
UNIQUELY POSITIONED FOR GROWTH

October 2020

TSX.V:AEP OTC:APEUF

AEP ATLAS ENGINEERED
PRODUCTS

Forward Looking Statements

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AEP Family of Companies

A growing national footprint

Since our inception as AEP in November 2017 with one plant, we have acquired five subsequent companies.

Our vision is to create a national family of operating companies deeply entrenched in serving regional construction markets. We are strengthening financial and operational performance of these acquired companies through standardized best practices, dedicated sales outreach, cost efficiencies and extended product mix. And we intend to continue our strategic acquisition path.



What We Do



Services

Design, Engineering and Permitting,
Project Management and Site Assembly.



Products

Floor Joists, Floor Trusses, Floor Panels,
Roof Trusses, Wall Panels, Windows and Doors.

Our Services

Design, Engineering & Permitting

Our specialist design team uses cutting edge design and engineering technology that ensures you get consistent, accurate, top quality product from our facility. We even help with acquiring building permits.

AEP's team of designers employs state-of-the-art BIM (Building-Information-Modeling) software, laser precision cutting equipment and automated assembly equipment to produce your orders in a controlled indoor factory environment.



Our Products

Floor Systems & Trusses

A cost-effective alternative to framing onsite, our custom-built floor panels give you greater quality control and ensure seamless integration with your wall and roof components.



