

ZEDCOR INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Dated May 20, 2026



ZEDCOR INC.

Management's Discussion and Analysis

For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

The following management's discussion and analysis ("MD&A") provides an overview of the events and transactions that have affected the performance of Zedcor Inc. (the "Company" or "our" or "we") for the three months ended March 31, 2026 when compared to the three months ended March 31, 2025. The MD&A should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto of Zedcor Inc. for the years ended December 31, 2025 and 2024 and the condensed consolidated interim financial statements for the three months ended March 31, 2026. These condensed consolidated financial statements are available on the Company's website at www.zedcor.com as well as on SEDAR+ at www.sedarplus.ca.

This MD&A is management's assessment of the Company's operations and financial results, as well as management's view of future prospects. These assessments and views are based on certain assumptions related to future events which are uncertain. Statements related to assessments and views which are not statements of historical fact are considered to be forward-looking statements. For a discussion on the risks and uncertainties related to such information please refer to "Forward-Looking Statements" at the end of this MD&A.

This MD&A has been prepared by management and reviewed and approved by the Board of Directors of Zedcor Inc. as of May 20, 2026.

OVERVIEW AND CORPORATE PROFILE

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 MobileyeZ™ platform in Canada and the United States of America ("USA"), 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 USA expansion and has the capacity to service various markets with physical branch locations in Texas, Arizona, Colorado, Nevada, Florida, and California with continued expansion expected throughout 2026.

The Company operates a fleet of proprietary MobileyeZ™ security towers, equipped with high resolution, technology-based cameras, and monitors numerous fixed site locations for customers across various industries. Video from security towers and fixed site locations is streamed to the Company's central monitoring station where video alarms are live verified and responded to based on customer requirements. Zedcor also offers high level security guard services to enterprise level customers who are interested in supplementing video-based security for valuable, high risk, or mission critical operational assets.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

EXECUTIVE SUMMARY:

Selected Financial Highlights

(in \$000s, except per share amounts)	Three months ended March 31		Three months ended December 31
	2026	2025	2025
Revenue	19,404	11,476	17,882
EBITDA ¹	5,663	3,477	5,065
Adjusted EBITDA ¹	7,647	4,109	7,068
Adjusted EBITDA per share - basic ¹	0.07	0.04	0.07
Adjusted EBIT ¹	538	1,060	853
Net (loss) income	(278)	622	1,504
Net (loss) income per share			
Basic	(0.00)	0.01	0.01
Diluted	(0.00)	0.01	0.01

¹ See Financial Measures Reconciliations below

Zedcor recorded \$19,404 of revenue for the three months ended March 31, 2026. This compares to \$11,476 of revenue from the three months ended March 31, 2025. The revenue growth of 69% year over year was due to:

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

Quarter over quarter the Company's total revenue was up \$1,522 or 9%. Revenue increased quarter over quarter as a result of a larger fleet of security towers, revenue growth in the USA through customer acquisition, and growing revenues from existing customers, offset by lower revenues in Canada.

Adjusted EBITDA was \$7,647 for the three months ended March 31, 2026, compared to \$4,109 for the three months ended March 31, 2025. This was an increase of \$3,538 or 86%. Adjusted EBITDA increased year over year due to higher revenues and operating cost controls, offset by the increase in administrative and sales staff costs due to continued USA growth. Adjusted EBITDA margin for the three months ended March 31, 2026 was 39% as compared to 36% for the three months ended March 31, 2025.

The Company's security and surveillance services saw increased revenues and EBITDA for the three months ended March 31, 2026 compared to three months ended March 31, 2025 due largely to increased customer demand of its larger fleet of MobileyeZ security towers and expanded USA presence. Utilization rates remain strong throughout Q1 2026 for the company's USA and Canada fleet.

