



UNIQUELY POSITIONED FOR GROWTH

June 2021

TSX.V:AEP

OTC:APEUF

AEP ATLAS ENGINEERED
PRODUCTS

Forward Looking Statements

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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 six 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.



Rapid 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

02/21/18

AEP ACQUIRES:

Clinton Building Components

FOR:

\$2.6 million in cash

08/01/18

AEP ACQUIRES:

Satellite Building Components

FOR:

\$1.2 million in cash

11/19/18

AEP ACQUIRES:

Pacer Building Components

FOR:

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

03/05/19

AEP ACQUIRES:

South Central Building Systems

FOR:

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

07/20/20

AEP ACQUIRES ASSETS & Inventory:

Novum Building Components

FOR:

\$428,819 in cash

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 & 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.



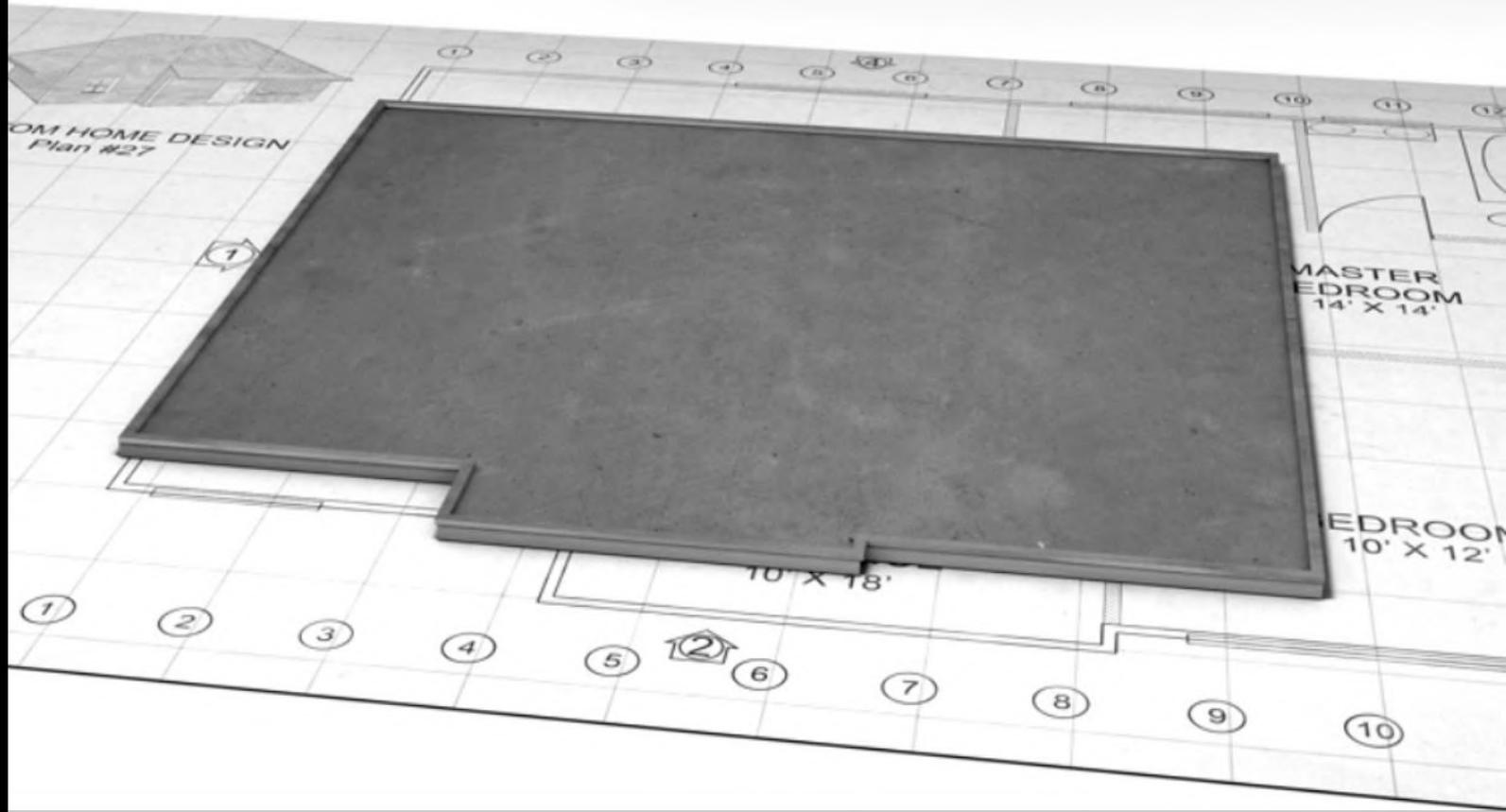
**FLOOR
JOISTS**



**FLOOR
TRUSSES**



**FLOOR
PANELS**

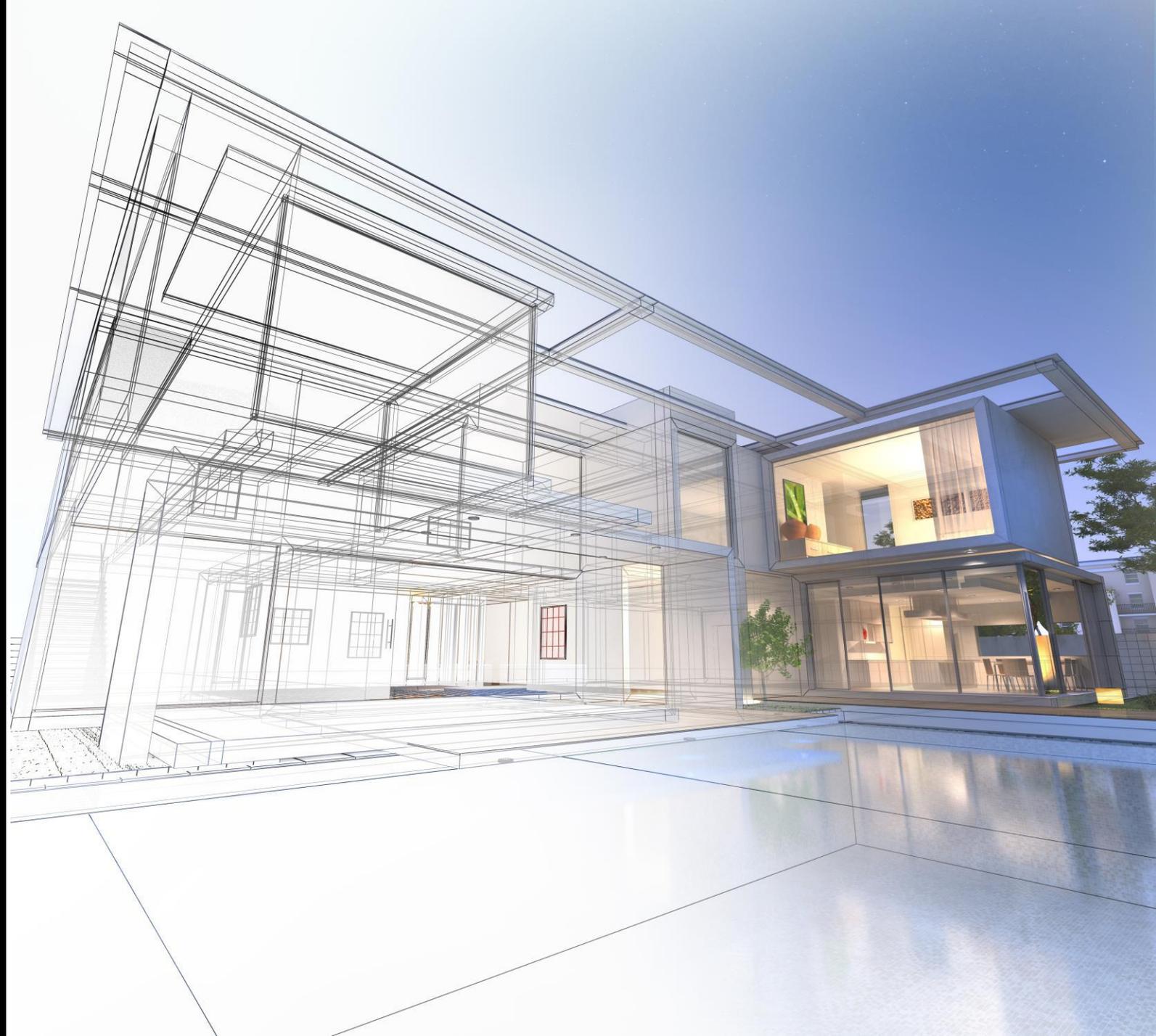


Our Products

Wall Panels

A cost-effective alternative to framing onsite, AEP wall panels give you greater quality control, 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.

