

# **ZEDCOR INC.**

## **CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)**

**FOR THE THREE-MONTHS ENDED  
MARCH 31, 2026 AND 2025**



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

	As at March 31, 2026	As at December 31, 2025
(Stated in thousands of Canadian dollars)		(audited)
<b>Assets</b>		
Current assets:		
Cash	\$ 1,732	\$ 2,656
Accounts receivable	14,264	12,582
Current portion of finance lease receivable	893	725
Inventory	499	560
Prepaid expenses and deposits	2,052	1,617
	<u>19,440</u>	<u>18,140</u>
Non-current assets:		
Finance lease receivable	760	382
Prepaid expenses and deposits	1,157	1,199
Property and equipment (note 3)	112,636	96,475
Right-of-use assets (note 4)	14,109	14,427
Investment (note 5)	2,033	—
Deferred tax	3,956	3,756
	<u>134,651</u>	<u>116,239</u>
<b>Total Assets</b>	<u>\$ 154,091</u>	<u>\$ 134,379</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 11,437	\$ 15,650
Current portion of lease liabilities (note 7)	5,317	4,662
Current debt (note 6)	625	425
	<u>17,379</u>	<u>20,737</u>
Non-current liabilities:		
Lease liabilities (note 7)	11,235	11,475
Long term debt (note 6)	32,725	40,594
	<u>43,960</u>	<u>52,069</u>
Total liabilities	<u>61,339</u>	<u>72,806</u>
Shareholders' equity:		
Share capital (note 8)	185,253	156,486
Contributed surplus	8,223	6,786
Accumulated other comprehensive income (loss)	427	(826)
Deficit	(101,151)	(100,873)
	<u>92,752</u>	<u>61,573</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 154,091</u>	<u>\$ 134,379</u>

*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)

	Three months ended March 31	
	2026	2025
(Stated in thousands of Canadian dollars, except per share amounts)		
<b>Revenues</b>	<b>\$ 19,404</b>	<b>\$ 11,476</b>
<b>Direct expenses</b>		
Direct operating costs	4,192	2,525
Depreciation of property & equipment (note 3)	3,693	1,655
	<u>7,885</u>	<u>4,180</u>
<b>Gross margin</b>	<b>11,519</b>	<b>7,296</b>
<b>Operating expenses</b>		
General and administrative	7,565	4,842
Stock based compensation expense	1,471	580
Depreciation of other property & equipment (note 3)	221	143
Depreciation of right-of-use assets (note 4)	1,211	619
Loss on disposal of property & equipment (note 3)	455	—
(Gain) loss on disposal of right-of-use assets	(9)	25
	<u>10,914</u>	<u>6,209</u>
<b>Other expenses</b>		
Finance costs (note 11)	1,016	438
Loss on foreign exchange	67	27
	<u>1,083</u>	<u>465</u>
<b>Income before income taxes</b>	<b>(478)</b>	<b>622</b>
<b>Income taxes</b>		
Deferred tax recovery	200	—
<b>Net (loss) income</b>	<b>(278)</b>	<b>622</b>
<b>Other comprehensive income</b>		
Unrealized foreign currency translation gain	1,253	2
<b>Comprehensive income</b>	<b>\$ 975</b>	<b>\$ 624</b>
<b>Net (loss) income per share (note 10)</b>		
Basic	\$ (0.00)	\$ 0.01
Diluted	\$ (0.00)	\$ 0.01
Basic	107,637,799	100,625,673
Diluted	107,637,799	106,717,373

