



UNIQUELY POSITIONED FOR GROWTH

May 2023

TSX.V:AEP OTC:APEUF

AEP ATLAS ENGINEERED
PRODUCTS

Forward Looking Statements

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Who & What is AEP

**We are Leading
Manufacturers of
Engineered Wood
Products across
Canada**

Mission

To Provide Quality Solutions and Products in the Communities We Serve, while Building Partnerships across North America

Vision

To Build a Strong, Successful Organization, while Providing a Succession Opportunity to Individual Owner Operators

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

Roof Systems & Roof Trusses

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

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



Our Products

Floor Systems & Floor Trusses

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

Quality floor systems and floor trusses from a production facility that also allows customers to reduce on site labour needs or simultaneously work on that next project.



Our Products

Wall Panels

A cost-effective alternative to framing onsite, AEP wall panels give you greater quality control, ability to reduce on site labour requirements, and ensure a 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, and with studs and headers engineered to support applied loads.



Growth Initiatives

Organic Growth

- + Equipment upgrades, automation, and technological improvements
- + Product diversification
- + Sales and territory expansion
- + Manufacturing capacity growth
- + Integration efficiencies

M&A Growth

- + Constantly assessing M&A targets for potential acquisitions
- + Is the geographical location ideal, does it fit with our other locations, is there sales growth potential
- + Are integration efficiencies available
- + Is there automated equipment
- + Is the price right!

AEP Family of Companies

A growing national footprint

Since our inception as AEP in November 2017, we have grown to seven 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.



Acquisition Growth

11/09/17

AEP LISTS ON THE TSX:V:

Atlas Building Systems

FOR:
\$1.0 million in cash
\$3.5 million in AEP shares

08/01/18

AEP ACQUIRES:

Satellite Building Components

FOR:
\$1.2 million in cash

03/05/19

AEP ACQUIRES:

South Central Building Systems

FOR:
\$3.0 million in cash
\$490,000 in AEP shares

03/01/22

AEP ACQUIRES:

Hi-Tec Industries

FOR:
\$5.8 million in cash
\$3.25 million in cash (Land & Buildings)

02/21/18

AEP ACQUIRES:

Clinton Building Components

FOR:
\$2.6 million in cash

11/19/18

AEP ACQUIRES:

Pacer Building Components

FOR:
\$8.1 million in cash
\$500,000 in AEP shares

07/20/20

AEP ACQUIRES ASSETS & INVENTORY:

Novum Building Components

FOR:
\$428,819 in cash

Our Clients



**Single-Family
Home Builders**



**Multi-family, Highrise
&
Sub-Division
Developers**



**Commercial &
Industrial
Developers**



**Lumber & Specialty
Building Yards**

Why Do **Clients** Choose Us?



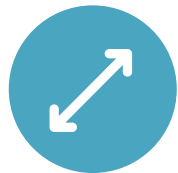
We save them money

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



We save them time

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



We provide expanded product offerings

Roof, wall and floor systems and engineered wood products – offering customers a one-stop product delivery



We are environmentally friendly

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

Organic Growth Initiatives



Product Diversification

- + Wall panel expansion
- + EWP expansion
- + Explore new products that add synergies with our current products and add value for our customer base



Sales Team Development

Continue to develop new talent with technical experience to provide our customers with the best products for efficiency and ease



Equipment Automation

Continue automating and upgrading equipment across all locations when and where financially prudent for growth



Equipment Utilization

Hire and train manufacturing workforce to increase equipment utilization and manufacturing capacity with more shifts that can produce quality products for our customers

Integration Impacts

- + Integration is key after a share or asset acquisition. The Company aims to implement national buying power, system upgrades, technological improvements, and processes to improve efficiencies at each location
- + The table shows the potential EBITDA improvements with acquisitions in their various stages of the integration process
- + Share Acquisition 1: Integration completed, organic growth initiatives in progress
- + Share Acquisition 2: Integration completed, start of organic growth initiatives

	Sales (avg)			EBITDA (avg)		
	Before Acquisition	2020	2021	Before Acquisition	2020	2021
Share Acquisition 1	\$1.8M	\$3.1M	\$5.6M	9%	27%	38%
Share Acquisition 2	\$15M	\$11M	\$18M	7%	17%	31%

M&A Growth

M&A is an ongoing part of our growth initiatives. We are constantly assessing potential M&A targets and will announce acquisitions as they develop.

