2025	Dec 31 2024	Sept 30 2024	June 30 2024	Mar 31 2024	Dec 31 2023	Sept 30 2023
Revenue	13,536	11,476	10,334	9,152	7,372	6,134	5,799	6,431
Net income (loss)	460	622	380	310	1,409	(470)	(860)	288
Adjusted EBITDA ¹	4,933	4,109	4,002	3,409	2,695	1,898	1,401	2,285
Adjusted EBITDA per share - basic ¹	0.05	0.04	0.04	0.04	0.03	0.03	0.02	0.03
Net income (loss) per share								
Basic	0.00	0.01	0.01	0.00	0.02	(0.01)	(0.00)	0.00
Diluted	0.00	0.01	0.01	0.00	0.02	(0.01)	(0.01)	0.00
Adjusted free cash flow ¹	932	1,546	3,305	3,342	1,016	458	482	4,664

¹ See Financial Measures Reconciliations below

LIQUIDITY AND CAPITAL RESOURCES

The following table shows a summary of the Company's cash flows by source or (use) for the six months ended June 30, 2025 and 2024:

	Six months ended June 30			
(in \$000s)	2025	2024	\$ Change	% Change
Cash flow from operating activities	2,853	3,110	(257)	(8%)
Cash flow used by investing activities	(22,761)	(7,624)	(15,137)	(199%)
Cash flow from financing activities	20,540	12,156	8,384	69%

The following table presents a summary of working capital information:

	As at June 30			
(in \$000s)	2025	2024	\$ Change	% Change
Current assets	19,609	17,966	1,643	9%
Current liabilities *	16,700	11,903	4,797	40%
Working capital	2,909	6,063	(3,154)	(52%)

*Includes \$4.3 million of debt and \$3.6 million of lease liabilities in 2025 and \$4.4 million of debt and \$2.6 million of lease liabilities in 2024

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

Principal Credit Facility

	Interest rate	Final maturity	Facility maximum	Outstanding as at 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.
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%.

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, 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.

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 June 30, 2025 and believes the expected loss provision is sufficient.

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. The Company was able to effectively deploy new MobileyeZ™ towers to new customers throughout the Company's operating regions and grow US revenues to over 31% of total revenues in 2025. The Company has grown its salesforce across North America in order to keep utilization rates at peak levels for its MobileyeZ™ and continue to expand its service offering to different industries.

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 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 growing the manufacturing team, focusing on economies of scale with bigger orders, and assembling more of the components of its towers in house. This will allow the Company 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. The Company has also increased manufacturing for the ZBox to meet customer demand.
- 4) The Company intends to generate customer and shareholder value and positive Adjusted EBITDA. By effectively managing its growth, executing on the above-mentioned 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.

NON-IFRS MEASURES RECONCILIATION

Zedcor Inc. uses certain measures in this MD&A which do not have any standardized meaning as prescribed by International Financial Reporting Standards ("IFRS"). These measures which are derived from information reported in the consolidated statements of operations and comprehensive income may not be comparable to similar measures presented by other reporting issuers. These measures have been described and presented in this MD&A in order to provide shareholders and potential investors with additional information regarding the Company.

Investors are cautioned that EBITDA, adjusted EBITDA, adjusted EBITDA per share, adjusted EBIT and adjusted free cash flow are not acceptable alternatives to net income or net income per share, a measurement of liquidity, or comparable measures as determined in accordance with IFRS.

EBITDA and Adjusted EBITDA

EBITDA refers to net income before finance costs, income taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA before costs associated with severance, gains and losses on sale of equipment, (gain) loss on foreign exchange, (gain) loss on sale of equipment and right-of-use-assets, loss on repayment of note payable, other income, 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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Net income	460	1,409	1,082	939
Add:				
Finance costs	531	511	969	1,047
Depreciation of property & equipment	2,322	1,256	4,120	2,482
Depreciation of right-of-use assets	725	422	1,344	797
EBITDA	4,038	3,598	7,515	5,265
Add (deduct):				
Stock based compensation	879	282	1,459	497
Loss on sale of property & equipment	4	—	4	—
Loss on repayment of note payable	—	173	—	173
(Gain) loss on foreign exchange	12	13	39	15
Loss on disposal of right-of-us-asset	—	2	25	16
Other income	—	(1,373)	—	(1,373)
	895	(903)	1,527	(672)
Adjusted EBITDA	4,933	2,695	9,042	4,593

Adjusted EBIT

Adjusted EBIT refers to earnings before interest and finance charges, taxes, and one time income and expenses.

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

(in \$000s)	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Net income	460	1,409	1,082	939
Add (deduct):				
Finance costs	531	511	969	1,047
Loss on repayment of note payable	—	173	—	173
Other income	—	(1,373)	—	(1,373)
Adjusted EBIT	991	720	2,051	786

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 and one time income and expenses, 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 June 30		Six months ended June 30	
	2025	2024	2025	2024
Net income	460	1,409	1,082	939
Add non-cash expenses:				
Depreciation of property & equipment	2,322	1,256	4,120	2,482
Depreciation of right-of-use assets	725	422	1,344	797
Loss on repayment of note payable	—	173	—	173
Stock based compensation	879	282	1,459	497
Loss (gain) on sale of property & equipment	4	—	4	—
Loss (gain) on disposal of right-of-use-asset	—	2	25	16
Finance costs (non-cash portion)	26	7	13	52
	4,416	3,551	8,047	4,956
(Deduct) non-recurring income:				
Other income	—	(1,373)	—	(1,373)
	4,416	2,178	8,047	3,583
Change in non-cash working capital	(3,484)	(1,160)	(5,544)	(2,092)
Adjusted Free Cash Flow	932	1,018	2,503	1,491

CONFERENCE CALL

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

Date: Wednesday, August 13, 2025
Time: 10:00 am ET (8:00 am MT)
Webinar Link: <https://bit.ly/ZDCQ22025>
Dial: 647-374-4685 Toronto local
780-666-0144 Calgary local
778-907-2071 Vancouver local
346-248-7799 Houston local
Meeting ID #: 996 1808 1293

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.

About Zedcor Inc.

Zedcor Inc. is disrupting the traditional physical security industry through its proprietary MobileyeZ™ 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 platform of MobileyeZ™ towers 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 and West Coast with locations throughout Texas and in Denver, Colorado, Phoenix, Arizona and Las Vegas, Nevada.

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.

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