



Zedcor Inc. Enters Into Agreement to Sell Rentals Segment Assets for \$11.3 Million

CALGARY, ALBERTA – May 27, 2021: Zedcor Inc. (the "Company" or "Zedcor") (TSX VENTURE: ZDC) today announced it has entered into an agreement with a privately held company, controlled and owned by Maynbridge Capital Inc., to sell the assets of the Company's Rentals segment (the Rentals Assets") for cash proceeds of \$11.3 million (the "Transaction").

Transaction Details:

In addition to the \$11.3 million of cash proceeds, Zedcor will receive:

- a bonus payment of 35% for each dollar of earnings before interest, taxes, depreciation and amortization ("EBITDA") above an annual threshold summarized in the table below which will be calculated on the first, second, and third anniversary dates of the closing of the transaction;
- a management fee in the amount of \$25,000 per month for up to 36 months in exchange for the use of the Zedcor brand and assistance with management of the Rentals Assets pursuant to a management services agreement; and
- an additional \$25,000 per month for the first 20 months for use of certain Zedcor facilities.

Annual Bonus Payment Thresholds:

Anniversary Date	Threshold
First anniversary date of closing	\$3,003,585
Second anniversary date of closing	\$3,241,853
Third anniversary date of closing	\$3,267,691

This sale of the Rentals Assets, which is not subject to any financial conditions, will allow Zedcor to reduce the leverage on its balance sheet, deploy additional capital and focus on expanding its Security & Surveillance business which is seeing increased revenues and customer demand. "The cash proceeds from the sale will be used to reduce high interest indebtedness and put the Company's leverage ratio below two times debt to EBITDA which is in line with conventional lending requirements. It will also provide Zedcor with greater flexibility to expand our Security & Surveillance business across North America," said Todd Ziniuk, President and CEO.

The Company's Board of Directors formed a special committee of independent directors (the "Special Committee") to:

- review and evaluate the terms of the Transaction;
- obtain and supervise the preparation of a fairness opinion; and
- to make a recommendation to the Company's Board of Directors in respect of the Transaction.

The Special Committee retained Paradigm Capital Inc. to provide an opinion as to the fairness of the consideration being offered under the Transaction from a financial point of view.

Based on the fairness opinion received, along with other work completed by the Special Committee, the Special Committee unanimously recommended to the Company's Board of Directors that the Transaction be approved. The voting members of the Company's Board of Directors (with interested director Dean Shillington abstaining), after receiving the unanimous recommendation of the Special Committee, have unanimously determined that the consideration to be received for the Rentals Assets is fair, from a financial point of view, and that it is in the best interests of Zedcor and have unanimously approved the Transaction and have resolved to recommend that the shareholders of Zedcor approve the Transaction.

The Transaction, which is expected to close on or around June 30, 2021, is subject to approval by the TSX Venture Exchange, approval of a majority of the Company's disinterested shareholders, which is anticipated to be received via written consent, and other customary closing conditions. The Company's management and Board of Directors, other than Mr. Shillington, currently hold 30.24% of outstanding common shares and have committed as shareholders to approve the Transaction.

About Zedcor Inc.

Zedcor is a Canadian public corporation and parent company to Zedcor Security Solutions Corp. ("Zedcor Security Solutions"). Zedcor Security Solutions is engaged in the providing security & surveillance services, and rental of surface equipment & accommodations in Western Canada. The Company trades on the TSX Venture Exchange under the symbol "ZDC". Zedcor Security Solutions operates with two business segments: Security & Surveillance and Rentals (formerly Energy Services).

FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this press release constitute forward-looking statements or forward-looking information, including the receipt of additional payments in connection with the Transaction, the Transaction providing the Company with greater flexibility to expand its Security & Surveillance business across North America, the receipt of written consent of the Transaction by a majority of disinterested shareholders and the expected closing date of the Transaction. Forward-looking statements or information may contain statements with the words "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget", "should", "project", "would have realized", "may have been" or similar words suggesting future outcomes or expectations. 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 information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including headwinds from the COVID-19 pandemic and economic turmoil, customer delays and the availability of growth prospects. Additional information regarding some of these risks, uncertainties and other factors may be found in the Company's management's discussion and analysis for the three months ended March 31, 2021, and other documents available on the Company's profile at www.sedar.com. 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 the receipt of TSXV and shareholder approvals of the Transaction and the closing of the Transaction and the ability of the Company to expand its Security & Surveillance business. 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 press 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 press release are expressly qualified by this cautionary statement.

Certain information set out herein may be considered as “financial outlook” within the meaning of applicable securities laws. The purpose of this financial outlook is to provide readers with disclosure regarding Zedcor’s reasonable expectations as to the anticipated results of its proposed business activities for the periods indicated. Readers are cautioned that the financial outlook may not be appropriate for other purposes.

This press release makes reference to certain non-GAAP measures. These measures are not recognized measures under International Financial Report Standards (“IFRS”), do not have a standardized meaning prescribed by IFRS. Investors are cautioned that EBITDA and adjusted EBITDA are not acceptable alternatives to net income, a measurement of liquidity, or comparable measures as determined in accordance with IFRS.

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 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. For further information regarding non-GAAP measures used by the Company, please refer to the management’s discussion and analysis of the Company, copies of which are available on the Company’s SEDAR profile at www.sedar.com.

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