Fragmentation

- + The manufactured wood products industry is characterized by hundreds of small regional operators with sales in the range of \$3 to \$15 million, headed by owner-managers that need succession planning
- + These small regional operators are unable or unwilling to invest in technology and automation

Opportunity

Atlas is providing an opportunity for many of these small operators.

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

M&A Growth

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

Size of Canadian Market¹

Large fragmented market
unprepared for disruption

200+

Truss companies

\$2.5Bn

Total industry revenue

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

93%

Capacity utilization measured
against productivity is the
highest since 1990⁶

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

Industry Tailwinds



“To restore affordability, an additional 3.5M affordable housing units are needed by 2030. ”

- CMHC



Canada is on track to break ground on about 210,000 housing units this year but about 100,000 additional housing starts are needed this year and next, as Canada gets ready to admit a record number of immigrants.

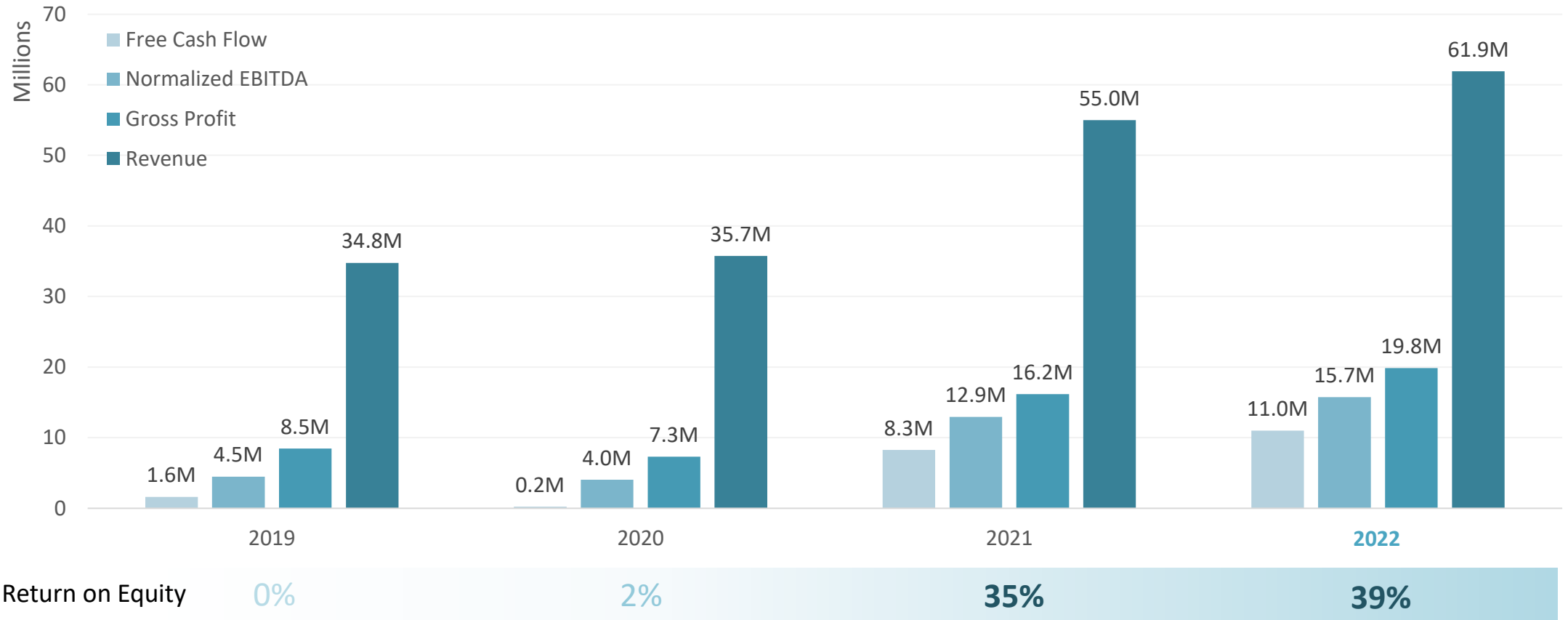
- Globe and Mail & Desjardins Securities



Federal government reveals plan to bring in 500,000 immigrants per year by 2025.

