MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2022

Management's Discussion and Analysis

INTRODUCTION

This Management's Discussion and Analysis (the "MD&A"), dated as November 23rd, 2022, is for the three and nine months ended September 30, 2022. This MD&A should be read in conjunction with the unaudited consolidated financial statements for the three and nine months ended September 30, 2022 and 2021, available under Atlas Engineered Products Ltd.'s ("AEP" or "the Company") profile on SEDAR at www.sedar.com.

The referenced unaudited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRICs") as issued by the International Accounting Standards Board ("IASB"). All amounts included in this MD&A are expressed in Canadian dollars unless otherwise indicated.

AEP's board of directors, on the recommendation of the audit committee, has approved the content of this MD&A.

The Company is listed on the TSX Venture Exchange ("TSX-V") in Canada under the symbol AEP. All dollar amounts stated in this MD&A are expressed in Canadian dollars unless noted otherwise.

FORWARD-LOOKING INFORMATION

This MD&A contains statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. It is important to note that, unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations up to the date of this MD&A.

Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms acceptable to the Company and the ability of third-party service providers to deliver services in a timely manner. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" as disclosed elsewhere in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements.

Forward-looking statements in this MD&A also include future-oriented financial information and financial outlook information ("FOFI") regarding the Company and its prospective results of operations, cash flows and components thereof. The FOFI contained in this MD&A is subject to the same assumptions, risk factors, limitations and qualifications set forth in this MD&A relating to other forward-looking statements. The FOFI contained in this MD&A is provided for the purpose of providing information regarding management's assessment of the Company's anticipated business operations and may not be appropriate for other purposes.

Forward-looking statements, including FOFI, contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise except as required by securities law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

NON-IFRS / NON-GAAP FINANCIAL MEASURES

Certain measures in this MD&A do not have any standardized meaning under IFRS and, therefore are considered non-IFRS or non-GAAP measures (collectively, "non-IFRS measures"). These non-IFRS measures are used by management to facilitate the analysis and comparison of period-to-period operating results for the Company and to assess whether the Company'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 MD&A include "EBITDA", "EBITDA margin", "adjusted EBITDA", "adjusted EBITDA per share", "adjusted EBITDA margin", "normalized EBITDA", and "normalized EBITDA margin".

EBITDA is a non-IFRS measure that provides an indication of whether the Company's operations are generating sufficient operating cash flow to fund working capital needs and to fund capital expenditures. EBITDA comprises revenue less operating expenses before interest expense, interest income, depreciation, impairment charges, and income taxes. EBITDA margin is EBITDA expressed as a percentage of revenues.

Adjusted EBITDA is a non-IFRS measure in which standard EBITDA (earnings before interest expense, interest income, taxes, depreciation, and impairment charges) is adjusted for share-based payments expense, foreign exchange gains or losses, and non-cash items. Foreign exchange gains or losses may consist of both realized and unrealized losses. Under IFRS, entities must reflect in compensation expense the cost of share-based payments. In the Company's circumstances, share-based payments can involve a significant accrual of amounts that will not be settled in cash but are settled by the issuance of shares in exchange. The Company discloses adjusted EBITDA to aid in understanding of the results of the Company and is meant to provide further information about the Company's financial results to investors. Adjusted EBITDA margin is adjusted EBITDA expressed as a percentage of revenues.

Normalized EBITDA is adjusted EBITDA adjusted for one-time costs and non-recurring items that the Company has incurred during the period related to employment and severance costs. Normalized EBITDA margin is normalized EBITDA expressed as a percentage of revenues.

CORPORATE PROFILE

Atlas Engineered Products Ltd. ("AEP" or "the Company") designs, manufactures and sells engineered roof trusses, floor trusses, and wall panels. The Company also distributes a range of various engineered wood products for use by builders of residential and commercial wood-framed buildings. These include single family homes, townhouses, multi-story wood-framed residential buildings, commercial buildings and agricultural structures. The Company's corporate office is located at 2005 Boxwood Road, Nanaimo, British Columbia V9S 5X9.

Since going public on November 6, 2017, the Company has grown its Canadian footprint with seven operations in British Columbia, Manitoba and Ontario. Its seven plants consist of: Atlas Building Systems ("Atlas") (formally Coastal Windows), Pacer Building Components ("Pacer"), Clinton Building Components ("Clinton"), Satellite Building Components ("Satellite"), South Central Building Systems ("SC"), Novum Building Components ("Novum") and since February 28, 2022, Hi-Tec Industries ("Hi-Tec").

OVERALL STRATEGY

The Company's strategy is focused on profitability and organic revenue growth within its current markets, and the pursuit of a roll-up acquisition strategy to consolidate similar companies operating in the truss and engineered wood products industry across Canada.

To pursue its business strategy, the Company's specific objectives are to:

I. Drive revenue growth within all operating markets by developing and enhancing the Company's sales teams, products, and services.
II. Lower operating costs by introducing scale economies in procurement and leveraging the strategic deployment of design, engineering, and transportation resources for the benefit of all operating locations.
III. Broaden the product offerings available within each of the Company's operating markets. A core focus was to target roof truss manufacturing companies. However, there is massive organic growth potential in complementary product lines such as all types of engineered wood, engineered floor trusses, and wall-panels and modular systems. The Company is actively pursuing the development and introduction of complementary product lines across all its facilities.
IV. Acquire revenue and profit accretive businesses that strategically expand the Company's geographic footprint.