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

(Stated in thousands of Canadian dollars)	Share capital	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total
<b>Balance – December 31, 2024</b>	\$ 131,317	\$ 3,403	\$ 861	\$ (103,590)	\$ 31,991
Stock based compensation	—	580	—	—	580
Exercise of stock options (note 8)	55	(21)	—	—	34
Shares issued, net of share issue costs (note 8)	23,576	—	—	—	23,576
Net income	—	—	—	622	622
Foreign currency translation gain	—	—	(2)	—	(2)
<b>Balance – March 31, 2025</b>	154,948	3,962	859	(102,968)	56,801
Stock based compensation	—	4,131	—	—	4,131
Exercise of stock options and RSUs (note 8)	1,621	(1,307)	—	—	314
Shares issued, net of share issue costs (note 8)	(83)	—	—	—	(83)
Net income	—	—	—	2,095	2,095
Foreign currency translation loss	—	—	(1,685)	—	(1,685)
<b>Balance – December 31, 2025</b>	156,486	6,786	(826)	(100,873)	61,573
Stock based compensation	—	1,471	—	—	1,471
Exercise of stock options (note 8)	100	(34)	—	—	66
Shares issued, net of share issue costs (note 8)	28,667	—	—	—	28,667
Net loss	—	—	—	(278)	(278)
Foreign currency translation gain	—	—	1,253	—	1,253
<b>Balance – March 31, 2026</b>	\$ 185,253	\$ 8,223	\$ 427	\$ (101,151)	\$ 92,752

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

	Three months ended March 31,	
	2026	2025
	(Stated in thousands of Canadian dollars)	
<b>Cash flow from (used in):</b>		
<b>Operating activities</b>		
Net (loss) income	\$ (278)	\$ 622
Depreciation of property and equipment (note 3)	3,914	1,798
Depreciation of right-of-use assets (note 4)	1,211	619
Loss on disposal of property and equipment (note 3)	455	—
(Gain) loss on disposal of right-of-use asset	(9)	25
Foreign currency translation	(69)	(76)
Stock based compensation	1,471	580
Non-cash interest expense and other financing costs	—	(13)
Receipt of finance lease receivable	133	169
Deferred tax recovery	(200)	—
Cash flow from operating activities before changes in non-cash working capital	6,628	3,724
Changes in non-cash working capital related to operating activities (note 12)	(3,761)	(2,060)
<b>Cash flow from operating activities</b>	<b>2,867</b>	<b>1,664</b>
<b>Investing activities</b>		
Change in non-cash working capital related to investing activities (note 12)	(2,466)	2,229
Purchase of property and equipment (note 3)	(19,330)	(11,294)
Purchase of investment (note 5)	(2,033)	—
<b>Cash flow used in investing activities</b>	<b>(23,829)</b>	<b>(9,065)</b>
<b>Financing activities</b>		
Proceeds from debt	582	274
Repayment of debt	(8,239)	(1,042)
Payment of finance lease liability (note 7)	(1,038)	(817)
Proceeds from share issuance, net of costs (note 8)	28,667	23,576
Proceeds from exercise of stock options	66	34
<b>Cash flow from financing activities</b>	<b>20,038</b>	<b>22,025</b>
Net change in cash in the period	(924)	14,624
Cash, beginning of period	2,656	5,763
<b>Cash, end of period</b>	<b>\$ 1,732</b>	<b>\$ 20,387</b>

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**ZEDCOR INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026 and 2025**  
(Unaudited)  
IN THOUSANDS OF CANADIAN DOLLARS

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**1. CORPORATE INFORMATION**

Zedcor Inc. (the “Company”) was formed under the laws of Alberta as a corporation on August 10, 2011. The Company is a technology enabled business 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 service centers throughout Texas, California, Florida, Colorado, Nevada, and 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 of 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, 2025, except as presented in note 2C. 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, 2025.

These condensed consolidated interim financial statements were approved by the Board of Directors on May 20, 2026.

**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.

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**c) New accounting policies**

*Financial Instruments – Equity Investments*

The Company initially recognizes equity investments at fair value on the date that the investment is made. The Company has elected to irrevocably designate certain equity investments as at fair value through other comprehensive income (“FVOCI”) in accordance with IFRS 9. These investments are held for strategic purposes rather than trading. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the investment revaluation reserve. Upon disposal, accumulated gains or losses are transferred within equity to retained earnings and are not reclassified to profit or loss. Dividends on these investments are recognized in profit or loss when the Company’s right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment.