- National Post

Annual Performance



Quarterly Financial Results

- + Revenue declined for first quarter of 2023 compared to the first quarter of 2022 due to decreasing material prices and higher interest rates resulting in a pause in the construction industry which the Company anticipates to be short in duration as the ongoing housing shortage needs to be addressed.
- + Gross margin declined slightly to 30% for the three months ended March 31, 2023 from 31% for the comparative period mainly due to a more competitive market.
- + Non-IFRS Adjusted EBITDA was 18% for the three months ended March 31, 2023 compared to 24% for the three months ended March 31, 2022. This decrease mainly due to decreased sales and increased operating expenses to bolster human resources in advance of growth and geographical expansion.

	3 months Ending Mar 31, 2023	3 months Ending Mar. 31, 2022
Total Revenue	9,629,368	12,434,414
Gross Profit	2,855,781	3,886,357
Gross Margin %	30%	31%
Operating Profit	830,111	2,252,173
Net Income after adjustments and taxes	543,300	1,563,301
Income per share, basic (\$ per share)	0.01	0.03
Income per share, diluted (\$ per share)	0.01	0.02
Adjusted EBITDA	1,739,974	2,957,446
Adjusted EBITDA Margin %	18%	24%
Cash and cash equivalents on hand	16,218,624	16,118,601 (Dec 31, 2022)

Year End Financial & Operating Results

- + Annual revenue growth was 13% for the year ended December 31, 2022 compared to the prior year end. Most of this increase due to acquisitive growth.
- + Adjusted EBITDA has improved to \$15,725,608 for the year ended December 31, 2022 from \$12,610,867 for the year ended December 31, 2021. This continued turnaround due to increase in revenues from acquisitive & organic growth and gross margin improvements.
- + Gross margin increased to 32% for the year ended December 31, 2022 from 29% for the comparative period due to diligent management of fluctuating raw material costs while also improving efficiencies within the operations.

	12 months Ending Dec. 31, 2022	12 months Ending Dec. 31, 2021
Total Revenue	61,899,620	54,997,862
Gross Profit	19,846,106	16,152,936
Gross Margin %	32%	29%
Operating Profit	12,529,669	9,881,032
Net Income after adjustments and taxes	8,830,337	6,954,348
Income per share, basic (\$ per share)	0.15	0.12
Income per share, diluted (\$ per share)	0.14	0.09
Adjusted EBITDA	15,725,608	12,942,569
Adjusted EBITDA Margin %	25%	23%
Cash and cash equivalents on hand	16,118,601	8,947,182

Key Financial Metrics

	2017 May Year End	2018 May Year End	2018 June - Dec	2019 Dec Year End	2020 Dec Year End	2021 Dec Year End	2022 Dec Year End	2023 Q1 YTD
Debt	531,981	1,704,918	7,470,165	8,275,599	6,999,633	6,970,656	13,484,447	13,028,931
Debt on Real Estate	-	555,700	985,625	1,839,976	1,771,978	1,606,598	3,794,990	3,727,848
Real Estate Value	-	769,451	1,359,451	2,335,606	2,335,606	2,335,606	5,670,247	5,670,247
Equity	(424,890)	3,698,459	8,140,449	8,221,621	12,930,281	19,812,643	28,872,703	29,579,876
Return on Equity	-	-	-	0%	2%	35%	31%	26%
Free Cash Flow	709,986	(654,919)	1,141,849	1,584,818	224,803	8,255,408	10,983,186	809,147

Capitalization Structure and Key Data

Atlas Engineered Products Ltd.