Financial and operational highlights for the three months ended March 31, 2026 include:

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

- For the three months ended March 31, 2026, the Company recorded a net loss before tax of (\$278), compared to net income before tax of \$622 in the prior year. The decrease reflects continued investment in scaling the business in the USA, resulting in higher G&A costs, depreciation, stock-based compensation, and financing expenses.
- On February 3, 2026, the Company expanded its credit facility to \$75 million in total committed borrowing with its primary lender. In addition to this non-dilutive capital, the Company announced on February 11, 2026, a bought deal public offering of 5,084,000 common shares at \$6.00 per share for gross proceeds of \$30.5 million. Together, these financings support the acceleration of its growth strategy in the USA, expansion of its security tower fleet across Canada and the USA, and continued buildout of its service and sales platform in the USA.
- The Company consolidated its Houston head office and manufacturing operations into one larger facility to improve production scalability and streamline corporate functions. The Company also expanded its centralized live monitoring team in Houston to support increased tower deployments across the USA. As expansion continues, the Company remains focused on improving economies of scale, increasing manufacturing efficiency and volume, and reducing operating costs while maintaining high customer service levels.
- Continued expansion into key USA markets, including major California and Florida regions. The Company continues to see strong demand outside Texas, with recently established locations experiencing strong growth.
- Significant customer wins in the logistics/ warehousing and residential home building segments across the USA and Canada. We anticipate demand in this vertical to continue to increase as we expand our footprint in the US. This growth in the company's customer base has decreased the reliance on any one customer.
- On track USA expansion. Zedcor exited Q1 2026 with 1,878 MobileyeZ™ located in the USA which represents a growth of 1,314 units or 233%, expanded the base of operations with the ability to serve customers coast to coast and continued positive business development with both existing and new USA customers.
- The Company continued to expand its manufacturing capabilities, producing 475 Solar MobileyeZ™ Security Towers in three months ended March 31, 2026. This is an average of 43 towers per week despite some weeks being lost due to the consolidation of manufacturing facilities in Houston. Production capacity sits at 45-50 towers per week with the ability to increase this without significant capital expenditures.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

SELECTED QUARTERLY FINANCIAL INFORMATION

	Mar 31 2026	Dec 31 2025	Sep 30 2025	Jun 30 2025	Mar 31 2025	Dec 31 2024	Sep 30 2024	Jun 30 2024
(Unaudited - in \$000s)								
Revenue	19,404	17,882	16,020	13,536	11,476	10,334	9,152	7,372
Net (loss) income	(278)	1,504	131	460	622	380	310	1,409
Adjusted EBITDA¹	7,647	7,068	5,739	4,933	4,109	4,002	3,409	2,695
Adjusted EBITDA per share - basic¹	0.07	0.07	0.05	0.05	0.04	0.04	0.04	0.03
Net (loss) income per share								
Basic	(0.00)	0.01	0.00	0.00	0.01	0.01	0.00	0.02
Diluted	(0.00)	0.01	0.00	0.00	0.01	0.01	0.00	0.02
Adjusted free cash flow¹	2,750	10,687	7,747	931	1,526	3,305	3,705	1,018

¹ See Financial Measures Reconciliations below

OPERATING SEGMENT REVIEW

The Company structured its operations in one operating and reportable segment, Security & Surveillance, based on the way that management organizes the Company's business for making operating decisions and assessing performance.

Security & Surveillance Segment

The S&S segment provides technology-based security solutions and operates a fleet of security towers equipped with high resolution security cameras and disturbance sensors. The North America monitoring centers provide 24/7 Live, Verified Video Monitoring™ to support the fleet of towers and remote monitoring for fixed camera installations. In addition, the segment offers on-site security personnel to customers across all market segments.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

SECURITY & SURVEILLANCE RESULTS

(in \$000s)	Three months ended		
	2026	2025	March 31 % change
Security & surveillance service revenue	19,186	11,366	69%
Security personnel, camera sales and other service revenue	218	110	98%
Total revenue	19,404	11,476	69%
Security & surveillance service operating costs	4,092	2,517	63%
Security personnel, camera sales and other service operating costs	99	8	1,138%
Total operating costs	4,191	2,525	66%
Depreciation of operating assets*	3,693	1,655	123%
Gross Margin	11,520	7,296	58%
Security & surveillance service margin %	59%	63%	
Security personnel, camera sales and other service margin %	55%	93%	

* Depreciation excludes gain/loss on disposal of assets in segment results.

