

Atlas Engineered Products Reports First Quarter 2025 Financial and Operating Results, Including YoY Revenue Increase of 21%

NANAIMO, BC, May 27, 2025 /CNW/ - Atlas Engineered Products ("AEP" or the "Company") (TSXV: AEP) (OTC Markets: APEUF) is pleased to announce its financial and operating results for the three months ended March 31, 2025. All amounts are presented in Canadian dollars.

Financial and Operating Highlights

- Revenue of \$11M, representing an increase of 21% year-over-year
- Wall Panel revenue increased by 42% year-over-year
- Engineered Wood Products revenue increased by 30% year-over-year
- Adjusted EBITDA of \$586,666, representing an increase of 137% year-over-year

Hadi Abassi, President and CEO of AEP, commented: "I continue to be proud and impressed with the effort and results that the team at AEP have accomplished. Despite the housing start statistics and convoluted political and economic climates, the Company delivered a 21% increase in revenue over last year and worked diligently to drive organic growth in wall panels and engineered wood products, in addition to increasing production on roof trusses. I am encouraged by the start of 2025 to continue our organic growth initiatives across Canada and strategic acquisitions that will further strengthen our geographical footprint."

Revenue for the three months ended March 31, 2025 was \$11,010,715 compared to revenue of \$9,121,059 for the three months ended March 31, 2024. Revenue has increased due to significant progress on the integration of LCF. LCF increased revenues by 56% compared to the prior year through organic growth by expanding into the wood frame commercial building market. Additionally, the Company has seen a 30% increase in engineered wood product sales for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The Company has been able to expand its supply of engineered wood products to the multi-family building sector due to the expansion of our salesforce, skill of our design team, and buying power with our national supplier.

Gross margin remained consistent at 16% for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. The Company generally sees lower margins during the first fiscal quarter when the seasonality of the construction industry is the worst. The Company needs to maintain key skilled labour even though revenues are typically lower than during the rest of the year. Additionally, the quieter first quarter is the best time to perform maintenance and repairs on all vehicles and manufacturing equipment to ensure the best efficiency and reduce downtime during the busier construction season in summer and fall.

Net loss after taxes was \$846,331 for the three months ended March 31, 2025 compared to net loss after taxes of \$993,436 for the three months ended March 31, 2024. Net loss after taxes has reduced compared to the prior period due to the increase in revenues. The change was offset a bit by non-cash items such as depreciation and amortization and share-based payments which resulted in an increase in operating expenses. These amounts are added back for adjusted and normalized EBITDA.

Non-IFRS measure adjusted EBITDA for the three months ended March 31, 2025 was \$586,666 with an adjusted EBITDA margin of 5%. Adjusted EBITDA for the three months ended March 31, 2024 was \$247,738 with an adjusted EBITDA margin of 3%. These increases were mainly due to increased sales. While net loss for the period did not increase at the same rate, this was due to non-

cash items of depreciation and amortization and share-based payments, which are added back for adjusted EBITDA.

Selected Financial Results

SELECTED FINANCIAL RESULTS	Three Months Ended Mar 2025	Three Months Ended Mar 2024
Revenue	\$11,010,715	\$9,121,059
Cost of Sales	9,270,120	7,693,906
Gross Profit	1,740,595	1,427,153
Gross Margin %	16 %	16 %
Operating Expenses	2,511,378	2,248,080
Operating loss	(770,783)	(820,927)
Net loss After Adjustments and Taxes	(846,331)	(993,436)
Adjusted EBITDA	586,666	247,738
Adjusted EBITDA Margin %	5 %	3 %
Normalized EBITDA	615,758	247,738
Normalized EBITDA Margin %	6 %	3 %
Weighted Average Number of Shares	70,496,551	59,267,649
Adjusted EBITDA per Share (\$ per share)	0.01	0.00
Loss per Share, Basic (\$ per share)	(0.01)	(0.02)
Loss per Share, Fully Diluted (\$ per share)	(0.01)	(0.02)

Selected Financial Information as at:		
	Mar 2025	Dec 2024
Total Assets	\$78,909,263	\$80,254,197
Total Non-Current Liabilities	23,139,737	23,882,711

Outlook for 2025

The Company is continuing to see strong quoting volumes in comparison to 2024, previously reporting a 25% increase in quoting volume year over year. With an additional month completed, the Company sees this trend continuing as the first four months of 2025 resulted in a 29% increase in quoting volume compared to the first four months of 2024. Orders have remained stagnant with small increases for the first four months. However, since the federal election in Canada has concluded, the Company has seen significantly more orders being placed and looks forward to this trend continuing with further political and economic stability, along with strong government support of the construction industry.

AEP continues to work at delivering organic growth through increased wall panel manufacturing and supply of engineered wood products. This organic growth will continue to help insulate the Company to potential effects of a recession by allowing for increased sales volume potential per order. While industry volumes are largely driven by macroeconomic and political factors beyond the Company's control, AEP will leverage its scale, agility and strong balance sheet to further gain market share.

The Company plans to build capacity during the busy construction season by adding automation and completing projects ahead in the winter months. As of March 31, 2025, finished goods and inventories have increased compared to December 31, 2024, due to this strategy. Projects built in the first quarter will be shipped in the second and third quarters when locations are typically at full production capacity and would have difficulties finding enough labour to handle a significant increase.

AEP believes that the future of the industry will be in significantly automated manufacturing facilities that can produce higher volumes at a lower cost. The new automation facility in Ontario is continuing with the completion of the steel framing and commencement of cladding for the facility. The building is still anticipated to be completed later in 2025.

In addition to the Company's organic growth strategies, the Company is evaluating acquisition opportunities across North America. In September, the Company announced due diligence completion for a future acquisition in Western Canada which was anticipated to close in early Spring of 2025. This closing is still anticipated for Spring of 2025.

Conference Call

AEP will host a conference call to discuss the results today, May 27, 2025 at 11:00am EST (8:00am PST). The call will be hosted by Hadi Abassi, CEO & President, Founder, and Melissa MacRae, CFO. Details to join this conference call are below.

Date: Tuesday, May 27, 2025

Time: 11:00am EST (8:00am PST)

Webinar Link: <https://atlasaep.ca/Uto2fU4WDv>

Meeting ID: 286 831 885 522 3

Passcode: ha9sM76k

Non-GAAP / Non-IFRS Financial Measures

Certain financial measures in this news release do not have any standardized meaning under IFRS and, therefore are considered non-IFRS or non-GAAP measures. These non-IFRS measures are used by management to facilitate the analysis and comparison of period-to-period operating results for AEP and to assess whether AEP's operations are generating sufficient operating cash flow to fund working capital needs and to fund capital expenditures. As these non-IFRS measures do not have any standardized meaning under IFRS, these measures may not be comparable to similar measures presented by other issuers. The non-IFRS measures used in this news release may include "EBITDA", "EBITDA margin", "adjusted EBITDA", "adjusted EBITDA margin", "normalized EBITDA" and "normalized EBITDA margin". For a description of the composition of these measures, please refer to AEP's Management's Discussion and Analysis for the three months ended March 31, 2025 under "Non-IFRS / Non-GAAP Financial Measures", available on AEP's website at www.atlasengineeredproducts.com or on SEDAR at www.sedar.com.

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 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 months ended March 31, 2025. 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 months ended March 31, 2025 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 months ended March 31, 2025 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 are 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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