**d) Amended Accounting Policies**

Certain amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures have been adopted by the Corporation in the period. The amendment addresses the classification and measurement of financial instruments with an emphasis on clarifying the date of recognition and derecognition of financial assets and liabilities. These amendments are effective for annual periods starting on or after January 1, 2026. There is no material impact on the Company’s condensed consolidated interim financial statements as a result of the adoption of these amendments.

**ZEDCOR INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**3. PROPERTY AND EQUIPMENT**

<b>Cost</b>	<b>Security towers &amp; equipment</b>	<b>Automotive &amp; other equipment</b>	<b>Office furniture &amp; equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>At December 31, 2024</b>	53,617	225	3,006	405	57,253
Additions	62,549	107	1,909	957	65,522
Disposals	(249)	—	(129)	(101)	(479)
Effect of foreign exchange	(1,277)	—	(232)	—	(1,509)
<b>At December 31, 2025</b>	114,640	332	4,554	1,261	120,787
Additions	18,654	122	135	419	19,330
Disposals	(106)	—	—	(552)	(658)
Effect of foreign exchange	1,335	6	32	12	1,385
<b>At March 31, 2026</b>	134,523	460	4,721	1,140	140,844

<b>Accumulated depreciation</b>	<b>Security towers &amp; equipment</b>	<b>Automotive &amp; other equipment</b>	<b>Office furniture &amp; equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>At December 31, 2024</b>	12,635	70	1,658	176	14,539
Depreciation	9,252	75	625	226	10,178
Elimination on disposal	(90)	—	(131)	(93)	(314)
Effect of foreign exchange	(91)	—	—	—	(91)
<b>At December 31, 2025</b>	21,706	145	2,152	309	24,312
Depreciation	3,655	22	208	29	3,914
Disposals	(61)	—	—	(71)	(132)
Effect of foreign exchange	98	2	7	7	114
<b>At March 31, 2026</b>	25,398	169	2,367	274	28,208

<b>Net Book Value</b>	<b>Security towers &amp; equipment</b>	<b>Automotive &amp; other equipment</b>	<b>Office furniture &amp; equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>At December 31, 2025</b>	92,934	187	2,402	952	96,475
<b>At March 31, 2026</b>	109,125	291	2,354	866	112,636

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 March 31, 2026 no indicators of impairment were identified for the Security & Surveillance CGU.

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**4. RIGHT-OF-USE ASSETS**

<b>Cost</b>	<b>Properties</b>	<b>Automotive</b>	<b>Equipment</b>	<b>Total</b>
<b>At December 31, 2024</b>	4,611	3,454	422	8,487
Additions	8,238	3,936	—	12,174
Disposals	(154)	(934)	—	(1,088)
Effect of foreign exchange	(108)	(87)	—	(195)
<b>At December 31, 2025</b>	12,587	6,369	422	19,378
Additions	667	1,284	—	1,951
Disposals	(2,161)	—	—	(2,161)
Effect of foreign exchange	174	67	—	241
<b>At March 31, 2026</b>	11,267	7,720	422	19,409

<b>Accumulated Depreciation</b>	<b>Properties</b>	<b>Automotive</b>	<b>Equipment</b>	<b>Total</b>
<b>At December 31, 2024</b>	1,667	760	198	2,625
Depreciation	1,350	1,673	32	3,055
Disposals	(154)	(652)	—	(806)
Effect of foreign exchange	116	(39)	—	77
<b>At December 31, 2025</b>	2,979	1,742	230	4,951
Depreciation	628	575	8	1,211
Disposals	(909)	—	—	(909)
Effect of foreign exchange	23	24	—	47
<b>At March 31, 2026</b>	2,721	2,341	238	5,300

<b>Net Book Value</b>	<b>Properties</b>	<b>Automotive</b>	<b>Equipment</b>	<b>Total</b>
<b>At December 31, 2025</b>	9,608	4,627	192	14,427
<b>At March 31, 2026</b>	8,546	5,379	184	14,109

During the quarter ended March 31, 2026 the Company entered into a sublease arrangement related to a leased facility previously recognized as a right-of-use asset. Accordingly, the Company derecognized the related right-of-use asset and recognized a lease receivable representing the net investment in the sublease. As at March 31, 2026, the related lease receivable is \$722.