Operational Review

Q1 2026 vs Q1 2025

S&S segment revenue is driven by utilization and service of its security tower fleet, service revenue related to security personnel and camera installations, and remote monitoring of fixed site locations. For the three months ended March 31, 2026, revenue increased by 69% compared to the three months ended March 31, 2025. The increase in Q1 2026 revenue reflects the Company's expanded fleet of MobileyeZ™ security towers, diversified customer base and growth in the Company's geographical footprint. The fleet grew 108% and maintained high utilization rates throughout Q1 2026. Strong customer demand continues to be driven by:

- a. a need for better physical security services;
- b. operational cost savings for customers;
- c. macro-economic factors such as labour shortages; and
- d. increased spending on infrastructure.

These factors allowed Zedcor to expand its fleet of MobileyeZ™, expand its geographical footprint and diversify its customer base across Canada and in the USA.

Security Personnel, Camera Sales and Other Service Revenue

Q1 2026 vs Q1 2025

Revenue for the three months ended March 31, 2026 was \$218 compared to \$110 for the three month period ended March 31, 2025. These are ancillary services on which the Company is placing less emphasis on to better service the growth of the main service offerings of MobileyeZ™ tower monitoring. Revenue will fluctuate from quarter to quarter based on the types of projects and amount of fixed installations that can be completed.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

Gross Margins

Q1 2026 vs Q1 2025

Security & surveillance service margin decreased by four percentage points for the three months ended March 31, 2026 when compared to the three months ended March 31, 2025. The decrease in margin was the result of higher depreciation on a larger tower fleet offset by 1) fleet mix consisting of newer towers resulting in lower maintenance costs; 2) realized efficiencies from our AI at the edge camera upgrades which reduced alarms; and 3) reduced data streaming costs also driven by the AI camera upgrades.

Security personnel, camera sales and other services margin percentage will fluctuate depending on sales mix. These are ancillary services on which the Company is placing less emphasis on to better service the growth of the main service offerings of MobileyeZTM tower monitoring.

GEOGRAPHIC REVIEW

The USA and Canada regions operate fleets of security towers equipped with high resolution security cameras and sensors. A central command center provides 24/7 Live, Verified Video Monitoring™ to support the fleet of towers throughout both countries, and remote monitoring for fixed camera installations.

CANADA RESULTS

(in \$000s)	Three months ended March 31		
	2026	2025	% change
Revenue	9,693	8,119	19%
Direct operating expenses	1,906	1,735	10%
Depreciation of equipment	1,477	1,003	47%
	<u>3,383</u>	<u>2,738</u>	24%
Gross margin	6,310	5,381	17%
Operating expenses			
General & administrative	1,526	1,152	32%
Depreciation of other property & equipment	111	136	(18%)
Depreciation of right-of-use assets	302	263	15%
Loss on disposal of right-of-use asset	—	25	—
	<u>1,939</u>	<u>1,576</u>	23%
Other (income) expenses			
Finance costs	59	53	11%
Foreign exchange (gain) loss	63	27	133%
	<u>122</u>	<u>80</u>	53%
Income before income taxes	<u>4,249</u>	<u>3,725</u>	14%

Revenue - Canada

Q1 2026 vs Q1 2025

Revenue for the three months ended March 31, 2026 was \$9,693 as compared to \$8,119 for the three month period ended March 31, 2025. Revenue for the quarter increased 19% as a result of the growth of the fleet, new and existing customer growth, and strong demand.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

Gross Margin – Canada

Q1 2026 vs Q1 2025

Gross margin was 65% in the three months ended March 31, 2026 as compared to 66% from the period ended March 31, 2025. This decrease in gross margin is due to higher depreciation on a larger tower fleet, offset by cost controls and realized efficiencies from its camera upgrades. Net income before taxes for the three months ended March 31, 2026 was \$4,249 as compared to \$3,725 for the three month period ended March 31, 2025. Investments in artificial intelligence technology resulted in a reduction of monitoring costs, a decrease in false alarms, and a reduction in streaming costs as the cameras were upgraded throughout the fleet.