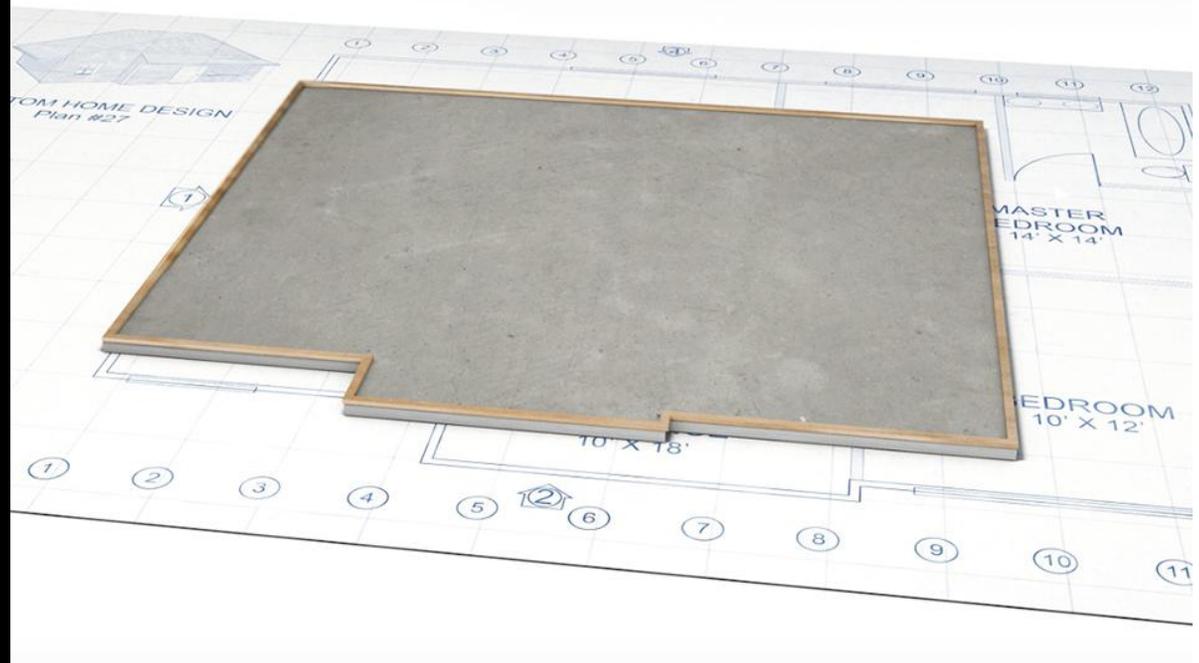
**FLOOR
JOISTS**



**FLOOR
TRUSSES**



**FLOOR
PANELS**

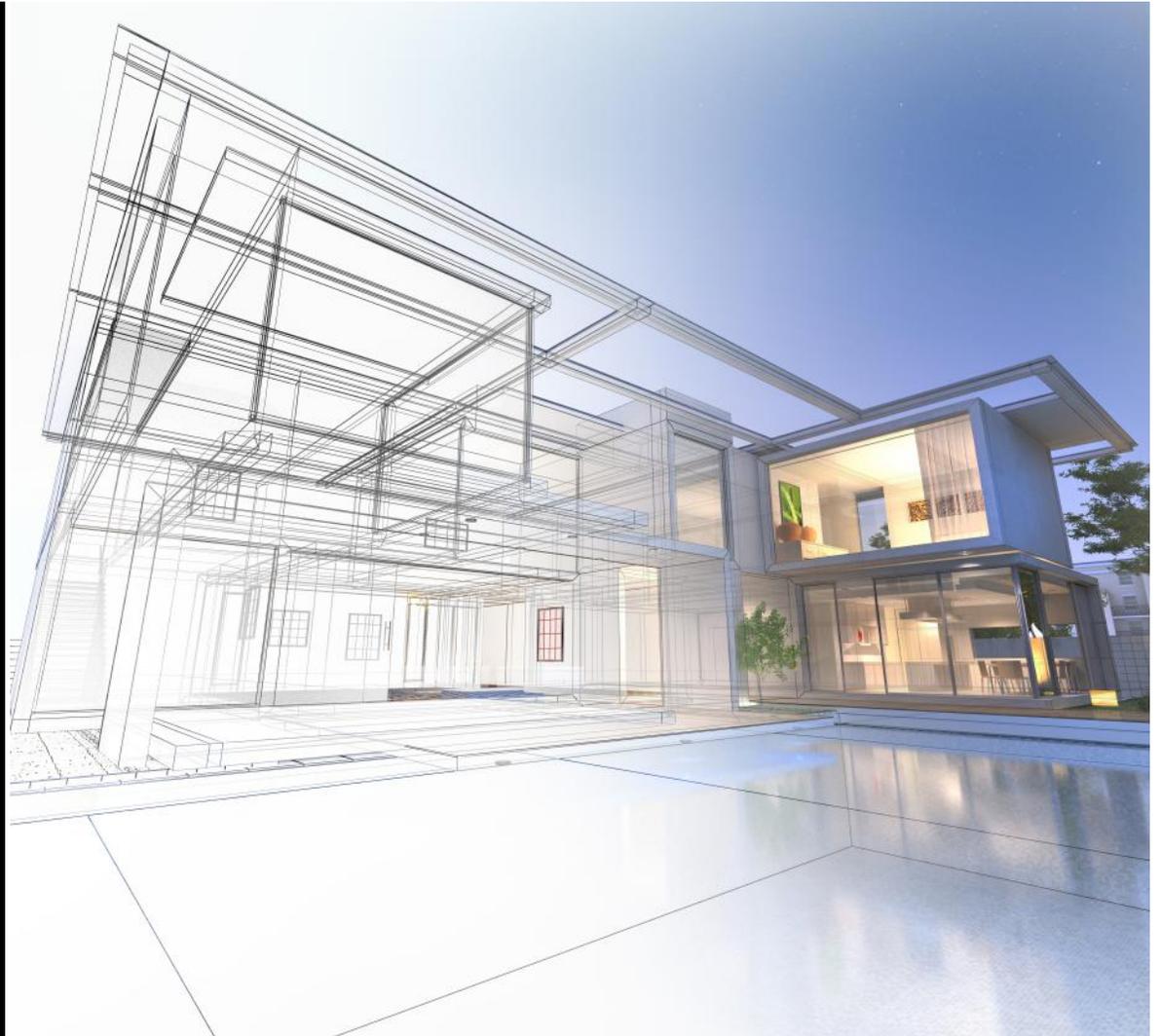


Our Products

Wall Panels

A cost-effective alternative to framing onsite, AEP wall panels give you greater quality control and ensure seamless integration with your floor and roof components.

Our specialized design software and manufacturing capacity ensures that your walls are square, with proper nailing patterns, with studs and headers engineered to support applied loads.