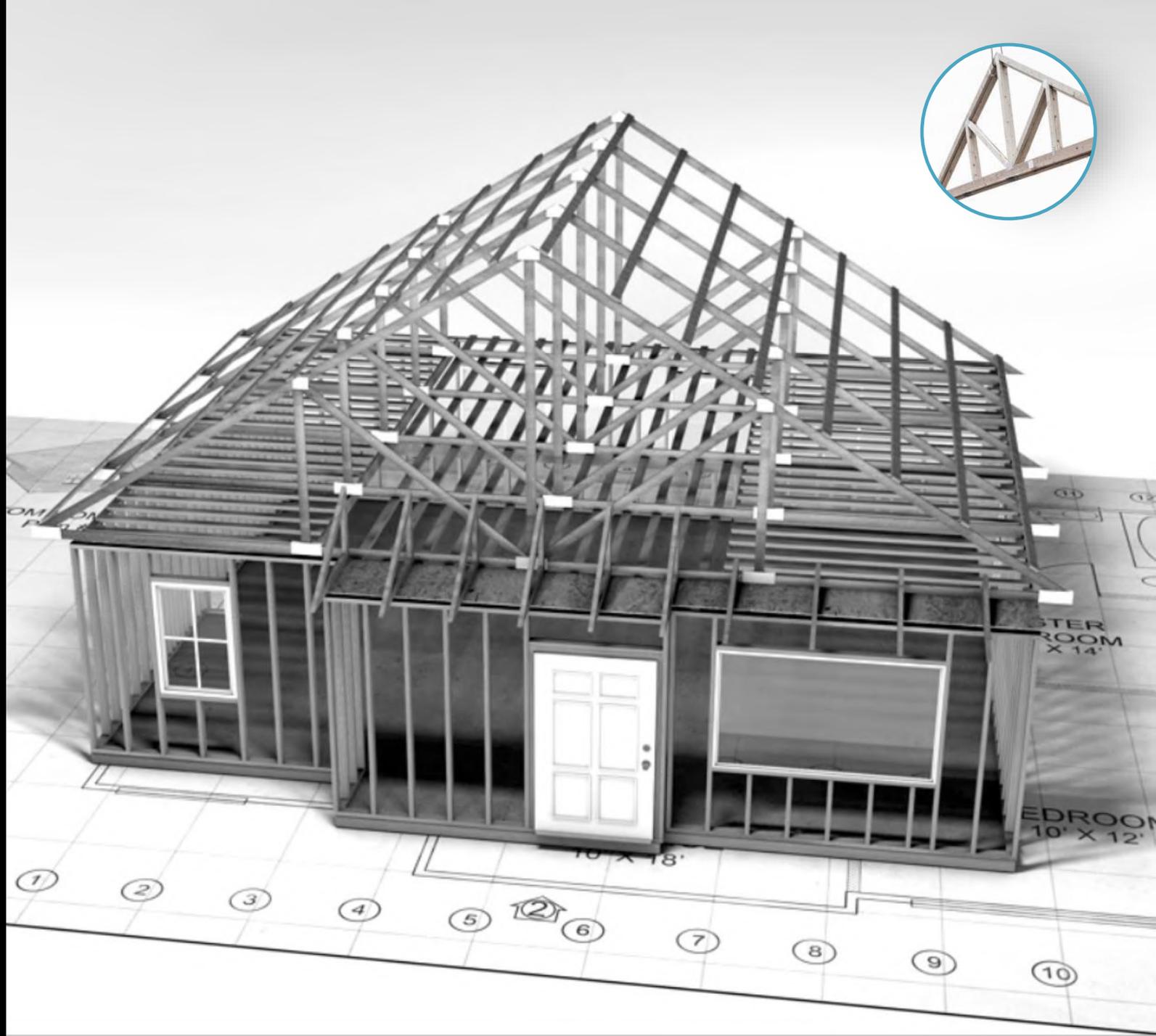


Our Products

Roof Systems & Trusses

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

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



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

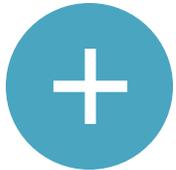
Roof, wall and floor systems and engineered wood products – offering customers a one-stop product delivery



