



Zedcor Inc. Announces New Term Loan and Equipment Financing

CALGARY, ALBERTA – **October 18, 2021**: Zedcor Inc. (the “**Company**” or “**Zedcor**”) (TSX-V: ZDC) is pleased to announce that, after discussing alternative competitive financing offers, the Company has entered into a new financing agreement with an Alberta based credit union that offered terms and conditions that most suited the Company’s current needs and future growth plans. The agreement consists of:

- 1) A \$6.1 million term loan that is fully committed for five years. The term loan bears interest at 5.15% and will have monthly blended principal and interest payments of \$115,534. \$4.4 million of the proceeds of the term loan will be used to repay the Company’s outstanding term loan which matures on January 1, 2023. The remaining amount will be used to repay indebtedness that was obtained to finance growth of the Company’s security business and MobileyeZ security tower fleet.
- 2) A \$3.0 million revolving equipment financing facility which will be used to fund the Company’s 2022 capital program. Zedcor is able to draw on this facility at any time for up to 75% of new equipment purchases. The equipment financing draws bear interest at Prime + 2.0% and each draw will be amortized over 5 years with blended principal and interest payments.
- 3) An authorized overdraft facility up to \$3.0 million, secured by the Company’s accounts receivable, up to 75%, less priority payables. The overdraft facility is due on demand and any outstanding overdraft bears interest at Prime + 1.5%.

The new financing agreement is secured with a first charge over the Company’s current and after acquired equipment, a general security agreement, a subordination and postponement agreement with a director of the Company with respect to a note payable, and other standard non-financial security.

The agreement has the following annual financial covenant requirements:

- For the fiscal year end December 31, 2021, a modified debt servicing covenant of 1.25 to 1.00. The modification relates to the amount of debt payments for 2021 being assumed as \$2.2 million.
- For the fiscal year ends December 31, 2022 and onwards, a debt servicing covenant of 1.25 to 1.00 and a funded debt to EBITDA covenant of 3.00 to 1.00.

The expanded credit facility, as well as the covenant flexibility for the 2021 fiscal year end allow the Company to focus on expanding its geographical footprint to markets across Canada and continue to invest in technology. Todd Ziniuk, President and CEO of Zedcor, stated “After a



thorough review process which resulted in the Company receiving numerous financing offers, we are excited to partner with a local financial institution that believes in Zedcor's growth opportunity and offered financing that most suited the Company's needs currently and is focused on helping Zedcor continue to grow our business. This additional financing and significantly lower interest rate free up cash flow so that we can continue to expand our fleet of MobileyeZ, continue to grow the team and expand our brand across Canada."

In addition to completing its financing, the Company is pleased to announce that it has expanded to British Columbia with a new equipment branch located in Chilliwack. The branch opened on October 1 and will allow Zedcor to provide security equipment rentals and service to customers in the Lower Mainland and the Fraser Valley.

About Zedcor Inc.

Zedcor Inc. is a Canadian public corporation and parent company to Zedcor Security Solutions Corp. Driven by our guiding principles of being pioneers, innovators and honest, Zedcor is engaged in providing technology based security & surveillance services in Western and Central Canada. The Company is disrupting the security industry with its three main service offerings to customers across all market segments: 1) rental, service and remote monitoring of its proprietary MobileyeZ security towers; 2) live monitoring of fixed site locations; and 3) security personnel. The Company trades on the TSX Venture Exchange under the symbol "ZDC".

Forward-Looking Statements and Information

Certain statements included in this press release constitute forward-looking statements or forward-looking information. Forward-looking statements or information can be identified by terminology such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "budget", "should", "project", or similar words suggesting future outcomes or expectations. In particular, forward-looking statements and information contained in this press release, include, but are not limited to, the expansion of Zedcor's Security and Surveillance business, fleet expansion, marketing of security services and expansion of Zedcor's service offering to other geographic regions. 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 or information because the Company can give no assurance that such statements or information 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, including current forecasts and utilization. Although management of the Company believes these expectations and assumptions reflected in these forward-looking statements or information to be reasonable, there can be no assurance that any forward-looking statements or information will be proved to be correct, and actual results may differ materially from those anticipated in such statements or information. For this purpose, any statements or information contained herein that are not statements or information of historical fact may be deemed to be forward-looking statements or information and readers should not place undue reliance on such forward-



looking statements or information. 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 the Company 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.

For further information contact:

Todd Ziniuk
President & Chief Executive Officer
P: 403-930-5430
E: tziniuk@zedcor.ca

Amin Ladha
Chief Financial Officer
P: 403-930-5430
E: aladha@zedcor.ca

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.