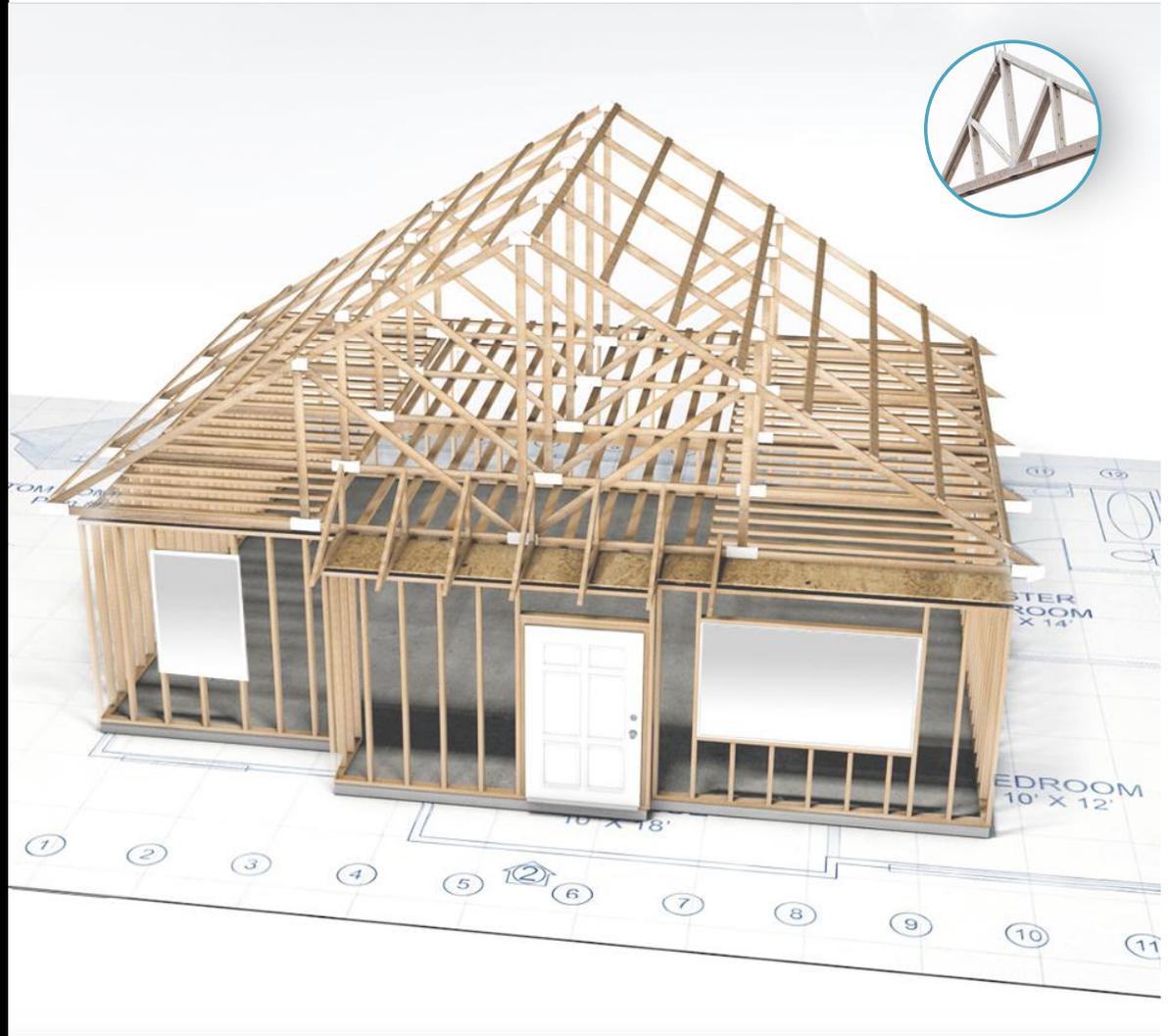


Our Products

Roof Systems & Trusses

Reduce installation times, increase your span options and employ our cost effective, cutting edge design and engineering team.

From the simplest out building to the most complex residential designs, AEP roof trusses can be a cost effective and efficient part of your construction project.



Our Products

Windows & Doors

Our Windows come in a wide variety of colours, shapes and sizes so we can make the perfect custom designed solution for every project or situation.



Our Clients



**Individual
Home Builders**



**Single family home
building, Multi-family,
Highrise &
Sub-Division
Developers**



**Lumber & Specialty
Building Yards**



**Commercial &
Industrial
Developers**

Why Do Clients Choose Us?



We save them money

- + Cost effective and efficient
- + National buying power
- + Best-in class design, production and automation technology



We save them time

Offsite customized manufactured panels and trusses can be installed onsite up to 5x's faster than traditional stick frame construction



We provide expanded product offerings

Floor, roof and wall systems and engineered components – true turnkey one-stop product delivery



We are environmental friendly

- + Uses less energy to manufacture
- + Responsible and renewable
- + Fewer emissions and waste

First Mover Advantage

Hundreds of small regional operators with sales in the range of \$3 - \$15 million

Fragmentation

The engineered product manufacturing segment of the construction supply industry is characterized by hundreds of small regional operators with sales in the range of \$3 million to \$15 million, headed by owner-managers that need succession planning

Opportunity

Atlas has become the preferred exit choice for many of these small operators. Their choice gives Atlas:

- + Opportunities to profit from operational efficiencies, technological advances, advantages of scale in procurement, and expanded product distribution
- + Opportunities for arbitrage as acquired companies transition from private ownership to public amid varying transaction structures and prices

Manufactured Wood Products

Size of Market¹

Large fragmented market
unprepared for disruption

6,309

Wood product
manufacturing business

\$2.5Bn

Total industry revenue

\$700K

Average revenue

92%

Of companies employ
<100 people

Adoption of Technology²

Need for innovation is crucial to survival
but companies are slow to adapt

70%

believe those who
do not adopt digital
tools will go out of
business

30%

of employees blame
management hesitation
as barrier to adopt new
technologies

41%

percent of
construction
companies only in
the early stages of a
digital transformation

38%

percent of companies
identifying budgeting
as a key limitation

Industry Challenges

Labour market is the tightest since 1990
and projected to become even tighter

300K

Number of additional
construction workers
in Canada needed by
2028³

48%

Proportion of
construction
companies in
Canada that have
difficulty hiring⁴

127K

Number of
residential
construction
workers
required by 2028⁶

250K

Number of
construction works
expected to retire
over the next 10-years
(~21% of the
workforce)³