The Company believes its strategy provides for several competitive advantages, including:

- Strong regional and national leadership;
- Accumulated design and manufacturing know-how and deep operational expertise;
- Design, engineering and manufacturing capabilities;
- Strong regional networks of loyal clientele;
- Scalability of operations;
- Replicable operational practices and methods; and
- Employee growth through enhanced training and advancement opportunities nationally.

The strong performance of the Company's founding Atlas operations in Nanaimo, BC, serves as the Company's benchmark for operational and financial performance, and for evaluating potential targets in the truss and engineered wood products sector.

The Company believes the owners of many Canadian truss companies will be seeking to sell their businesses over the next several years. The Company's acquisition program has been designed to provide an exit strategy for these owner/managers and to integrate target companies in a manner that strategically increases the Company's share of the Canadian market, while positioning the acquired entities for significant growth in their respective markets and for their pre-existing employees.

To date, the Company has focused on the Pacific Region, Ontario and the Canadian Prairies. These regions have the most buoyant residential construction markets and the largest number of truss plants. However, the Company intends to remain opportunistic should other strategically valuable options present themselves.

OUTLOOK

The Company's objective for 2022 is to continue focusing on improved operations, equipment utilization, and technological advancements to benefit and enhance the Company's performance. The Company has continued to see and experience a strong construction industry in 2022.

On a pro-forma basis, taking seasonality into account, management believes focused marketing activities, the continued expansion of new product lines, leveling of raw material costs, and continued focus on improving costs, should enable these targets to be achievable, but that will depend on the ongoing significant fluctuations in material pricing, transportation delays, and labour shortages.

The Company continues to assess M&A opportunities that fit with the Company's goals and strategies. This has been bolstered by the Company's internal cash generation from 2021 and its financing and credit partnership with TD Canada Trust giving the Company access to more funding for acquisitive growth. The Company has started 2022 with a new acquisition and will be working on integrating that location throughout fiscal 2022.

FINANCIAL HIGHLIGHTS

The Company's results for the three and nine months ended September 30, 2022 include full period results from all locations other than Hi-Tec, which was acquired February 28, 2022. For the comparative three and nine months ended September 30, 2021, all locations other than Hi-Tec are included for the full comparative period.

Summary of Financial Results

Acquisition:

- On February 28, 2022, the Company acquired Hi-Tec ("Hi-Tec Acquisition"), located in Lantzville, BC on Vancouver Island. The shares of Hi-Tec were acquired for $5.8 million in cash plus a working capital adjustment of $454,981 which was finalized within 60 days from the acquisition date. The land and buildings of Hi-Tec were also acquired by the Company for the appraised value of $3.25 million in cash. The Company financed the Hi-Tec Acquisition with a term loan for $5.8 million and a mortgage for $2,437,500. During its last fiscal year ended August 31, 2021, Hi-Tec earned revenues of just over $5.0 million, net income before taxes of just over $1.0 million, and a normalized EBITDA of $1.25 million, resulting in a normalized EBITDA margin of 25%. (Financial information for Hi-Tec for the year ended August 31, 2021 was unaudited and unreviewed.)

Revenue:

- Revenue for the three and nine months ended September 30, 2022 was $17,638,289 and $46,909,032 compared to revenue of $17,563,359 and $41,101,422 for the three and nine months ended September 30, 2021. Revenue has increased during the quarter due to the results from Hi-Tec which was acquired February 28, 2022. Revenue also increased during the nine months ended September 30, 2022 due to organic growth through product line expansion in engineered wood products, as well as, the Hi-Tec acquisition. Additionally, during the period sales pricing was still being adjusted to reflect fluctuating raw material and labour costs compared to the prior period. As the Company passes through the cost of raw materials and labour costs in its product pricing, overall revenues may fluctuate somewhat with the price of raw materials.

EBITDA, Adjusted EBITDA & Normalized EBITDA Margin[1]:

- Non-IFRS EBITDA for the three and nine months ended September 30, 2022 was $5,098,287 and $11,561,318, with an EBITDA margin of 29% and 25%. EBITDA for the three and nine months ended September 30, 2021 was $4,555,705 and $8,209,988, with an EBITDA margin of 26% and 20%. EBITDA and EBITDA margin for the three and nine months ended September 30, 2022 increased compared to the three and nine months ended September 30, 2021 due to increased net income for the period resulting from increased sales and improved gross margins.

EBITDA SUMMARY	Three Months Ended		Nine Months Ended	
	Sept 2022	Sept 2021	Sept 2022	Sept 2021
EBITDA	$5,098,287	$4,555,705	$11,561,318	$8,209,988
Adjusted EBITDA	5,155,651	4,580,899	11,778,911	8,303,007
Normalized EBITDA	5,155,651	4,580,899	11,778,911	8,634,709

Cost of Sales:

- Cost of sales for the three and nine months ended September 30, 2022 was $11,473,688 and $32,114,233 compared to $12,113,355 and $30,128,469 for the three and nine months ended September 30, 2021. Cost of sales has decreased primarily due to the decreasing material costs during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. This decrease was also offset a bit by the added cost of sales from the Hi-Tec acquisition. Cost of sales has increased for the nine months ended September 30, 2022 primarily due to the increase in sales and costs of sales related to the Hi-Tec Acquisition compared to the prior period.

[1] See "Non-IFRS – Non-GAAP Financial Measures".

Gross Profit & Gross Margin:

- Gross profit for the three and nine months ended September 30, 2022 was $6,164,601 and $14,794,799 compared to $5,450,004 and $10,972,953 for the three and nine months ended September 30, 2021. Gross profits increased mainly due to increased sales and the Hi-Tec acquisition.

