



Zedcor Inc. Announces Proposed Public Offering of Units and Conversion of Series 1 Preferred Shares

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

CALGARY, ALBERTA – **February 28, 2022:** Zedcor Inc. (the “**Company**” or “**Zedcor**”) (TSX-V: ZDC) is pleased to announce that it has filed, and obtained a receipt for, a preliminary short form prospectus (the “**Prospectus**”) with the securities regulators in each of the provinces of Canada, except Québec (the “**Jurisdictions**”), in connection with a proposed “best efforts” marketed public offering of units of the Company (the “**Units**”) at a price of \$0.50 per Unit (the “**Offering Price**”) for aggregate gross proceeds of a minimum of \$3.0 million and up to a maximum of \$5.0 million (the “**Offering**”).

Each Unit shall consist of one common share of the Company (a “**Common Share**”) and one-half of one Common Share purchase warrant of the Company (each whole Common Share purchase warrant, a “**Warrant**”), with each Warrant entitling the holder thereof to acquire one Common Share (“**Warrant Share**”) at a price of \$0.70 for a period of two years following the closing date of the Offering.

The Offering will be conducted by Paradigm Capital Inc. (the “**Lead Agent**”), on behalf of a syndicate of agents including Canaccord Genuity Corp. (together with the Lead Agent, the “**Agents**”). The Company has granted to the Agents an over-allotment option (the “**Over-Allotment Option**”) to offer for sale up to an additional number of Units equal to 15% of the number of Units sold under the Offering, at the Offering Price, to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option will be exercisable in whole or in part, in the sole discretion of the Agents, at any time, and from time to time, for a period of 30 days from and including the closing date of the Offering and shall be exercisable for additional Units, Warrants and/or Common Shares (or any combination thereof).

The Company intends to use the net proceeds of the Offering primarily to support growth initiatives, including to expand its fleet of MobileyeZ security towers, and for general working capital purposes.

The Units will be offered for sale in the Jurisdictions pursuant to the Prospectus. The Units may also be offered for sale in the United States on a private placement basis pursuant to exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) and applicable state securities laws, as well as other jurisdictions outside of Canada and the United States as the Company and Agents may agree, on an exempt basis in accordance with applicable securities laws.

The closing of the Offering is expected to occur on or about March 22, 2022 and is subject to certain customary conditions, including but not limited to the receipt of all necessary approvals,

including the approval of the TSX Venture Exchange (the “**TSXV**”) and the applicable securities regulatory authorities. The Prospectus contains important information relating to the Offering, is still subject to completion or amendment and there will not be any sale or any acceptance of an offer to buy the Units until a receipt for the final short form prospectus relating to the Offering has been issued. A copy of the Prospectus is available under the Company’s profile on SEDAR at www.sedar.com.

This press release does not constitute an offer to sell or a solicitation of an offer to buy the Units in any jurisdiction, nor will there be any offer or sale of the Units in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Units have not and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and therefore will not be offered or sold within the United States except pursuant to applicable exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Conversion of Series 1 Preferred Shares

Zedcor also announces that on February 25, 2022, Dean Swanberg, a director of the Company and the Company’s largest shareholder, has provided notice of his election to convert all of the Series 1 preferred shares (the “**Series 1 Shares**”) he holds through D.S.S. Holdings Inc., a private Alberta corporation controlled by Mr. Swanberg, being 4,400,000 Series 1 Shares, into 4,400,000 Common Shares (the “**Conversion Shares**”) of the Company (the “**Conversion**”) at the stated conversion price pursuant to the terms of the Series 1 Shares of \$0.70 per Common Share. The Conversion is expected to be completed on or about March 28, 2022 or such earlier date as the Company may elect.

In respect of the cumulative dividend payable on the Series 1 Shares in the amount of \$1.41 million (assuming the Conversion is completed on March 28, 2022), the Company expects to issue to D.S.S. Holdings Inc. 2,867,000 Common Shares of the Company (the “**Dividend Shares**”) at a deemed price per Common Share of \$0.50, in line with the price of the Common Shares in the Offering, subject to the approval of the TSXV. The Dividend Shares, once issued, will be subject to a statutory hold period of four months and one day from the date of issuance.

As a result of Mr. Swanberg’s status as an insider of the Company, the issuance of the Dividend Shares will constitute a related-party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). This transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 pursuant to sections 5.5(a) and 5.7(1)(a) of MI 61-101 as the fair market value of the securities to be issued does not exceed 25% of the Company’s market capitalization, calculated in accordance with MI 61-101.

About Zedcor Inc.

Zedcor Inc. is a Canadian public corporation and parent company to Zedcor Security Solutions Corp. Driven by its guiding principles of being pioneers and innovators, 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”, “may be”, 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 size of the Offering; the use of the net proceeds of the Offering; the timing and completion of the Offering, the exercise of the Over-Allotment Option; the receipt of regulatory, stock exchange and other required approvals in connection with the Offering; the timing, terms, and completion of the Conversion; including the number and deemed price of Dividend Shares to be issued; and the receipt of stock exchange approval in connection with the Conversion. 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 general market and economic conditions, 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, please contact:

Todd Ziniuk

President and Chief Executive Officer

Zedcor Inc.

P: 403-930-5432

E: tziniuk@zedcor.ca

Amin Ladha

Chief Financial Officer

Zedcor Inc.
P: 403-930-5435
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.