93%

Capacity utilization measured
against productivity is the
highest since 1990⁵

**AEP is the well positioned to eliminate
the industry's two biggest pain-points.**

¹Source: Government of Canada ²Source: Visual Capitalist ³Source: On-Site ⁴Source: House of Commons Canada ⁵Source: BDC ⁶Source: BuildForce Canada

CDN & US Market Trends in Our Favour

01

Gaps in business succession in the truss manufacturing industry lead to **advantageously priced acquisition opportunities**

02

Growth in the popularity of multi-family and multi-floor residential wood-framed buildings as affordable housing drives **greater consumption of engineered products**

03

Shortages of skilled labour for traditional construction jobs drive **demand for easily assembled components**

04

Software to design each step in the process places **control of the construction value chain with the 'first touch point' supplier**

05

Fragmented industry populated by independents **unable to invest in transformation**

Canada's Industry

Steady Outlook

Structural wood products is a mature industry with low volatility in revenue. The same is true for the truss manufacturing and engineered wood segment of the construction supply industry

Key Drivers

- + Value of residential construction
- + Housing starts
- + Value of non-residential construction
- + Canadian-dollar exchange rate

Addressable Market

- + **\$1 billion** for trusses, joists, and engineered beams
- + **\$2.5 billion** for trusses, joists, engineered beams, PLUS prefabricated walls and floors