- Gross margin for the three and nine months ended September 30, 2022 was 35% and 32%, which was up from a gross margin of 31% and 27% for the three and nine months ended September 30, 2021. Gross margins increased due to pricing assessments and updates being completed at all locations due to the fluctuating costs of raw materials and labour. The Company has also focused on improving efficiencies on new product lines and acquisitions, including synergies between the new acquisition, Hi-Tec and Atlas.

Net Income:

- Net income after taxes was $3,131,612 and $6,739,031 for the three and nine months ended September 30, 2022 compared to net income after taxes of $2,793,913 and $4,494,480 for the three and nine months ended September 30, 2021. This increase was primarily due to the increase in revenues, improvements in gross margin, and the new acquisition of Hi-Tec.

SELECTED FINANCIAL RESULTS	Three Months Ended		Nine Months Ended	
	Sept 2022	Sept 2021	Sept 2022	Sept 2021
Revenue from the Business	$17,638,289	$17,563,359	$46,909,032	$41,101,422
Cost of Sales	11,473,688	12,113,355	32,114,233	30,128,469
Gross Profit	**6,164,601**	**5,450,004**	**14,794,799**	**10,972,953**
Gross Margin %	35%	31%	32%	27%
Operating Expenses	1,773,293	1,563,116	5,249,349	4,696,082
Operating Profit	**4,391,308**	**3,886,888**	**9,545,450**	**6,276,871**
Net Income After Adjustments and Taxes	3,131,612	2,793,913	6,739,031	4,494,480
Adjusted EBITDA	**5,155,651**	**4,580,899**	**11,778,911**	**8,303,007**
Adjusted EBITDA Margin %	29%	26%	25%	20%
Normalized EBITDA	**5,155,651**	**4,580,899**	**11,778,911**	**8,634,709**
Normalized EBITDA Margin %	29%	26%	25%	21%
Weighted Average Number of Shares, Basic	59,215,310	57,725,730	59,016,124	57,725,730
Adjusted EBITDA per Share ($ per share)	0.09	0.08	0.20	0.14
Income per Share, Basic ($ per share)	0.05	0.05	0.11	0.08
Income per Share, Fully Diluted ($ per share)	0.05	0.04	0.11	0.06

Selected Financial Information as at:		
	Sept 2022	Dec 2021
Total Assets	$51,821,429	$35,780,659
Total Non-Current Liabilities	15,111,179	9,187,195

The Company has continued to purchase shares for cancellation under a Normal Course Issuer Bid ("NCIB") which will impact the weighted average number of shares. Details are included in our subsequent events on page 18. Additionally, our current issued and outstanding common shares totals can be found on page 12.

Summary of Quarterly Financial Results

The following table sets forth selected financial information from the Company's quarterly financial statements for each of the eight most recently completed quarters. See below under Results of Operations for more details.

SUMMARY OF QUARTERLY RESULTS	Sept 2022	June 2022	Mar 2022	Dec 2021	Sept 2021	June 2021	Mar 2021	Dec 2020
Revenues	$17,638,289	$14,408,430	$12,434,414	$13,896,440	$17,563,359	$14,408,430	$9,129,633	$11,057,939
Net income	$3,131,612	$1,649,359	$1,563,301	$2,459,868	$2,793,913	$1,649,359	$51,208	$351,757
Net income per share basic	0.05	0.03	0.03	0.04	0.05	0.03	0.00	0.01
Net income per share fully diluted	0.05	0.02	0.02	0.03	0.04	0.02	0.00	0.00

RESULTS OF OPERATIONS

Three Months Ended September 30, 2022

Revenue for the three months ended September 30, 2022 was $17,638,289 compared to revenue of $17,563,359 for the three months ended September 30, 2021. Revenue has increased slightly due to results from Hi-Tec which was acquired February 28, 2022. Additionally, material pricing was starting to drop over three months ended September 30, 2022 compared to the three months ended September 30, 2021, but the Company has worked hard to continue its organic growth to help offset the reduction in the Company's prices resulting from the decreased material costs. As the Company passes through the cost of raw materials and labour costs in its product pricing, overall revenues may fluctuate somewhat with the price of raw materials.

Cost of sales for the three months ended September 30, 2022 was $11,473,688 compared to $12,113,355 for the three months ended September 30, 2021. Cost of sales has decreased primarily due to the decreasing material costs during the three months ended September 30, 2022 compared to the three months ended September 30, 2021. This decrease was also offset a bit by the added cost of sales from the Hi-Tec acquisition.

Gross profit for the three months ended September 30, 2022 was $6,164,601 compared to $5,450,004 for the three months ended September 30, 2021. Gross margin for the three months ended September 30, 2022 was 35%, compared to gross margin of 31% for the three months ended September 30, 2021. Gross profits increased mainly due to decreasing material costs which increased profits on some jobs, as well as, the addition of the Hi-Tec acquisition. Gross margins increased due to decreasing material costs compared to the sales prices. The Company does adjust its pricing in relation to costs, but the costs decreased more than pricing was brought down on some jobs. The Company has also focused on improving efficiencies on new product lines and acquisitions. The Company has been able to complete some major projects on the integration of the Hi-Tec acquisition, as well, which has helped improve margins from prior periods during fiscal 2022.

The Company recorded a net income after taxes of $3,131,612 ($0.05 per share basic, $0.05 per share fully diluted) for the three months ended September 30, 2022 compared to a net income after taxes of $2,793,913 ($0.05 per share basic, $0.04 per share fully diluted) for the three months ended September 30, 2021. The Company recorded a higher net income after taxes for the three months ended September 30, 2022 compared to the three months ended September 30, 2021 due to slightly increased revenues, improved margins, and a new acquisition from February 28, 2022, Hi-Tec.