UNITED STATES OF AMERICA RESULTS

(in \$000s)	Three months ended March 31		
	2026	2025	% change
Revenue	9,711	3,357	189%
Direct operating expenses	2,286	790	189%
Depreciation of equipment	2,216	652	240%
	4,502	1,442	212%
Gross margin	5,209	1,915	172%
Operating expenses			
General & administrative	3,115	1,626	92%
Depreciation of other property & equipment	14	—	—
Depreciation of right-of-use assets	539	243	122%
Loss on disposal of property & equipment	455	—	—
	4,123	1,869	121%
Other (income) expenses			
Finance costs	133	14	850%
Foreign exchange loss	—	—	—
	133	14	850%
Income before income taxes	953	32	2878%

Revenue - United States of America

Q1 2026 vs Q1 2025

Revenue for the three months ended March 31, 2026 was \$9,711 as compared to \$3,357 for the three month period ended March 31, 2025. The increase in revenue reflects continued expansion across the USA, driven by growth from established customers, strong market demand, an expanding fleet of towers, and the addition of new customers in new and existing geographies.

Gross Margin - United States of America

Q1 2026 vs Q1 2025

Gross margin percent was 54% in the three months ended March 31, 2026, compared to 57% in the three month period ended March 31, 2025. This decrease in gross margin is due to higher depreciation on a larger tower fleet, offset by cost controls and operational efficiency. The Company anticipates

ZEDCOR INC.
Management’s Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

continued growth throughout 2026 by expanding its sales force across the country with new locations across the USA.

OTHER EXPENSES

(in \$000s)	Three months ended March 31		
	2026	2025	% change
General and administrative	7,565	4,842	56%
Stock Compensation Expense	1,471	580	154%
Depreciation of administrative assets	221	143	55%
Depreciation of right-of-use assets	1,211	619	96%
Finance costs	1,016	438	132%

For the three months ended March 31, 2026:

- Total general and administrative expenses increased 56% as compared to the same quarter in 2025. This increase to general and administrative costs of \$2,723 was due to headcount increases in sales, operations management staff, administrative staff, and costs associated with the continued expansion into the USA market.
- Depreciation of right-of-use assets increased by 96%, due to a larger vehicle fleets as a result of headcount increases, an increase in the number of service branches across the US, and the addition of a larger, combined head office and manufacturing site in Houston, Texas.
- Finance costs increased by 132% as a result of higher total debt to support the expansion of the MobileyeZ™ fleet and expansion across the US.

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, equity issuance, 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 continued expanding its service offering throughout the USA. As at March 31, 2026 the USA total fleet was 1,878; This compares to Canada with a fleet of 1,383.

Priorities that the Company intends to focus on for the remainder of 2026 include:

- 1) Expanding operations in the USA by establishing new service locations and continuing to grow revenue in Canada. Zedcor’s innovative products, coupled with the Company’s commitment to customer service, are perfectly situated to continue disrupting the traditional security market.
- 2) With the strong demand that Zedcor is seeing for its security towers, the Company continues to take further control of its supply chain and scale production capacity with the larger manufacturing facility. 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 additional AI based technology that is actively monitored as well as a mobile security product with a smaller footprint.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

- 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 expects to continue to generate positive earnings per share and to, grow investor interest in the Company.

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 compensation expense over the applicable vesting period commencing on the grant date.

LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

The following table shows a summary of the Company's cash flows by source or (use) for the three months ended March 31, 2026 and 2025:

(in \$000s)	Three months ended March 31			
	2026	2025	\$ Change	% Change
Cash flow from operating activities	2,867	1,664	1,203	72%
Cash flow used in investing activities	(23,829)	(9,065)	(14,764)	(163%)
Cash flow from financing activities	20,038	22,025	(1,987)	(9%)

The following table presents a summary of working capital information:

(in \$000s)	Three months ended March 31			
	2026	2025	\$ Change	% Change
Current assets	19,440	31,270	(11,830)	(38%)
Current liabilities *	17,379	16,285	1,094	7%
Working capital	2,061	14,985	(12,924)	(86%)

*Includes \$0.6 million of debt and \$5.3 million of lease liabilities in 2026 and \$0.4 million of debt and \$4.7 million of lease liabilities in 2025.

The primary uses of funds are operating expenses, maintenance and growth capital spending, interest and principal payments on debt facilities. Liquidity declined from \$14,985 in 2025 to \$2,061 in 2026. The Company has access to credit as part of its revolving line of credit and actively manages that as part of ongoing capital requirements. The Company has a variety of sources available to meet these liquidity needs, including cash generated from operations and proceeds from equity financings completed. 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.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

Principal Credit Facility

(in \$000s)	Interest rate	Final maturity	Facility maximum	Outstanding as at March 31, 2026	Outstanding as at December 31, 2025
	Prime +				
Revolving Operating Loan	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 million revolving operating loan, which was subsequently increased by \$25 million, to \$75 million, on February 3, 2026.

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%).

- A Net Funded Debt to EBITDA ratio of no more than 3.50:1.00, as at the end of each Fiscal Quarter and at the time of any Distribution.
- A Fixed Charge Coverage Ratio of no less than 1.15:1.00 as at the end of each Fiscal Quarter and at the time of any Distribution.

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 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 (as at December 31, 2025 the facility was unused).

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.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

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 March 31, 2026, no one customer makes up 10% or more of the Company's accounts receivable balance (as at March 31, 2025 – no one customer accounted for more than 10%).

COMMITMENTS AND OBLIGATIONS

The following table shows the undiscounted contractual maturities of the Company's financial liabilities and finance and operating lease obligations as at March 31, 2026:

	1 Year	2-3 years	4-5 years	Thereafter	Total	Carrying value
Accounts payable and accrued liabilities	11,437	—	—	—	11,437	11,437
Current debt	2,504	—	—	—	2,504	625
Long-term debt	—	35,934	9	—	35,943	32,725
Finance lease liabilities	6,751	8,334	3,439	1,742	20,266	16,552
Total	20,692	44,268	3,448	1,742	70,150	61,339

OUTSTANDING SECURITIES

At May 20, 2026, the Company had the following securities outstanding:

- 110,927,729 common shares issued and outstanding;
- 8,482,339 restricted share units and deferred share units; 666,665 DSUs and 33,332 RSUs are exercisable; and
- 2,300,001 options are outstanding with exercise prices ranging from \$0.50 per share to \$1.25 per share.

RELATED PARTY TRANSACTIONS

The Company had the following related party transactions for the three months ended March 31, 2026:

- \$93 in wages paid to close family members of an executive officer (three months ended March 31, 2025 - \$79).
- \$165 in promotional products purchased from a company owned by a close family member of an executive officer (three months ended March 31, 2025 - \$67).

These related party transactions are in the normal course of business and have been recorded at the exchange amount. At March 31, 2026 the amounts receivable from related parties was \$nil and amounts payable to related parties was \$45 (as at March 31, 2025 - \$27 receivable and \$14 payable).

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

RISKS

For purposes of this MD&A, "AI" refers to software algorithms and machine learning models that process data, identify patterns, classify alarms, and perform tasks that may otherwise require human analysis or intervention. The Company's security towers incorporate AI enabled capabilities including object detection related to humans and cars, motion analysis, behavioral analytics, anomaly detection, and automated alert generation. The Company's AI technology is licensed from third-party providers. The Company is developing governance measures to oversee its AI systems to mitigate risks inherent with the technology, including data handling protocols, and compliance monitoring.