Industry Key Statistics

Annual growth
8.8%
2012-2017

Profit
\$1.1 billion

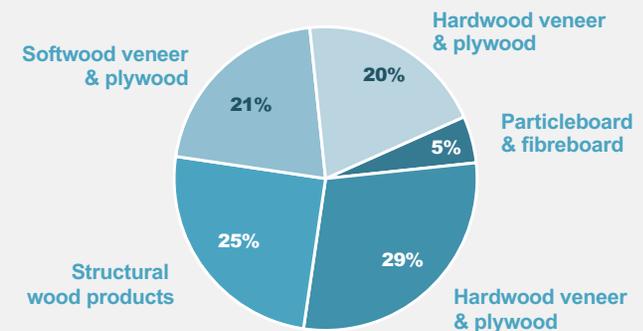
Exports
\$4.2 billion

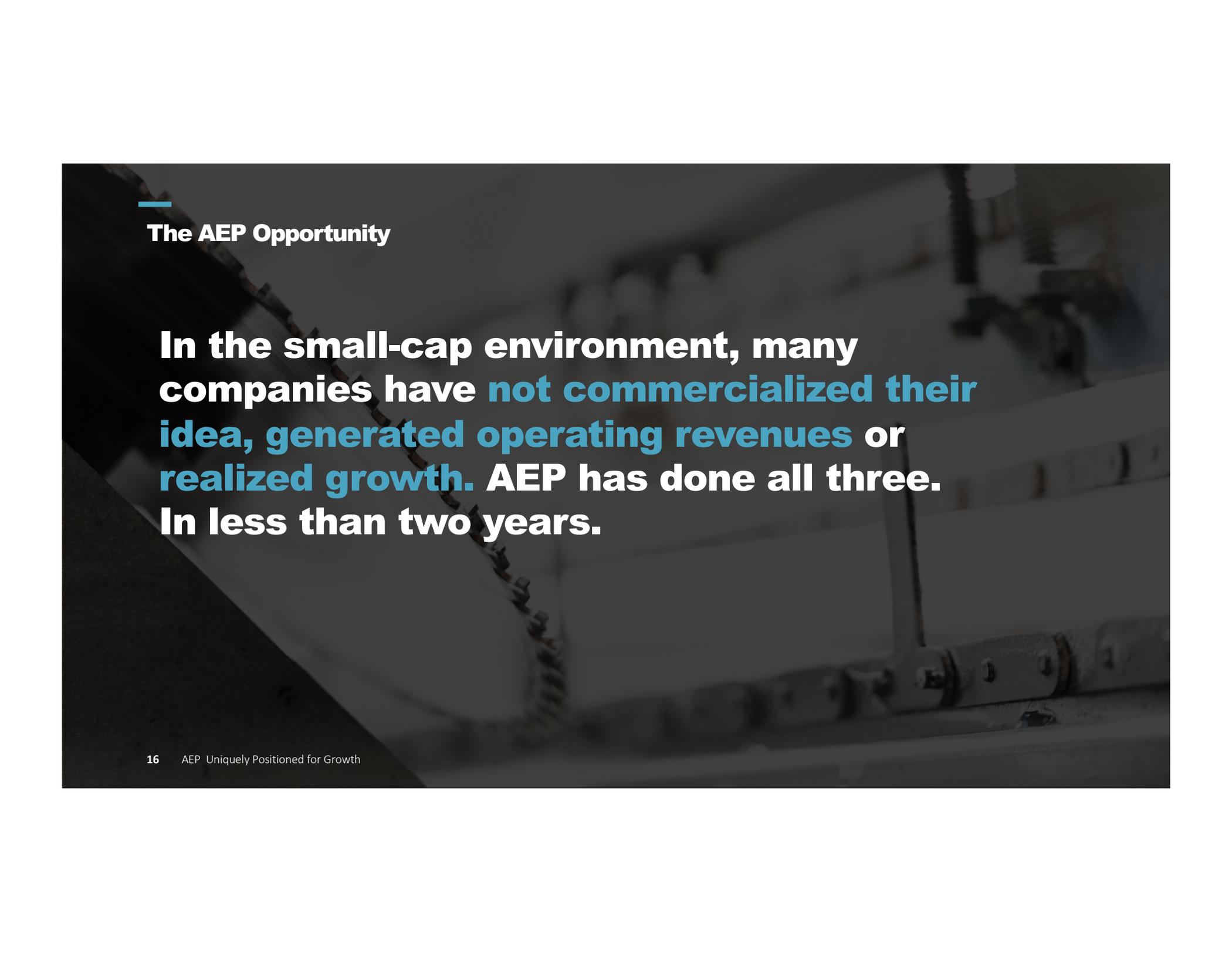
2.9%
2017-2022

Revenue
\$7.8 billion

Businesses
538

Product & Services Segmentation 2017

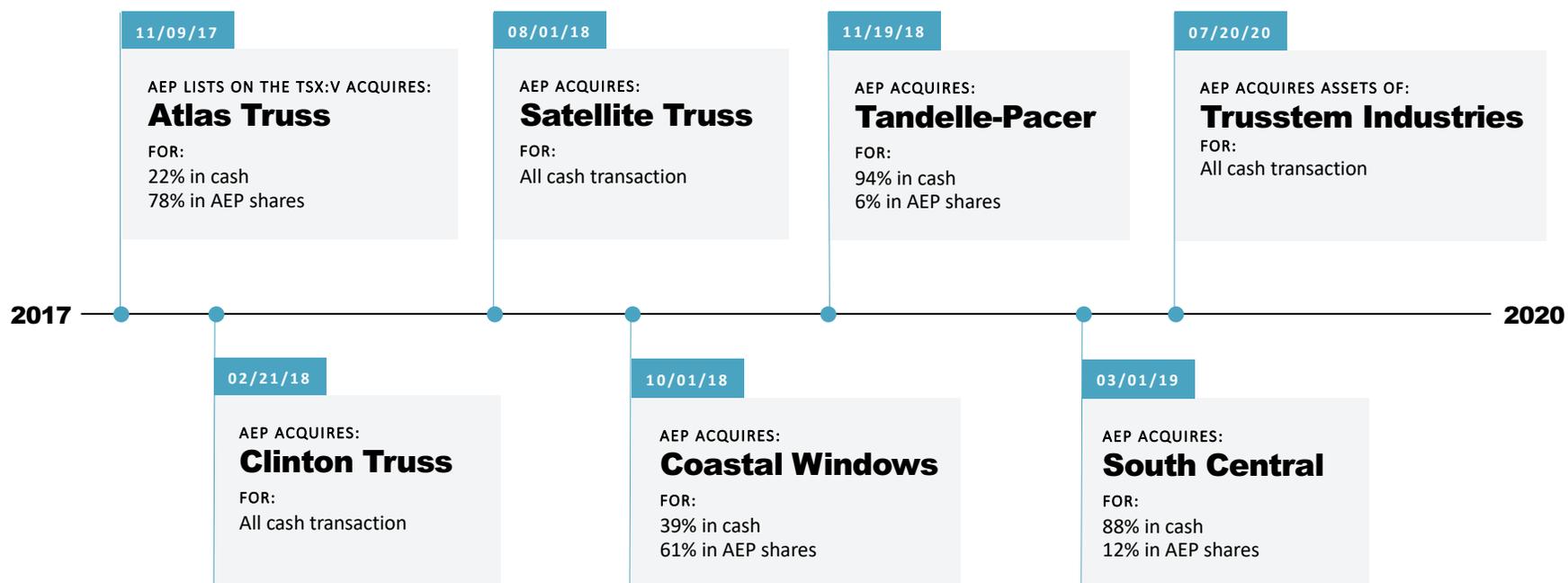




The AEP Opportunity

In the small-cap environment, many companies have not commercialized their idea, generated operating revenues or realized growth. AEP has done all three. In less than two years.

Acquisition Structure



Continued Success with Defined Business Model

Key Drivers

- + Newly formed Executive Team in May 2019
- + Since May, AEP's management has executed on its acquisition plan and increased operational efficiencies across all operations
- + As a result, revenues have increased and EBITDA margins have expanded in 2019
- + Even despite COVID-19, Management plans to continue to increase margins by automating key aspects of plants, further increasing efficiency and reducing labour costs



Delivered to Date



26%

Gross Margin

24% for the year ending December 31, 2019, vs 19% comparing to the 3 months ending March 31, 2019, after all acquisitions completed.



200%

Revenue

\$35m for the year ending December 31, 2019, vs \$13.4m for the 7 months ending December 31, 2018 (160% growth) & \$11.6m for the year ending May 31, 2018 (200% growth).