Administrative and office for the three months ended September 30, 2022 $449,194 (three months ended September 30, 2021 – $358,599). Administrative and office expenses has increased due to the higher cost of insurance compared to prior periods and the addition of costs related to the Hi-Tec acquisition.

Depreciation and amortization for the three months ended September 30, 2022 $306,813 (three months ended September 30, 2021 – $512,881). Overall depreciation and amortization decreased from the prior period due to no significant changes in assets that were not directly related to manufacturing for the entire period and the Company's amortization policy which is based on a declining balance basis. During the three months ended September 30, 2022, $402,833 in additional depreciation was included in cost of sales (three months ended September 30, 2021 – $351,015). This increase is due to manufacturing equipment purchased in the prior period that is now not subject to the half-year rule for depreciation, as well as, new

manufacturing equipment purchased February 28, 2022 with the Hi-Tec Acquisition.

Professional fees for the three months ended September 30, 2022 $134,065 (three months ended September 30, 2021 – $50,075). Professional fees increased due to consulting fees related to the ERP, payroll, and HR system upgrade projects started during the three months ended September 30, 2022.

Salaries and benefits for the three months ended September 30, 2022 $825,751 (three months ended September 30, 2021 – $778,928). Salaries and benefits increased due to the Hi-Tec acquisition.

Share-based payments for the three months ended September 30, 2022 $54,697 (three months ended September 30, 2021 – $30,378). The share-based payments has increased compared to the prior period due to the vesting requirements of the options issued. Options are expensed over eighteen months as they vest and options were issued on January 4, 2022 and April 21, 2022.

Nine Months Ended September 30, 2022

Revenue for the nine months ended September 30, 2022 was $46,909,032 compared to revenue of $41,101,422 for the nine months ended September 30, 2021. Revenue has increased due to organic growth through product line expansion in engineered wood products earlier in the fiscal year and results from Hi-Tec which was acquired February 28, 2022. Additionally, during the period sales pricing was still being adjusted to reflect fluctuating raw material and labour costs compared to the prior period. As the Company passes through the cost of raw materials and labour costs in its product pricing, overall revenues may fluctuate somewhat with the price of raw materials.

Cost of sales for the nine months ended September 30, 2022 was $32,114,233 compared to $30,128,469 for the nine months ended September 30, 2021. Cost of sales has increased primarily due to the increase in sales and costs of sales related to the Hi-Tec Acquisition compared to the prior period.

Gross profit for the nine months ended September 30, 2022 was $14,794,799 compared to $10,972,953 for the nine months ended September 30, 2021. Gross margin for the nine months ended September 30, 2022 was 32%, which is higher than gross margin of 27% for the nine months ended September 30, 2021. Gross profits increased mainly due to increased sales and the Hi-Tec acquisition. Gross margins increased due to pricing assessments and updates being completed at all locations due to the fluctuating costs of raw materials and labour. The Company has also focused on improving efficiencies on new product lines and acquisitions.

The Company recorded a net income after taxes of $6,739,031 ($0.11 per share basic, $0.11 per share fully diluted) for the nine months ended September 30, 2022 compared to a net income after taxes of $4,494,480 ($0.08 per share basic, $0.06 per share fully diluted) for the nine months ended September 30, 2021. The Company recorded a higher net income after taxes for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 due to increased revenues, improved margins, and a new acquisition from February 28, 2022, Hi-Tec.

Administrative and office for the nine months ended September 30, 2022 $1,336,736 (nine months ended September 30, 2021 – $1,009,918). Administrative and office expenses has increased due to the higher cost of insurance, bank financing costs related to the acquisition, and the addition of costs related to Hi-Tec that was not part of the Company in the comparative period.

Depreciation and amortization for the nine months ended September 30, 2022 $888,466 (nine months ended September 30, 2021 – $1,504,059). Overall depreciation and amortization decreased from the prior period due to no significant changes in assets that were not directly related to manufacturing for the entire period and the Company's amortization policy which is based on a declining balance basis. The Company did acquire land and building related to the Hi-Tec Acquisition, but this was only from February 28, 2022. During the nine months ended September 30, 2022, $1,148,494 in additional depreciation was included in cost of sales (nine months ended September 30, 2021 – $1,008,147). This increase is due to manufacturing equipment purchased in the prior period that is now not subject to the half-year rule for depreciation, as well as, new manufacturing equipment purchased February 28, 2022 with the Hi-Tec Acquisition.

Professional fees for the nine months ended September 30, 2022 $356,493 (nine months ended September 30, 2021 – $171,470). Professional fees increased due to accounting, legal, and appraisal costs related to the Hi-Tec acquisition during the period. In addition to, consulting fees related to the ERP, payroll, and HR system upgrade projects started during the three months ended September 30, 2022.

Salaries and benefits for the nine months ended September 30, 2022 $2,467,919 (nine months ended September 30, 2021– $2,438,788). Salaries and benefits did not change significantly over the course of the period.

Share-based payments for the nine months ended September 30, 2022 $196,501 (nine months ended September 30, 2021– $69,824). The share-based payments has increased compared to the prior period due to the vesting requirements of the options issued. Options are expensed over eighteen months as they vest and options were issued on January 4, 2022 and April 21, 2022.

One-time Costs

The Company did not incur any one-time or non-recurring costs for the three and nine months ended September 30, 2022. The Company incurred one-time and non-recurring costs related to employment and severance of $Nil and $331,702 for the three and nine months ended September 30, 2021, respectively. One-time and non-recurring costs are not expected to be ongoing each year and/or period and are added back into normalized EBITDA calculations.