**ZEDCOR INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
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**5. INVESTMENT**

	Carrying amount
Investment at December 31, 2025	—
Purchase of preferred shares	2,033
Investment at March 31, 2026	2,033

The Company purchased 412,337 preferred shares in a privately held company for which there is no active market for a total of \$2,033. Accordingly, they are classified as Level 3 in the fair value hierarchy under IFRS 13, as the inputs used in the valuation technique are not based on observable market data. At March 31, 2026, the fair value as determined based on recent transaction prices.

**Risk Exposure**

The Company's maximum exposure to loss on these investments is the carrying amount of \$2,033 (as at December 31, 2025 - \$nil). The investments is not hedged but the Company will monitor the financial performance and strategic value of investees on an ongoing basis.

**6. CREDIT FACILITIES**

	Interest rate	Final maturity	Facility maximum	Outstanding as at March 31, 2026	Outstanding as at December 31, 2025
Revolving Operating Loan	Prime + 1.00%	Oct 2028	75,000	31,753	39,898
Equipment Financing	Various	Various	N/A	1,597	1,121
				33,350	41,019
Current portion				(625)	(425)
Long term debt				32,725	40,594

On October 6, 2025, the Company entered into an agreement with a bank in Canada for a \$50.0 million revolving operating loan, which was subsequently increased by \$25.0 million, to \$75.0 million, on February 3, 2026. The Company also has an uncommitted revolver as part of the Revolving Operating Loan for an additional \$25.0 million.

The interest is payable at Prime plus the Applicable Margin. The Applicable Margin means, the percentage per annum applicable to the Net Funded Debt to EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) ratio. As at March 31, 2026 the Applicable Margin was 1.00% (as at December 31, 2025 – 1.25%). As at March 31, 2026 the Canadian Prime interest rate is 4.45% (as at December 31, 2025 – 4.45%).

The revolving operating loan 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 end of each fiscal quarter; and
- A Fixed Charge Coverage Ratio of no less than 1.15:1.00 as at the end of each fiscal quarter.

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The revolving operating loan is secured with a first charge over the Company's current and future assets, a general security agreement, and other standard financial and non-financial security. As at March 31, 2026, 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 March 31, 2026, the Company had \$1,597 outstanding with respect to these specific financing agreements (as at December 31, 2025 - \$1,121).

As at March 31, 2026 the Company also has a letter of credit facility of \$240 (as at December 31, 2025 - \$240). The facility is unused as at March 31, 2026.

**7. LEASE LIABILITIES**

	<b>Properties</b>	<b>Automotive</b>	<b>Equipment</b>	<b>Total</b>
<b>At December 31, 2024</b>	5,633	2,522	49	8,204
Repayments	(2,150)	(1,744)	(49)	(3,943)
Additions	8,238	3,935	—	12,173
Disposals	—	(269)	—	(269)
Effect of foreign exchange	(17)	(11)	—	(28)
<b>At December 31, 2025</b>	11,704	4,433	—	16,137
Repayments	(463)	(575)	—	(1,038)
Additions	667	1,284	—	1,951
Disposals	(713)	—	—	(713)
Effect of foreign exchange	147	68	—	215
<b>At March 31, 2026</b>	11,342	5,210	—	16,552
<b>Maturity Analysis</b>				<b>Total</b>
Current				5,317
Long term				11,235
<b>At March 31, 2026</b>				16,552

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**FOR THE THREE MONTHS ENDED MARCH 31, 2026 and 2025**  
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**8. SHARE CAPITAL**