320%*

EBITDA Growth

Adjusted EBITDA increased to 11% for the year ending December 31, 2019 from -5% for the seven months ending December 31, 2018.

Normalized EBITDA reached 13% by the end of fiscal 2019, up from 11% at the end of the prior period.

*ABS method for calculation

Atlas Growth Mandate

Profit Growth

We FOCUS on growing profitability in our currently owned assets through:

- + Gross Margin improvements
- + Lowest Cost Producer Methodology
- + Economies of Scale
- + Buying Power Savings
- + Lean and Nimble Overheads
- + Capitalizing on Synergies
- + Best Practices in Processes
- + Standardized Policies & Procedures

Organic Growth

Strong organic growth driven by:

- + Offering additional products through traditional channels. Flooring systems, floor panels, and wall panels are produced and sold by few locations yet represent a significant opportunity to grow 'wallet share' of building projects.
- + Adding sales talent at all locations to capture market share and drive revenue growth

Acquisitions Growth

To achieve our goal of over \$100m Revenue Goal by year 2021, we will:

- + Acquire targets with strong financial performance, satisfying our SMART Acquisition criteria, using structures that minimize dilution
- + Maintain strong share value as a currency for acquisitions
- + Be prudent in our due diligence
- + Integrate intelligently at lowest cost

1st Priority

2nd Priority

3rd Priority

Quarter Over Quarter 2020 Financial & Operating Results

Steady Outlook

Quarter over quarter revenue growth was 11% from 1st to 2nd quarter despite the global impacts of the COVID-19 pandemic.

For example:

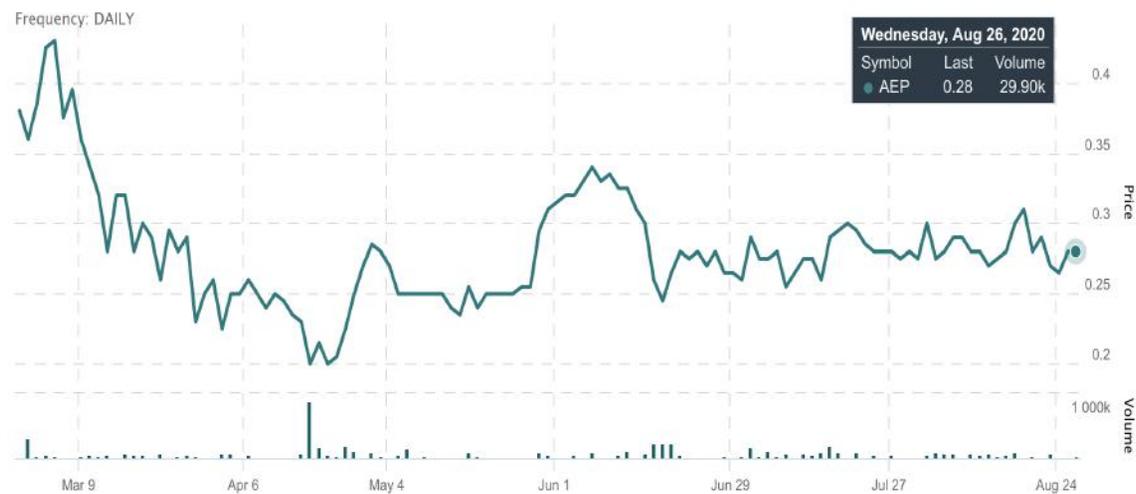
- + Gross margin improvement has been significant from 16% to 24%. As new COVID protocols and product lines become part of the regular operations, the costs around these implementations has reduced with increase efficiencies.
- + Normalized EBITDA has increase from 1% for the 1st quarter to 14% for the 2nd quarter. This was achieved through the Company's cost saving and cash preservation strategies implemented at the end of the 1st quarter.
- + Comprehensive cost saving and cash preservation strategies helped reduce the Company's G&A costs from \$1,978,758 for the 1st quarter to \$1,620,503 for the 2nd quarter.

	Q2 Ending June 30, 2020	Q1 Ending March 31, 2020
Total Revenue	7,900,805	7,097,979
Gross Profit	1,869,178	1,112,674
Gross Margin %	24%	16%
Operating Profit (Loss)	248,675	(866,084)
Net Income (Loss) after adjustments and taxes	220,601	(762,961)
Income (Loss) per share, basic and fully diluted (\$ per share)	0.00	(0.01)
Normalized EBITDA	1,077,046	102,042
Normalized EBITDA Margin %	14%	1%
Cash and cash equivalents on hand	3,033,576	3,244,684

Capital Structure

Atlas Engineered Products Ltd. TSX.V:AEP OTC:APEUF

Current Price	\$0.28 (as of August 26, 2020)
Market Capitalization	\$16.1M
Shares Outstanding (Basic)	57.7M
Average Daily Volume	58.1K
52 Week High	\$0.60
52 Week Low	\$0.19
Insider Ownership	28.58% (16,495,409 shares)