TSX.V:AEP OTC:APEUF

Current Price	\$1.10 (as of May 26, 2023)
Market Capitalization	\$63.7M
Shares Outstanding (Basic)	57.9M (as of March 31, 2023)
Current Cash	\$16.2M (as of March 31, 2023)
Current Debt	\$13.0M (as of March 31, 2023)
EV/EBITDA	3.9x (Based on 2022 Adj EBITDA)
P/E Ratio	7.3x (Based on 2022 EPS of \$0.15)
Insider Ownership	18.7% or 10.7M shares (as of May 25, 2023)



Executive Team

Hadi Abassi

CEO & President, Founder

Mr. Abassi founded AEP in 1999 in Nanaimo, BC and they manufactured roof trusses for Vancouver Island. Bringing more than 25 years of experience to the role, Hadi is an incredible relationship builder and brings his extensive experience in sales, M&A and the wood products industry to AEP as its CEO & President. Mr. Abassi's significant experience developing successful teams specializing in sales, design, and production will be invaluable to future growth and development.

Melissa MacRae CPA, CA

Chief Financial Officer

As Interim CFO, Mrs. MacRae provides overall leadership and direction for the Company's financial operations as she oversees accounting, financial planning and analysis and information technology. Melissa started with AEP in 2012 by spending significant time learning the entire operation from sales, to design, to production, and finance. This knowledge has been invaluable as AEP has become a public company. Mrs. MacRae progressed from her initial role to Controller, Group Controller and then Director of Finance. In 2019, Melissa joined the Executive Team as Interim CFO before being promoted to CFO in Jan 2022. In addition to her CPA designation, Melissa holds a Bachelor of Business Administration from Vancouver Island University.

Gurmit Dhaliwal

Chief Operating Officer

As the VP: Operations, Ms. Dhaliwal leads the development of the overarching operational strategy for all locations across Canada. Gurmit is a results-oriented leader with 20 years' experience in the wood products industry. Gurmit provides innovation and strategic methods to improve processes while encouraging and developing organic growth initiatives. Specialized in shaping operational strategies based on her well-rounded knowledge of the entire business, Gurmit leads her team to achieve increased revenue, profitability, productivity and high-quality customer satisfaction. Ms. Dhaliwal 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.

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.

Hadi Abassi

Director, CEO & President, Founder

Mr. Abassi founded AEP in 1999 in Nanaimo, BC and they manufactured roof trusses for Vancouver Island. Bringing more than 25 years of experience to the role, Hadi is an incredible relationship builder and brings his extensive experience in sales, M&A and the wood products industry to AEP as its CEO & President. Mr. Abassi's significant experience developing successful teams specializing in sales, design, and production will be invaluable to future growth and development.

Kevin Smith

Director

Mr. Smith is a Chartered Accountant and the Chief Financial Officer of Northland Properties Corporation. He previously served as Chief Financial Officer of IntraCorp Projects Ltd from 2012-2020 and 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.

Paul Andreola

Director

Mr. Andreola has over 25 years of business development and financial markets experience including senior management, marketing, and communications roles for early-stage companies. Previously in his career, Mr. Andreola was a licensed investment advisor for over 10 years and has facilitated multiple early stage private and public companies in the industrial, life science, and technology sectors. Mr. Andreola is currently the CEO and director of NameSilo Technologies Inc. (CSE:URL) and a director of Departure Bay Capital Corp. (TSXV:DBC.P).

Atlas Engineered Products

Key Points

Market leader

- + AEP is the first national consolidator of the Canadian wood products manufacturing industry, with operations 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

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

Strong track record of profitability

- + Strong profitability in fiscal 2021 with net income after adjustments and taxes of \$6.9M and normalized EBITDA of \$12.9M.
- + Continued strong profitability for fiscal 2022 with net income after adjustments and taxes of \$8.8M and adjusted EBITDA of \$15.7M.

Capable 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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