

FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102

1. **Name and Address of Company**

Zedcor Inc. (“**Zedcor**” or the “**Company**”)
Suite 300 – 151 Canada Olympic Road S.W.
Calgary, Alberta T3B 6B7

2. **Date of Material Change**

June 6, 2023

3. **News Release**

A news release relating to the material change described herein was released on June 6, 2023 through the facilities of Newsfile Corp.

4. **Summary of Material Change**

On June 6, 2023, the Company entered into an amended and restated Commitment Letter (the “**Second Amended Commitment Letter**”) with its primary lender. The Second Amended Commitment Letter increases the revolving evergreen equipment financing facility (the “**Credit Facility**”) from \$6.0 million to \$15.0 million.

5. **Full Description of Material Change**

5.1 Full Description of Material Change

The Company entered into the Second Amended Commitment Letter with its primary lender, consisting of:

- 100% financing on the purchase price of new equipment (previously 75% financing from the primary lender).
- A maximum of \$1.5 million of the Credit Facility will be available for equipment located outside of Canada.
- Allowance for payment of dividends, unfinanced capital expenditure and payments of principal and interest on subordinated indebtedness (collectively, “**Corporate Distributions**”) provided that the Company remains in compliance with its lending covenants.
- Covenants will be calculated quarterly on a trailing four quarter basis starting with the quarter ended June 30, 2023 and the Company’s debt servicing covenant will be amended as follows:

- Debt servicing covenant before Corporate Distributions must be greater than or equal to 1.25:1.00 quarterly, calculated on a trailing four quarter basis; and
- Debt servicing covenant after Corporate Distributions must be greater than or equal to 1.00:1.00 quarterly, calculated on a trailing four quarter basis.

In addition to the changes in the equipment financing facility, the company's borrowing base on its overdraft facility will be expanded to include 50% of clearly defined non-capital inventory up to a maximum of \$1.0 million. The total limit of the authorized overdraft facility remains unchanged at \$3.0 million.

The Company's financing agreement remains secured with a general security agreement, which provides for a first charge security interest over the Company's present and future personal property. The Second Amended Commitment Letter also retains standard non-financial provisions under the previous financing agreements.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

7. Omitted Information

None.

8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

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

9. Date of Report

June 12, 2023