COVID-19 Impacts on Industry

AEP deemed an ESSENTIAL SERVICE

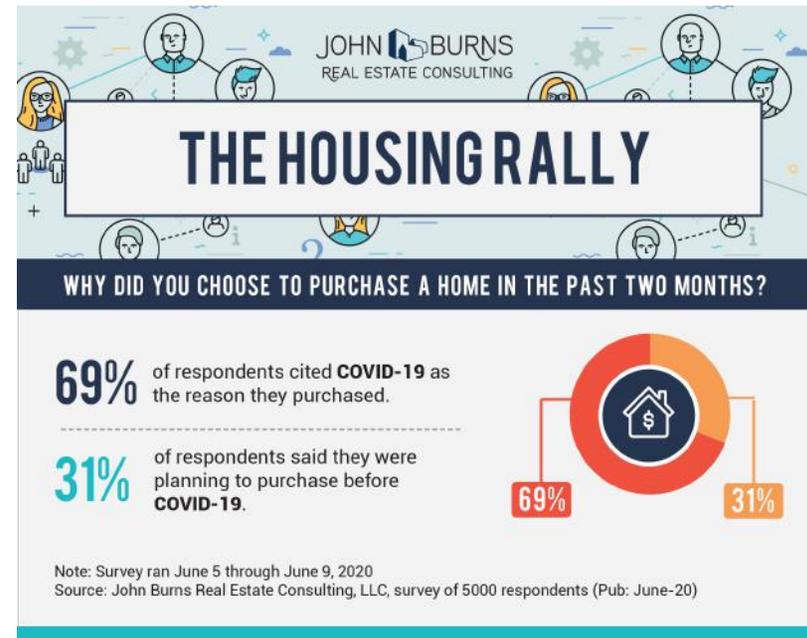
- + ALL locations remained open for business during the height of the pandemic
- + 14% Growth Q1 2020 over Q1 2019

AEP Geographic Footprint proved to be an asset during Pandemic

- + British Columbia remained buoyant and growing aggressively, Manitoba was minimally impacted and volumes were ahead of Q1 2019, while some Ontario locations were briefly impacted when new permits for construction was deemed non-essential

Aggressive CASH Preservation & Cost Reduction Program Implemented

- + Safeguarded the cash proceeds from Over-Subscribed private placement – to have it available for our acquisition plans in 2020
- + Significant cost reductions implemented from March 2020 that positively impacted company performance during the Q2 2020



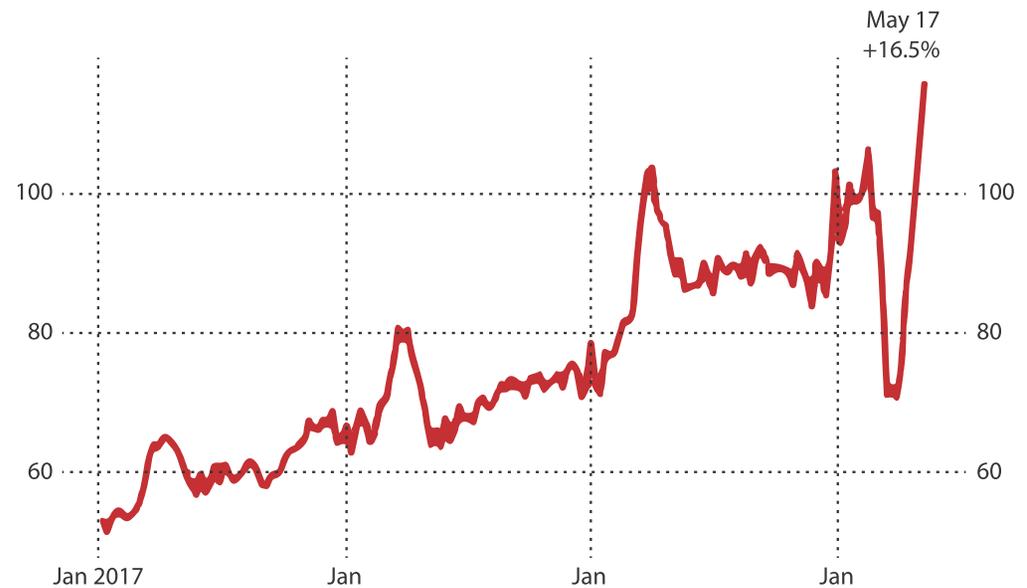
COVID-19 Impacts on Industry

Home Buying activity in V-shaped recovery

- + Homebuyer demand rebounded significantly in May and into June
- + De-urbanization, de-densification, and Sun Belt migration are key drivers for the homebuilding cycle witnessed
- + 69% of buyers citing Covid-19 as a factor in buying decisions
- + Homebuyers are attracted by historically low mortgage rates and limited existing re-sale inventory
- + COVID-19 is also causing renters to increasingly consider homeownership

Attractive M&A Valuations

- + During pandemic company valuations became more competitive and deal structures more creative





Our Assets

- + Quality Leadership
- + Experienced Workforce
- + Great Facilities + Equipment
- + Stellar Available Capacity
- + Innovation + Automation
- + Economies of Scale
- + Physical Footprint
- + Research + Development

Executive Team

Dirk Maritz CEO & President

Mr. Maritz joined AEP as CEO & President in 2018. Prior to his current role, Dirk held various senior leadership positions and has over 15 years of proven experience as CEO, VP and Director, building and leading successful large, complex, and multi-industry companies. Dirk is a dynamic and action-oriented professional as he demonstrates excellent organizational and strategic agility. Dirk possesses strong skills in innovation management and business development. Passionate about developing talent, Dirk has built a solid reputation as he leads a highly talented and motivated Executive Team.