ACCOUNTING POLICIES

The Company's accounting policies are set out in Note 3 of the Annual Consolidated Financial Statements. Additionally, the Company has elected a new accounting policy relating to the recognition of equity investments in accordance with IFRS 9, as referenced in Note 2 of the Condensed Consolidated Interim Financial Statements for the three-months ended March 31, 2026.

FINANCIAL MEASURES RECONCILIATIONS

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, 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.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

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

(in \$000s)	Three months ended March 31	
	2026	2025
Net (loss) income	(278)	622
Add:		
Finance costs	1,016	438
Depreciation of property & equipment	3,914	1,798
Depreciation of right-of-use assets	1,211	619
Deferred tax recovery	(200)	—
EBITDA	5,663	3,477
Add (deduct):		
Stock based compensation	1,471	580
Loss on disposal of property & equipment	455	—
(Gain) loss on disposal of right-of-use asset	(9)	25
Foreign exchange loss	67	27
	1,984	632
Adjusted EBITDA	7,647	4,109

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 March 31	
	2026	2025
Net (loss) income	(278)	622
Add (deduct):		
Finance costs	1,016	438
Deferred tax recovery	(200)	—
Adjusted EBIT	538	1,060

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, less maintenance capital. 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.

ZEDCOR INC.
Management's Discussion and Analysis
For the three months ended March 31, 2026

IN THOUSANDS OF CANADIAN DOLLARS

Adjusted free cash flow from continuing operations is calculated as follows:

(in \$000s)	Three months ended March 31	
	2026	2025
Net (loss) income	(278)	622
Add (deduct):		
Depreciation of property & equipment	3,914	1,798
Depreciation of right-of-use assets	1,211	619
Stock based compensation	1,471	580
Loss on disposal of property & equipment	455	—
Gain (loss) on disposal of right-of-use-asset	(9)	25
Finance costs (non-cash portion)	(72)	(13)
Deferred tax recovery	(200)	—
Maintenance capital	(53)	(45)
	6,439	3,586
Change in non-cash working capital	(3,689)	(2,060)
Adjusted free cash flow	2,750	1,526

FORWARD-LOOKING STATEMENT

Certain statements included in this MD&A constitute forward-looking statements or forward-looking information, including expectations for customer and revenue growth in 2026, the ability of the Company to build out its footprint in the USA 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, expectations regarding the Company's ability to generate positive adjusted EBITDA and positive earnings per share, anticipated use and reallocation of proceeds from prior financings, the Company's product development plans including AI-based technology and mobile security products, the Company's intention to increase its capital markets presence and grow investor interest in the Company, and planned expansion of service locations and sales force in the USA.

Forward-looking statements or information may contain statements with the words "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget", "should", "project", "continue", "will", "would", "may", and "outlook" 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.

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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, that utilization rates will remain strong, and expected fleet numbers, expected utilization rates, customer growth, the Company's continued ability to access sufficient capital including through its credit facility, the ability to attract and retain qualified personnel, general economic conditions remaining stable, the absence of material adverse changes in foreign exchange rates, the impact of tariffs on the Company's business and customer buying trends, that the Company will be able to realize anticipated operating efficiencies and cost savings from AI-based technology investments, and changes in the regulatory environment and political landscape in each of Canada and the United States of America. Material risk factors that could cause actual results to differ materially from the forward-looking statements include: adverse changes in foreign exchange rates, tariffs or trade restrictions affecting the Company's supply chain or customer demand, inability to access sufficient capital, failure to attract or retain qualified personnel, changes in competitive conditions, adverse regulatory or political developments, and general economic downturns. Although management believes these assumptions are reasonable, there can be no assurance that they will prove to be correct, and actual results may 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 MD&A 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 MD&A are expressly qualified by this cautionary statement.

This MD&A 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.

ADDITIONAL INFORMATION

Information about Zedcor Inc. may be found on the SEDAR+ website at www.sedarplus.ca on the Company's website at www.zedcor.com. The Company trades on the TSX Venture Exchange under the symbol ZDC.