

Atlas Engineered Products Provides Update on Operations, Tariff Exposure and Positive Trends to Start 2025

NANAIMO, BC, Feb. 10, 2025 /CNW/ - Atlas Engineered Products Ltd ("AEP" or the "Company") (TSXV: AEP) (OTC Markets: APEUF) is pleased to provide an update on operations, revenue exposure to the United States ("U.S."), and key performance indicator trends to start 2025. Specially, the Company highlights:

- **Canadian Market Presence:** 99% of 2024 revenue came directly from Canada, with the U.S. market accounting for the remaining ~1%. From 2020 to 2024, the Canadian market accounted for 100% of AEP's business. The Company remains focused on expanding its Canadian revenues amidst the country's structural housing shortage, while continuing to evaluate U.S. growth opportunities that align with AEP's strategy and broader macro considerations.
- **Strong Quote and Order Volumes:** Quote volumes increased 48% year-over-year in January 2025, with order volumes increasing 11%. As interest rates continue to decline, builders are anticipating more activity in 2025, irrespective of election and tariff uncertainties.
- **Resilient Shipping Levels:** Despite harsher winter conditions compared to previous years, shipping activity across key markets remained strong in January 2025.
- **Ontario Facility:** AEP continues to make anticipated progress on the new robotic facility in Ontario. The land has been cleared and excavation work is scheduled to commence, weather permitting. The steel structure for the facility has also been ordered as required for the size of the manufacturing facility.

Hadi Abassi, President, CEO, and Founder of AEP, commented: "While we continue to actively monitor economic policy developments related to the long-standing Canada and U.S. trade relationship, we maintain confidence in AEP's business model and ability to successfully execute our strategy. With 99% of our business coming from Canada, our direct exposure to potential economic actions from the U.S. is reduced. While the Canadian market remains our priority focus with a significant growth runway for AEP now and in the future, we continue to consider opportunities to serve the U.S. market with prudence. We are also encouraged by the robust quote and order activity to begin 2025, highlighting demand for our high-quality truss, wall panels, and engineered wood product solutions that are helping address Canada's housing shortage. Our team's ability to navigate seasonal challenges and maintain strong shipping volumes for our customers underscores our operational efficiency and resilient business model. In the meantime, the M&A environment continues to be ripe for consolidation and AEP is well funded to surface value from undercapitalized operations around the Country."

About Atlas Engineered Products Ltd.

AEP is a growth company that is acquiring and operating profitable, well-established operations in Canada's truss and engineered wood products industry. We have a well-defined and disciplined acquisition and operating growth strategy enabling us to scale aggressively and apply new technologies, giving us a unique opportunity to consolidate a fragmented industry of independent operators.

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FORWARD LOOKING INFORMATION

Information set forth in this news release contains forward-looking statements. These statements reflect management's current estimates, beliefs, intentions and expectations; they are not guarantees of future performance. Although AEP believes that the expectations reflected in the forward-looking statements are reasonable, there is no assurance that such expectations will prove to be correct, or that such future events will occur in the disclosed time frames or at all. AEP cautions that all forward-looking statements are inherently uncertain and that actual performance may be affected by a number of material factors, many of which are beyond AEP's control. Such factors include, among other things: risks and uncertainties related to the housing market, changes in interest rates and other risks and uncertainties relating to AEP, including those described in the Management's Discussion and Analysis ("MD&A") for AEP's three and nine months ended September 30, 2024. Accordingly, actual and future events, conditions and results may differ materially from the estimates, beliefs, intentions and expectations expressed or implied in the forward-looking information. Except as required under applicable securities legislation, AEP undertakes no obligation to publicly update or revise forward-looking information.

SELECTED FINANCIAL INFORMATION

Except as noted below, the financial information provided in this news release is derived from the AEP's audited financial statements for the three and nine months ended September 30, 2024 and the related notes thereto as prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRICs") as issued by the International Accounting Standards Board ("IASB"). A copy of AEP's financial statements for the three and nine months ended September 30, 2024 and the related Management's Discussion and Analysis is available on AEP's website at www.atlasengineeredproducts.com or on SEDAR at www.sedar.com.

Financial information for AEP's acquisitions is included in AEP's unaudited financial statements from the date of acquisition. Financial information for acquired businesses for periods prior to the date of acquisition were prepared by management and have not been reviewed or audited by independent auditors.

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