Non-IFRS Financial Measures – EBITDA, Adjusted EBITDA, and Normalized EBITDA[2]

EBITDA for the three and nine months ended September 30, 2022 was $5,098,287 and $11,561,318, respectively, with an EBITDA margin of 29% and 25%, respectively. EBITDA for the three and nine months ended September 30, 2021 was $4,555,705 and $8,209,988, respectively, with an EBITDA margin of 26% and 20%, respectively. EBITDA for the three and nine months ended September 30, 2022 increased by 12% and 41%, respectively, compared to the three and nine months ended September 30, 2021 due to increased net income for the period resulting from increased sales and improved gross margins.

Adjusted EBITDA for the three and nine months ended September 30, 2022 was $5,155,651 and $11,778,911, respectively, with an adjusted EBITDA margin of 29% and 25%, respectively. This is an increase from an adjusted EBITDA of $4,580,899 and $8,303,007, respectively, and an adjusted EBITDA margin of 26% and 20%, respectively, for the three and nine months ended September 30, 2021. These increases were mainly due to increased net income for the period resulting from increased sales and improved gross margins.

[2] See "Non-IFRS / Non-GAAP Financial Measures"

EBITDA, Adjusted EBITDA, and Normalized EBITDA Calculation	Three Months Ended		Nine Months Ended	
	Sept 2022	Sept 2021	Sept 2022	Sept 2021
Net income for the period as reported	$3,131,612	$2,793,913	$6,739,031	$4,494,480
Interest earned	(52,182)	(6,677)	(104,624)	(14,563)
Interest expense	154,913	60,765	363,612	188,001
Income tax expense	1,122,752	999,079	2,420,564	1,445,565
Finance charge on leases	31,546	44,992	105,775	140,193
Depreciation	709,646	663,633	2,036,960	1,956,312
EBITDA	**5,098,287**	**4,555,705**	**11,561,318**	**8,209,988**
Loss on disposal of equipment	-	2,124	10,154	13,087
Foreign exchange loss	2,667	(7,308)	10,938	10,108
Share-based payments	54,697	30,378	196,501	69,824
Adjusted EBITDA	**5,155,651**	**4,580,899**	**11,778,911**	**8,303,007**
Revenue	17,638,289	17,563,359	46,909,032	41,101,422
EBITDA Margin %	**29%**	**26%**	**25%**	**20%**
Adjusted EBITDA Margin %	**29%**	**26%**	**25%**	**20%**
One time costs	-	-	-	331,702
Normalized EBITDA	**5,155,651**	**4,580,899**	**11,778,911**	**8,634,709**
Normalized EBITDA Margin %	**29%**	**26%**	**25%**	**21%**

RELATED PARTY TRANSACTIONS

The Company's related parties consist of the Company's directors and officers, and any companies associated with them. Key management personnel include directors and executive officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management personnel for employee services for the reported periods.

The Company incurred the following charges as part of the Company's consolidated statement of income and comprehensive income during the three and nine months ended September 30, 2022 and 2021.

	Three months ended		Nine months ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	$	$	$	$
Salaries and benefits	183,290	219,947	973,775	865,267
Management fees	-	30,600	-	54,600
Administrative and office	27,000	27,000	90,500	88,550
Finance charge on lease obligations[1]	13,789	17,169	43,625	47,126
Share-based compensation	48,416	30,378	166,457	69,824
Total related party transactions	272,495	325,094	1,274,357	1,125,367

Due from/to related parties

Amounts due from/to related parties are detailed as follows:

	September 30, 2022	December 31, 2021
	$	$
Due to related parties		
Accounts payable and accrued liabilities	(10,362)	(19,767)
Lease obligation[(1)]	(906,812)	(1,083,687)

Total due to related parties	(917,174)	(1,103,454)

1. A Director of the Company has a 50% ownership in a company that owns the land and building and leases the premises to our Atlas location.

LIQUIDITY AND CAPITAL RESOURCES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern. In the management of capital, the Company includes its components of shareholders' equity.

The Company maintains and adjusts its capital structure based on changes in economic conditions and the Company's planned requirements. The Company may adjust its capital structure by issuing new equity, issuing new debt, or acquiring or disposing of assets, and controlling its expenses. The Company is not subject to externally imposed capital requirements.

The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements.

The Company's total assets have increased to $51,821,429 as at September 30, 2022 compared to $35,780,659 as at December 31, 2021. This increase in total assets is mainly due to the Hi-Tec Acquisition and an overall increase in cash, accounts receivable, and inventories from the busiest part of the Company's recent construction season compared to the first and last quarter's of the fiscal year. The Company's total liabilities have increased to $24,561,637 as at September 30, 2022 from $15,968,016 as at December 31, 2021 mainly due to the financing used to acquire Hi-Tec and the Hi-Tec Acquisition.

As at September 30, 2022, the Company held cash of $12,904,469 and had working capital of $18,348,397 (December 31, 2021 – cash of $8,947,182 and working capital of $12,526,779). Working capital has increased mainly due to increased revenues and profits impacting cash, accounts receivable, and inventory.

During the three and nine months ended September 30, 2022, net cash provided by operating activities was $3,755,328 and $6,752,999 (three and nine months ended September 30, 2021 – $3,264,554 and $5,381,235). The cash provided by operations increased for the three and nine months ended September 30, 2022 mainly due to increased net income for the periods.

