

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company:
Zedcor Inc. (“**Zedcor**” or the “**Company**”)
Suite 3000, 500 - 4th Ave SW
Calgary, AB T2P 2V6

2. Date of Material Change:
December 4, 2020

3. News Release:

A news release disclosing the material changes described herein was issued by Zedcor on December 4, 2020 and disseminated through the facilities of Newsfile Corp.

4. Summary of Material Change:

“The Company announced that it has entered into an amended and restated loan and security agreement (the “**Agreement**”) with Maynbridge Capital Inc. (the “**Lender**”) in the principal amount of \$17.3 million. The Agreement consolidates the Company’s existing term loans into a single loan facility that will be amortized over five years and is fully committed until January 1, 2023, with the option to renew for an additional 12 months subject to the Lender’s approval. The Agreement provides for \$1.0 million of additional growth capital immediately to expand Zedcor’s Security and Surveillance business which is seeing growing customer demand, along with an uncommitted \$2.0 million accordion facility that could be made available to the Company, subject to the Lender’s credit approval.

The Agreement is secured with a first charge over the Company’s assets, bears interest at 12.75% per annum and has an extension fee of 2% per annum, \$377,238 of which will be capitalized to the loan and \$300,000 of which has been paid with the issuance of 2,000,000 common shares of Zedcor Inc. at a deemed price of \$0.15 per share. The Agreement will be serviced by equal, monthly blended principal and interest payments and does not require quantitative financial covenants. In addition, the Lender has been issued an additional 730,562 share purchase warrants with an exercise price of \$0.12 per share and the exercise price of the 4,014,343 existing warrants already issued to the Lender will be amended to \$0.12 per share. The expiry date of all outstanding warrants issued to the Lender will be November 25, 2024. All of the securities issued are subject to a four month hold period from the date of issue.

At the end of the Agreement’s initial term, Zedcor is projecting to have approximately \$13.0 million of senior debt under its loan with the Lender, assuming the \$2.0 million accordion facility has been fully drawn. This would represent a reduction of approximately 33% in the outstanding debt under the Agreement with the Lender. Based on current forecasts, estimated utilization of the Company’s fleet of security towers, along with the additional assets purchased as part of the financing, Zedcor’s senior debt to EBITDA ratio is projected to be below 2.5x which will put the Company in line with senior bank lending requirements and is consistent with the Company’s strategic goal to deleverage its balance sheet.

Todd Ziniuk, President and CEO of the Company stated “The consolidation of our various loan facilities, along with up to \$3.0 million of additional expansion capital, will allow us to focus on

our customers' security needs by expanding our fleet of MobileyeZ towers, fixed camera installations and remote video monitoring services, and expand our service offering to other geographic regions. This financing will help Zedcor continue to provide technology-based solutions to our customers in order to solve tomorrow's problems today.'"

5. Full Description of Material Change:

"The Company announced that it has entered into an amended and restated loan and security agreement (the "**Agreement**") with Maynbridge Capital Inc. (the "**Lender**") in the principal amount of \$17.3 million. The Agreement consolidates the Company's existing term loans into a single loan facility that will be amortized over five years and is fully committed until January 1, 2023, with the option to renew for an additional 12 months subject to the Lender's approval. The Agreement provides for \$1.0 million of additional growth capital immediately to expand Zedcor's Security and Surveillance business which is seeing growing customer demand, along with an uncommitted \$2.0 million accordion facility that could be made available to the Company, subject to the Lender's credit approval.

The Agreement is secured with a first charge over the Company's assets, bears interest at 12.75% per annum and has an extension fee of 2% per annum, \$377,238 of which will be capitalized to the loan and \$300,000 of which has been paid with the issuance of 2,000,000 common shares of Zedcor Inc. at a deemed price of \$0.15 per share. The Agreement will be serviced by equal, monthly blended principal and interest payments and does not require quantitative financial covenants. In addition, the Lender has been issued an additional 730,562 share purchase warrants with an exercise price of \$0.12 per share and the exercise price of the 4,014,343 existing warrants already issued to the Lender will be amended to \$0.12 per share. The expiry date of all outstanding warrants issued to the Lender will be November 25, 2024. All of the securities issued are subject to a four month hold period from the date of issue.

At the end of the Agreement's initial term, Zedcor is projecting to have approximately \$13.0 million of senior debt under its loan with the Lender, assuming the \$2.0 million accordion facility has been fully drawn. This would represent a reduction of approximately 33% in the outstanding debt under the Agreement with the Lender. Based on current forecasts, estimated utilization of the Company's fleet of security towers, along with the additional assets purchased as part of the financing, Zedcor's senior debt to EBITDA ratio is projected to be below 2.5x which will put the Company in line with senior bank lending requirements and is consistent with the Company's strategic goal to deleverage its balance sheet.

Todd Ziniuk, President and CEO of the Company stated "The consolidation of our various loan facilities, along with up to \$3.0 million of additional expansion capital, will allow us to focus on our customers' security needs by expanding our fleet of MobileyeZ towers, fixed camera installations and remote video monitoring services, and expand our service offering to other geographic regions. This financing will help Zedcor continue to provide technology-based solutions to our customers in order to solve tomorrow's problems today.'"

6. Reliance on Subsection 7.1(2) of National Instrument 51-102:

Not applicable.

7. Omitted Information:

No significant facts otherwise required to be disclosed in this report have been omitted.

8. Executive Officer:

The following executive officer of the Company is knowledgeable about the material change and may be contacted respecting the change:

Amin Ladha, Chief Financial Officer
Zedcor Inc.
Suite 3000, 500 - 4th Ave SW
Calgary, AB T2P 2V6
Telephone: 403.930.5435

9. Date of Report:

December 9, 2020

Cautionary Statement on Forward Looking Statements and Information

This material change report may contain certain forward-looking information and statements (“forward-looking information”) within the meaning of applicable Canadian securities legislation, that are not based on historical fact, including without limitation statements containing the words “believes”, “anticipates”, “plans”, “intends”, “will”, “should”, “expects”, “continue”, “estimate”, “forecasts” and other similar expressions. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The Company undertakes no obligation with respect to comment, analyses, expectations or statements made by third-parties in respect of the Company, its securities, or financial or operating results (as applicable). Although the Company believes that the expectations reflected in forward-looking information in this material change report are reasonable, such forward-looking information has been based on expectations, factors and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company’s control, including the risk factors discussed in the Company’s continuous disclosure filings which are incorporated herein by reference and are available through SEDAR at www.sedar.com. The forward-looking information contained in this material change report are expressly qualified by this cautionary statement and are made as of the date hereof. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.