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
- + Integration is ongoing at some locations. COVID-19 travel and public health restrictions limited the ability to complete system and technology upgrades, as well as, the implementation of some processes for efficiency improvement

	Sales (avg)		EBITDA (avg)	
	Before Acquisition	After Acquisition	Before Acquisition	After Acquisition
Share Acquisition 1	\$1.8M	\$3.1M	9%	27%
Share Acquisition 2	\$15M	\$11M	7%	17%
Asset Purchase 1	\$1.3M	NA – No full year	10%	NA – No full year

- + Above 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: Mid point of integration process
- + Asset Purchase 1: Starting point of integration process

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 Market¹

Large fragmented market
unprepared for disruption

6,309

Wood product
manufacturing businesses

\$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 2028⁵

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

Quarter 1 Financial & Operating Results

- + Quarterly revenue growth was 29% from the comparative Q1 2020. This increase represents the Company's best first quarter to date.
- + Normalized EBITDA has improved to \$1,187,376 for Q1 2021 from \$102,042 for Q1 2020. This turnaround due to substantial increases in revenues, gross margin, and significantly reduced operating expenses.
- + Operating expenses were \$1,529,904 for Q1 2021 compared to \$1,978,758 in Q1 2020. This represents a 23% improvement in costs.
- + Gross margin increased to 19% for Q1 2021 from 16% for Q1 2020. The Company has been working diligently to navigate and control pricing during the rising raw material costs and product shortages while also improving efficiencies within the operations.

	3 months Ending March 31, 2021	3 months Ending March 31, 2020
Total Revenue	9,129,633	7,097,979
Gross Profit	1,728,723	1,112,674
Gross Margin %	19%	16%
Operating Profit (Loss)	198,819	(866,084)
Net Income (loss) after adjustments and taxes	51,208	(762,961)
Income (loss) per share, basic and fully diluted (\$ per share)	0.00	(0.01)
Normalized EBITDA	1,187,376	102,042
Normalized EBITDA Margin %	13%	1%

Year End Financial & Operating Results

- + Annual revenue growth was 3% from the comparative year. This increase despite the COVID-19 pandemic.
- + Net income was \$228,986 for the year ended December 31, 2020 compared to a net loss of \$(755,147) for the year ended December 31, 2019. A substantial improvement driven by improved operating expenses and the Canadian emergency wage subsidy.
- + Operating expenses were \$6,815,802 for the year ended December 31, 2020 compared to \$7,795,540 in the comparative year. This represents a 12.5% improvement in costs.
- + Additionally, a new credit facility agreement was completed with TD Canada Trust. This gives the Company greater flexibility for future M&A activities, organic growth, and equipment upgrades.

	12 months Ending Dec. 31, 2020	12 months Ending Dec. 31, 2019
Total Revenue	35,378,042	31,938,195
Gross Profit	7,297,020	8,459,933
Gross Margin %	20%	24%
Operating Profit	481,218	664,393
Net Income (loss) after adjustments and taxes	228,986	(755,147)
Income (loss) per share, basic and fully diluted (\$ per share)	0.00	(0.02)
Normalized EBITDA	4,045,232	4,463,652
Normalized EBITDA Margin %	11%	13%
Cash and cash equivalents on hand	1,816,989	83,005

Capital Structure

Atlas Engineered Products Ltd.

TSX.V:AEP OTC:APEUF

Current Price	\$0.34 (as of May 31, 2021)
Market Capitalization	\$19.63M
Shares Outstanding (Basic)	57.7M
Average Daily Volume	56.7K
52 Week High	\$0.45
52 Week Low	\$0.21
Insider Ownership	30.8% (17.78M shares)



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 (Interim)

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 in her current role of Interim CFO. In addition to her CPA designation, Melissa holds a Bachelor of Business Administration from Vancouver Island University.

Gurmit Dhaliwal

VP: Operations

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 20 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 resource and technology sectors. Mr. Andreola currently the CEO and director of Brisio Innovations Inc. (CSE:BZI) and Ironwood Capital Corp. (TSXV:IRN.P), and is a director of ImmunoPrecise Antibodies Ltd. (TSXV:IPA).

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 2020 and normalized EBITDA of \$4M. Continued in Q1 2021 with profits and normalized EBITDA of \$1.19M for the first three months that are historically the worst of the fiscal year due to seasonality

Capable team

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



Our Assets

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

AEP

ATLAS ENGINEERED
PRODUCTS

Contact us

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