Net cash used in investing activities for the three and nine months ended September 30, 2022 was $116,756 and $9,507,808 (three and nine months ended September 30, 2021 – $10,311 and $1,243,360). The increase in cash used in investing activities during the three months ended September 30, 2022 compared to the three months ended September 30, 2021 was due to some minor equipment upgrades during the period. The significant increase in cash used in investing activities during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 was due to the land and building and Hi-Tec Acquisition on February 28, 2022.

Cash used in financing activities for the three months ended September 30, 2022 was $1,052,910 and provided by financing activites for the nine months ended September 30, 2022 was $6,712,096 (three and nine months ended September 30, 2021, used in – $505,495 and $1,542,110). The change in cash used in financing activities was due to regular loan repayments and repurchase of shares for cancellation under the Company's normal course issuer bid. The change in cash from "used in" to "provided by" financing activities for the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 was due to the financing obtained to purchase Hi-Tec. Additionally, warrants were exercised during the nine months ended September 30, 2022 compared to the prior period.

CAPITAL EXPENDITURES

During the three and nine months ended September 30, 2022, the Company used cash to acquire buildings and equipment of $116,756 and $3,587,385 (three and nine months ended September 30, 2021 - $41,757 and $1,278,320). Overall buildings and equipment increased slightly compared to the three months ended September 30, 2021 due to some minor equipment upgrades. Overall buildings and equipment increased during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 due acquiring the land and building at Hi-Tec plus the Hi-Tec Acquisition which included equipment, vehicles,

and various other equipment.

FINANCIAL INSTRUMENTS

Fair value of financial instruments

Due to the short-term nature of cash, trade accounts receivable, accounts payable and accrued liabilities the carrying value of these financial instruments approximate their fair value. Customer deposits are short-term in nature as they are either refundable if the order is not completed or applied to an order at their carrying value. The carrying value of the customer deposits would approximate their fair value. The fair value of long-term debt is not materially different from their carrying value.

Classification of financial instruments

The Company's financial instruments consist of cash, trade accounts receivable, accounts payable and accrued liabilities, customer deposits, and long-term debt. The Company classified and measured its cash and accounts receivable as subsequently measured at amortized cost. The accounts payable and accrued liabilities, customer deposits, and long-term debt notes are classified and measured at amortized cost.

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include market risk, interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors who actively focus on securing the Company's cash flows by minimizing the exposure to volatile financial instrument risks.

Financial and capital risk management

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include interest rate risk, credit risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies with the most significant effect on the amounts recognized in the Company's financial statements are as follows:

Key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS as issued by the IASB requires management to make estimates and judgements that affect the amount reported in the consolidated financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are subject to measurement uncertainty. Actual results may differ from these estimates.

SECURITIES OUTSTANDING

As at November 23rd, 2022, the Company's outstanding share information was as follows:

Security	Number	Exercise Price	Expiry Date
Issued and outstanding common shares	57,197,263	NA	NA
Stock options	650,000	0.49	08-Nov-22
Stock options	450,000	0.60	05-Feb-23
Stock options	87,500	0.53	21-Feb-23
Stock options	495,000	0.30	03-Mar-24
Stock options	100,000	0.49	04-Jan-26
Stock options	350,000	0.29	21-Apr-26
Stock options	425,000	0.60	04-Jan-27
Stock options	200,000	0.64	21-Apr-27
Total Options	**2,757,500**		

There are still a number of options outstanding that would have originally expired on November 8, 2022. Some option holders were, and still currently are, in blackout. Once the blackout period ends these option holders will have 10 days to exercise their options before they expire.

DISCLOSURE CONTROLS AND PROCEDURES

In connection with National Instrument 52-109 - *Certification of Disclosure in Issuer's Annual and Interim Filings* ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the three and nine months ended September 30, 2022 and this accompanying MD&A.

In contrast to the full certificate under NI 52-109 the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with its filings on SEDAR at www.sedar.com.

RISKS AND UNCERTAINTIES

The Company's business and financial prospects are subject to several risks and uncertainties, including operational, financial and regulatory risks. The risks described below are not the only ones that the Company may face. If any of these risks occur, the Company's business, financial position and its results of operation could be materially and adversely affected.

Business Development, Marketing and Sales Risk

The Company's future growth and profitability will depend on the effectiveness and efficiency of its national and potentially future international business development, marketing and sales strategy, including the Company's ability to (i) consolidate the market via strategic acquisitions; (ii) determine appropriate business development, marketing and sales strategies and (iii) maintain acceptable operating margins on such costs. There can be no assurance that business development, marketing and sales costs will result in revenues for the Company in the future or will generate awareness of the Company's products and services. In addition, no assurance can be given that the Company will be able to manage the Company's business development, marketing and sales costs on a cost-effective basis.

Brand Awareness

The Company's expansion of its products and services depends on increasing market consolidation through strategic acquisitions and maintaining customer loyalty in these captive markets before another company decides to move into the market and follow a similar business objective of market consolidation through acquisition. There is no assurance that the Company will be able to increase brand awareness. In addition,

the Company must successfully develop a market for its products in order to sell its products. If the Company is not able to successfully develop a market for its products, then such failure will have a material adverse effect on the business, financial condition and operating results of the Company.

Growth Risk

A key component of the Company's strategy is to continue to grow, both by increasing sales and earnings in existing markets with existing products, and by expanding into new markets and products. There can be no assurance that the Company will be successful in growing its business or in managing its growth. The Company's growth depends on, among other things:

- identifying and developing new markets and products;
- identifying and acquiring other businesses that are suitable acquisition candidates;
- successfully integrating any acquired businesses with existing operations;
- establishing and maintaining favourable relationships with customers in new markets, and maintaining these relationships in existing markets;
- establishing and maintaining favourable relationships with suppliers in new markets, and maintaining these relationships in existing markets; and
- successfully managing expansion and obtaining required financing.