<b>Common shares issued and fully paid:</b>		
<small>(Stated in thousands of Canadian dollars, except number of shares)</small>	<b>Number of shares</b>	<b>\$</b>
<b>Balance, December 31, 2024</b>	<b>96,062,457</b>	<b>131,317</b>
Issued on exercise of stock options	1,067,333	607
Issued on vesting of restricted share units	1,100,772	1,069
Share issuance, net of share issue costs	7,555,500	23,493
<b>Balance, December 31, 2025</b>	<b>105,786,062</b>	<b>156,486</b>
Issued on exercise of stock options	57,667	100
Share issuance, net of share issue costs	5,084,000	28,667
<b>Balance, March 31, 2026</b>	<b>110,927,729</b>	<b>185,253</b>

On February 11, 2026 the Company issued 5,084,000 shares at \$6.00 per Offered Share for gross proceeds of \$30,504 with share issue costs of \$1,837. As at March 31, 2026 the company had 110,927,729 shares outstanding (as at December 31, 2025 – 105,786,062 shares outstanding).

**9. STOCK BASED COMPENSATION**

**(a) Stock options**

Changes in outstanding and exercisable employee stock options are as follows:

	<b>Number of options</b>	<b>Remaining contractual life in years</b>	<b>Weighted average exercise price</b>
<b>Options as at December 31, 2024</b>	3,441,668	3.47	0.92
Options exercised	(1,067,333)	—	0.33
Options forfeited	(16,667)	—	0.58
<b>Options as at December 31, 2025</b>	2,357,668	3.28	1.19
Options exercised	(57,667)	—	1.15
<b>Options as at March 31, 2026</b>	2,300,001		1.19
<b>Options vested/exercisable at March 31, 2026</b>	791,663	—	1.14

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**(b) Restricted share units (RSUs)**

RSUs issued, outstanding, and the weighted average remaining life of the RSUs:

	Number of RSUs	Remaining contractual life in years
<b>RSUs as at December 31, 2024</b>	2,925,003	1.53
RSUs vested & exercised	(1,100,772)	—
RSU forfeited	(684,224)	—
RSUs granted	3,153,500	1.44
<b>RSUs as at December 31, 2025</b>	4,293,507	1.24
RSU forfeited	(80,000)	—
<b>RSUs as at March 31, 2026</b>	4,213,507	0.99

The Company may settle any vested RSUs by issuing cash or shares. As at March 31, 2026, the Company intends to settle vested RSU through the issuance of shares and, accordingly, these RSUs are treated as equity settled stock based payments.

**(c) Deferred share units (DSUs)**

The Company has 1,000,000 outstanding DSUs as at March 31, 2026 (as at December 31, 2025 – 1,000,000). Of the 1,000,000 outstanding DSUs, 666,665 are vested as at March 31, 2026 (as at December 31, 2025 – 666,665).

**10. 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	
	March 31, 2026	March 31, 2025
Net (loss) income for the period attributable to shareholders	(278)	622
Weighted average number of shares outstanding – basic	107,637,799	100,625,673
(Loss) earnings per share – basic	(0.00)	0.01
Weighted average number of shares outstanding – basic	107,637,799	100,625,673
Stock option dilution	—	2,291,697
Restricted share dilution	—	2,800,003
Deferred share dilution	—	1,000,000
Weighted average number of shares outstanding – diluted	107,637,799	106,717,373
(Loss) earnings per share – diluted	(0.00)	0.01

The Company reported a net loss for the quarter ended March 31, 2026, therefore all outstanding stock options, restricted share units, and deferred share units are considered anti-dilutive and not included within the diluted EPS calculation.

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**11. FINANCE COSTS**

Finance costs are comprised of the following:

	<b>For the three months ended</b>	
	<b>March 31,</b>	<b>March 31,</b>
	<b>2026</b>	<b>2025</b>
Bank charges and interest	53	19
Interest on debt	551	351
Interest income	—	(91)
Interest on finance leases	412	159
	<b>1,016</b>	<b>438</b>

**12. CHANGES IN NON-CASH WORKING CAPITAL**

Changes in non-cash working capital related to operating activities:

	<b>March 31, 2026</b>	<b>March 31, 2025</b>
Accounts receivable	(1,682)	(881)
Inventory	61	(1)
Prepaid expenses and deposits	(393)	(679)
Accounts payable and accrued liabilities related to operating activities	(1,747)	(499)
Accounts payable and accrued liabilities related to investing activities	(2,466)	2,229
<b>Change in non-cash working capital</b>	<b>(6,227)</b>	<b>169</b>
Change in non-cash working capital included in operating activities	(3,761)	(2,060)
Change in non-cash working capital included in investing activities	(2,466)	2,229
Supplementary information:		
Cash interest paid	944	343
Taxes recovered	—	—

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(Unaudited)  
IN THOUSANDS OF CANADIAN DOLLARS

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**13. 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 ended March 31, 2026 and 2025:

<b>Three months ended March 31, 2026</b>	<b>Canada</b>	<b>US</b>	<b>Corporate</b>	<b>Total</b>
<b>Revenues</b>	9,693	9,711	—	19,404
<b>Direct expenses</b>				
Direct operating costs	1,906	2,286	—	4,192
Depreciation of property & equipment	1,477	2,216	—	3,693
	3,383	4,502	—	7,885
<b>Gross margin</b>	6,310	5,209	—	11,519
<b>Operating expenses</b>				
General and administrative	1,526	3,115	2,924	7,565
Stock based compensation expense	—	—	1,471	1,471
Depreciation of other property and equipment	111	14	96	221
Depreciation of right-of-use assets	302	539	370	1,211
Loss on disposal of property & equipment	—	455	—	455
Gain on disposal of right-of-use-assets	—	—	(9)	(9)
	1,939	4,123	4,852	10,914
<b>Other expenses</b>				
Finance costs	59	133	824	1,016
Foreign exchange loss	63	—	4	67
	122	133	828	1,083
<b>Income (loss) before taxes</b>	<b>4,249</b>	<b>953</b>	<b>(5,680)</b>	<b>(478)</b>

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<b>Three months ended March 31, 2025</b>	<b>Canada</b>	<b>US</b>	<b>Corporate</b>	<b>Total</b>
<b>Revenues</b>	8,119	3,357	—	11,476
<b>Direct expenses</b>				
Direct operating costs	1,735	790	—	2,525
Depreciation of property & equipment	1,003	652	—	1,655
	2,738	1,442	—	4,180
<b>Gross margin</b>	5,381	1,915	—	7,296
<b>Operating expenses</b>				
General and administrative	1,152	1,626	2,064	4,842
Stock based compensation expense	—	—	580	580
Depreciation of other property and equipment	136	—	7	143
Depreciation of right-of-use assets	263	243	113	619
Loss on disposal of right-of-use assets	25	—	—	25
	1,576	1,869	2,764	6,209
<b>Other expenses</b>				
Finance costs	53	14	371	438
Foreign exchange loss	27	—	—	27
	80	14	371	465
<b>Income (loss) before taxes</b>	<b>3,725</b>	<b>32</b>	<b>(3,135)</b>	<b>622</b>

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 March 31, 2026 and March 31, 2025:

<b>As at March 31, 2026</b>	<b>Canada</b>	<b>US</b>	<b>Corporate</b>	<b>Total</b>
Property and equipment	37,643	72,870	2,123	112,636
Right-of-use assets	2,378	10,412	1,319	14,109

  

<b>As at March 31, 2025</b>	<b>Canada</b>	<b>US</b>	<b>Corporate</b>	<b>Total</b>
Property and equipment	25,408	24,267	2,515	52,190
Right-of-use assets	2,088	2,944	1,171	6,203

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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 March 31, 2026, 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.

The Company's investment in a privately held entity has been irrevocably designated as FVOCI. The fair value of the investment approximates its carrying value as it was determined based on recent transactions.

**15. SUBSEQUENT EVENTS**

On April 13, 2026, the Company granted 3,247,000 RSUs to certain employees, directors, and officers under its equity compensation plan. The RSUs vest in three equal tranches annually over a three-year period from the grant date, subject to continued service. The Company will recognize stock based compensation expense over the applicable vesting period commencing on the grant date.