Melissa MacRae CPA, CA Interim CFO

As Interim CFO, Ms. MacRae provides overall direction for all AEP'S financial operations as she oversees accounting, financial planning and internal audit and reporting. Melissa started with Atlas in 2009 in the role of Accountant and progressed through several dynamic and challenging roles, including Controller, Group Controller and Director of Finance. In 2019, Melissa joined the Executive Team in her current role. Melissa possesses strong leadership skills, business acumen and execution skills with a passion to deliver results. In addition to her CPA designation, Melissa holds a Bachelor of BA from Vancouver Island University.

Hadi Abassi Founder & Executive Vice President

Mr. Abassi founded AEP in 1999 at its Nanaimo facility to manufacture roof trusses on Vancouver Island. As Founder and Executive Vice President, Hadi is a strategic and solutions-oriented professional. Bringing more than 20 years of experience to the role, Hadi has executive responsibility for all aspects of sales across operations and leads a high-performing sales force nationally. Hadi is passionate about building relationships and is an integral member of the AEP Executives as he offers extensive experience in Sales, M&A and Strategic Partnership Development. Hadi received his degree in Mechanical Engineering from Swindon Technical College.

Gurmit Dhaliwal VP: Operations

As the Vice President of Operations, Ms. Dhaliwal leads the development of the overarching operational strategy, for all six locations across Canada. Gurmit is a results-oriented leader with 20 years experience in the Construction and Truss industry. Gurmit provides innovation and strategic methods to improve processes while demonstrating excellent decision quality and priority setting. Specialized in shaping operational strategies, Gurmit leads her team to achieve increased revenue, profitability, productivity and high-quality customer satisfaction. Gurmit holds a Business Administration Diploma in Finance from Vancouver Island University.

Board of Directors

Don Hubbard, ICD.D

Board Chair

Mr. Hubbard is currently President and CEO of Hubbard Consulting Ltd., and Owner of RCR Mining LLP. He was also Board Chair of the Vancouver Island Health Authority from 2010-2017. Formerly Mr. Hubbard was General Manager of Lafarge North West Division and Island operations.

Dirk Maritz

CEO & President

Mr. Maritz joins Atlas from SMS Equipment Inc. (Canada) where he served since 2012. From 2004 to 2012 he was President and CEO of Tradelander Group and Fridgetech Services operating throughout Africa. Dirk is a visionary leader and change agent with over 15 years of proven experience as a CEO, VP and Director in large, complex, multi-industry companies.

Hadi Abassi

Director & Founder

Mr. Abassi founded Atlas Engineered Products Ltd in 1999 and Coastal Windows, a manufacturer of custom doors and windows, in 2003. Mr. Abassi holds a degree in Mechanical Engineering from Swindon Technical & Engineering College.

Greg Smith

Director

Mr. Smith is President of Broadway Refrigeration & Air Conditioning Co. Ltd. and Omega Mechanical Ltd., and is Chairman of Lite Access Technologies. He previously held senior positions in investment banking before transitioning to private equity with the acquisition of one of the largest HVAC companies in Western Canada.

Kevin Smith

Director

Mr. Smith is a Chartered Accountant and was the Chief Financial Officer of IntraCorp Projects Ltd. from 2012-2020. He previously served as Chief Financial Officer, Executive Vice President, and Corporate Secretary at Whistler Blackcomb where he successfully led an initial public offering in 2010. He is a Director of Lite Access Technologies Inc. Mr. Smith holds a Bachelor of Science from the University of British Columbia.

Key Points For Investors



Market leader

- + AEP is the first national consolidator of the Canadian engineered wood products manufacturing industry, with operations across Canada in **British Columbia, Manitoba, and Ontario**



Multiple avenues for growth

- + Fragmented industry ripe for consolidation and disruption
- + Attractive profile of strong organic growth year over year



Positive industry trends

- + Engineered wood products is a mature industry with low volatility and steady growth
- + Quality prefabricated building components support new Physical distancing measures and ongoing skilled labour shortages in the construction industry



Strong track record of profitability

- + Strong profitability with targeted revenue run rate of \$40 million, excluding acquisitions for 2020, and \$4 - 5 million of earnings before interest, taxes, depreciation, and amortization.



Capable leadership team

- + Highly talented, experienced, and motivated team of employees
- + Proven and accomplished management team with 15+ years average industry experience



AEP

ATLAS ENGINEERED
PRODUCTS

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