In addition, the Company will depend on its ability to implement and integrate the following elements of its growth strategy:

- develop and expand sales through acquisitions;
- introduce new product lines; and
- carry out acquisitions, including identifying to the extent possible liabilities of the newly acquired businesses.

Management of Growth

The inability of the Company to successfully manage its growth could have a material adverse effect on its operating results and cause its results from operations to fluctuate. As part of the Company's growth strategy, it intends to introduce new product lines, pursue acquisitions and expand sales to existing and new customers, in new and existing territories. The Company's expense levels are based, in part, on expected future revenues and the Company is constrained in its ability to reduce expenses quickly if for any reason its sales levels do not meet expectations in a quarter or period. Furthermore, rapid expansion may place a significant strain on the Company's senior management team and other key personnel as well as its business processes, operations and other resources. The Company's ability to manage growth will also depend in part on its ability to continue to enhance its management information systems in a timely fashion, particularly if customer demands change in ways that the Company does not anticipate. Any inability to manage growth could result in delivery delays and cancellation of customer orders, which could have a material adverse effect on the Company's business.

Maintenance Obligations and Facility Disruptions

The Company's manufacturing processes are vulnerable to operational problems that could impair the ability to manufacture products. The Company could experience a breakdown in any of their machines or other important equipment, and from time to time, planned or unplanned maintenance outages that cannot be performed safely or efficiently during normal hours of operation. Such disruptions could cause a loss of production, which could potentially have a material adverse effect on the business, financial condition and operating results.

Dependence on the Housing, Construction, Repair and Remodelling Market

The demand for the Company products is primarily affected by the level of new wood-framed residential and commercial construction activity and, to a lesser extent, repair and remodeling activity and other industrial uses, which are subject to fluctuations due to changes in general economic conditions. Decreases in the level of residential construction activity generally results in lower revenues, profits and cash flows for builders who are important customers to the Company.

Rising Interest Rates Could Have a Negative Impact on the Housing, Construction, Repair and Remodelling Market

During, and subsequent to, the three and nine months ended September 30, 2022, the Bank of Canada raised its target overnight interest rates and has indicated that further interest rate increases may be forthcoming. Rising interest rates could have a negative impact on the housing, construction, repair and remodelling market as the cost of borrowing increases.

Fluctuations in Prices and Demand for and Selling Price of Lumber

The Company's financial performance principally depends on the demand for and selling price of its products. The markets for lumber products are cyclical and are subject to significant fluctuations. The markets for lumber are highly volatile and are affected by factors such as North American economic conditions, including the strength of the Canadian and U.S. housing market, the growing importance of the Asian market, changes in industry production capacity, changes in inventory levels and other factors beyond the Company's control. In addition, interest rates have a significant effect on residential construction and renovation activity, which in turn influences the demand for and price of lumber.

Product Liability Claims

The Company produces engineered products and each product design is certified by a professional engineer. Each of these certified products is then inspected and is subject to the building plan and permit which in turn is covered by new homes and buildings protection liability insurance policies.

Although the Company believes that it maintains adequate insurance coverage, it may from time to time be subject to claims for damages resulting from defects in products that it supplies. Product liability claims, even if unsuccessful, may result in significant litigation costs to defend the claims as well as other costs incurred to remedy the problem, such as product recalls, which could substantially increase the Company's expenses. Successful or partially successful product liability claims could result in significant monetary liability and could seriously disrupt the Business, particularly if the Company's insurance coverage is inadequate or unavailable in respect of any such claims.

Furthermore, a highly publicized actual or perceived problem with products that the Company supplies could adversely affect the market's perception of its products which may result in a decline in demand for products supplied by the Company, thereby reducing the Company's revenues and operating results, which could have a material adverse effect on its business.

Uninsured or Uninsurable Risk

The Company may become subject to liability for risks against which it cannot insure or against which the Company may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Competition

The Company may face significant competition in selling its products and services. Many competitors may have substantial marketing, financial, development and personnel resources. To remain competitive, the Company believes that it must effectively and economically provide: (i) products and services that satisfy customer demands, (ii) superior sales and customer service, (iii) high levels of quality and reliability, and (iv) dependable and efficient distribution networks. Increased competition may require the Company to reduce prices or increase spending on sales and marketing and customer support, which may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and its results from operations.

Patent Infringement

While the Company believes that its products and operations will not violate the intellectual property rights of third parties, other parties could bring legal actions against the Company claiming damages and seeking to enjoin the marketing and sale of the Company's products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to the Company and diversion of effort by its management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, the Company could be required to obtain a license in order to continue to market the affected products. There can be no assurance that the Company would prevail in such action or that any license required under any such patent would be available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have material adverse effect on the Company's business. In addition, if the Company was to become involved in such litigation, it could consume a substantial portion of the Company's time and resources.

Cyber Security Risk

The Company relies on information technology systems and networks in its operations. The Company could be materially and adversely affected if the information technology systems or networks are compromised by malicious cyber attacks. This information technology infrastructure may be subject to security breaches or other cybersecurity incidents. In addition, these systems may be compromised by natural disasters or defects in software or hardware systems. The consequences of the Company's information technology systems being compromised potentially include material and adverse impacts on its financial condition, operations, production or sales, due to disruption of its business activities, and access to, and/or compromising of, proprietary sensitive information, including confidential customer or employee information, litigation and regulatory costs, devaluation of any intellectual property and reputation harm. While the Company believes it takes appropriate precautions considering cyber security risks, there can be no assurance that it may not be subject to cyber security risks or attack, which could have a material adverse effect on business or results of operations.

Obsolescence

Maintaining a competitive position requires constant growth, development and strategic marketing and planning. If the Company is unable to maintain a technological advantage, the Company's ability to grow its business will be adversely affected and its products may become obsolete compared with other technologies.

Results of Operations and Financing Risks

Management believes, based on its expectations as to the future performance of the Company, that the cash flow from its operations and funds available to it will be adequate to enable the Company to finance its operations, execute its business strategy and maintain an adequate level of liquidity. However, expected revenue and the costs of planned capital expenditures are only estimates. Actual cash flows from operations are dependent on regulatory, market and other conditions that will be beyond the control of the Company. As such, no assurance can be given that management's expectations as to future performance will be realized. In addition, management's expectations as to the future performance of the Company reflect the current state of its information about recently acquired assets or entities, assets or entities currently considered for acquisition, the operations related thereto and integration efforts, and there can be no assurance that such information is correct or complete in all material respects.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful with the Company's acquisition strategy and the overall development of its business. The Company does not currently know whether it will be able to secure additional funding or funding on terms acceptable to the Company. The Company's ability to obtain additional funding will be subject to several factors, including market conditions, investor sentiment and the Company's operating performance. These factors may take the timing, amount, terms and conditions of additional funding unattractive to the Company. If the Company is unable to raise additional funds on terms acceptable to the Company's management when needed, the Company's ability to execute its acquisition strategy could be impaired, which could lead to a material adverse impact on its

business. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion or may not be able to further develop its business at all.

If the Company can obtain additional funds by way of an equity financing, the Company's existing shareholders may experience dilution. Any additional debt financing, if available, may involve restrictions on the Company's financing and operating activities.

Liquidity and Future Financing Risk

The Company does not currently have cash reserves for funding future growth and expansion and therefore may require additional financing in order to fund future growth in operations and expansion plans. The Company's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Company's business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to the Company's management. If additional financing is raised by issuing Common Shares, control may change, and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its business plan.

Changes in Law, Regulations and Guidelines

The Company's business will be subject to laws, regulations, and guidelines. Although the Company intends to comply with all laws and regulations, there is no guarantee that the governing laws and regulations will not change which will be outside of the Company's control.

Key Personnel Risk

The Company's success will depend on its directors' and officers' ability to develop the Company's business and manage its operations, and on the Company's ability to attract and retain the Chief Executive Officer and other key technical, sales, public relations and marketing staff or consultants to ramp up its business activities. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on the Company's business. Competition for qualified technical, design, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future, which may adversely impact the Company's operations.

Conflicts of Interest Risk

Certain of the Company's directors and officers are also involved as advisors for other companies. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers' conflict with or diverge from the Company's interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract, or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.

In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. However, in conflict of interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Company.

Intellectual Property Protection

The Company's intellectual property is protected primarily through trade secrets and copyright protection. The Company takes steps to document and protect its trade secrets and authorship of works protectable by copyright. However, there is no guarantee that such steps protect against the disclosure of confidential information, rights of employees, or that legal actions would provide sufficient remedy for any breach. Additionally, the Company's trade secrets might otherwise become known or be independently developed

by competitors. If the Company's intellectual property cannot be protected, the business might be adversely affected.

Market Risk for Securities

The market price for the Company shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company's Shares. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Absence of Cash Dividends

To date, the Company has not paid any cash dividends on its Common Shares and it does not anticipate the payment of any dividends on its Common Shares in the foreseeable future.

Smaller Companies

Market perception of smaller companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Company's securities may go down as well as up, and, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares, results of operations, changes in earnings estimates or changes in general market, economic and political conditions.

Seasonality risk

As the Company continues its acquisitions across Canada there are several locations that will face extreme weather conditions that will impact manufacturing and delivery of products. It will also impact the Company's customers and deliveries could be delayed.

Macro-Economic risk

The Company may also be negatively affected by economic downturns or other disruptions to commercial and residential construction markets, which could affect the demand for the Company's products and services, and in turn negatively affect the Company's financial condition and results. Economic slowdowns may also affect capital or credit markets, affecting our ability to raise capital or credit for the purpose of achieving our business objectives.

National Pandemic risk

Pandemics, such as the COVID-19 pandemic, have the potential to disrupt the Company's operations, projects and business prospects through the disruption of operations at the Company's plants, disruption of the local, national and international supply chain and transportation services, and the loss of labour from quarantines and/or work restrictions, any of which may require the Company to temporarily reduce or shut down its operations. In addition, large scale epidemics, quarantines and work restrictions could negatively impact the construction market, the demand for the Company's products and services, or the collection of accounts receivable, any of which could have a material adverse affect on the Company's financial condition and results. To date, the Company has experienced minimal impacts compared to other industries; however there may be a material impact on the Company's financial position, results of operations, cash flows, and ability to obtain financing in future periods depending on the progress of the pandemic and any future potential lockdowns. In particular, there may be an increased risk of future goodwill and intangible asset impairments. These uncertainties arise from the inability to predict the ultimate duration of the outbreak, the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place world-wide to fight the virus as required.

SUBSEQUENT EVENTS

a) Normal Course Issuer Bid

Subsequent to the nine months ended September 30, 2022, the Company purchased for cancellation an additional 1,335,786 of shares pursuant to its NCIB for a total of $741,921.

OTHER INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.