MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended December 31, 2025

Management's Discussion and Analysis

INTRODUCTION

This Management's Discussion and Analysis (the "MD&A"), dated as April 29th, 2026, is for the year ended December 31, 2025. This MD&A should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025 and 2024, available under Atlas Engineered Products Ltd.'s ("AEP" or "the Company") profile on SEDAR at www.sedar.com.

The referenced audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS) as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). 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 year and periods such as expenses and costs related to employment and severance payments and one-time acquisitions. 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 ten operations across British Columbia, Manitoba, Ontario and New Brunswick. Its ten plants consist of: Atlas Building Systems Ltd. ("ABS"), Pacer Building Components Ltd. ("Pacer"), Clinton Building Components Ltd. ("Clinton"), Satellite Building Components Ltd. ("Satellite"), South Central Building Systems Ltd. ("SC"), Novum Building Components Ltd. ("Novum"), Hi-Tec Industries Ltd. ("Hi-Tec"), Leon Chouinard & Fils Co. Ltd./Ltée. ("LCF"), Truss-Worthy Construction Systems Inc. ("Truss-Worthy") as of May 30, 2025 and Penn-Truss Mfg. Inc. ("Penn-Truss") as of July 24, 2025.

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 Canada for acquisition growth. However, the Company intends to

remain opportunistic should international options present themselves.

OUTLOOK

The Company's objective for 2026 is to continue focusing on improved operations, equipment utilization, and technological advancements to benefit and enhance the Company's performance. The Company experienced a more competitive market for 2025 and is continuing to experience this trend in early 2026. The Company continues to see strong markets where affordability is better, such as the Prairies and Maritimes. Markets like Ontario and British Columbia are less affordable and the markets are more competitive, although the Company is seeing signs of improvement in the British Columbia market. The Company continues to see strong quoting and is actively working to ensure that the Company can manufacture and supply trusses, walls, and engineered wood products to the construction market as the quoting backlog starts to become orders as the market improves. The Company anticipates the new automation facility in Clinton, ON to support the housing market with increased capacity and improved affordability. Additionally, the Canadian and some Provincial Governments continue to announce incentives and programs to bolster construction which may make for a busy construction season through the summer and fall of 2026.

On a pro-forma basis, taking seasonality into account, management believes focused marketing activities, increased sales force, continued expansion of new product lines, leveling of raw material costs, and a continued focus on improving costs, should enable these targets to be achievable. However, actual results may depend on the effects of labour shortages and any actual downward effects on the housing market resulting from the ongoing tariffs being implemented and their repercussions on the economy despite the continued need for more housing in Canada.

The Company continues to assess M&A opportunities that fit with the Company's goals and strategies. In recent years, the Company completed one acquisition in 2023 (LCF), and two acquisitions in 2025 (Truss-Worthy & Penn-Truss). The Company is also expanding its assessment of potential M&A opportunities to wall manufacturing companies in order to strategically expand its product lines.

FINANCIAL HIGHLIGHTS

The Company's results for the year ended December 31, 2025 include full period results from all locations.

Summary of Financial Results

Acquisition:

- On May 30, 2025, the Company acquired 100% of the issued and outstanding shares in Truss-Worthy Construction Systems in Colborne, Ontario for $1,575,000 in cash plus a working capital adjustment of $83,244 finalized subsequent to the closing and paid in cash. In a separate transaction, the Company also purchased the land and buildings for $850,000 in cash.

- On July 24, 2025, the Company acquired 100% of the issued and outstanding shares of Penn-Truss for $3.8 million. $760,000 of the purchase price will be due nine months post-closing and $760,000 in cash or shares of AEP at the discretion of AEP and based on the performance of Penn-Truss for fiscal 2025. The performance component will be determined based on adjusted EBITDA to be finalized within five business days of filing the Company's fiscal 2025 audited financial results. The remaining purchase price was paid for in cash at closing. Working capital deficiency for $70,526 was calculated and finalized subsequent to closing. Penn-Truss is located in Saltcoats, SK. Penn-Truss is a manufacturer of roof and floor trusses and a supplier of engineered wood products.

Revenue:

- Revenue for the three and twelve months ended December 31, 2025 was $17,645,972 and $62,641,420 compared to revenue of $15,069,615 and $55,828,723 for the three and twelve months ended December 31, 2024, representing a 17% and 12% increase, respectively. Revenue has increased due to acquisitive growth, the organic growth related to walls from the beginning of the year and the increase in roof and floor trusses. The Company has seen an increase in

manufacturing metrics, but due to the competitive market, sales prices are still lower than the same periods compared to the prior periods.

Gross Profit:

- Gross profit for the three and twelve months ended December 31, 2025 was $3,583,030 and $12,157,994 compared to $3,591,777 and $13,546,485 for the three and twelve months ended December 31, 2024. Gross profits decreased due to increased cost of sales combined with the competitive market. The Company regularly analyses the benefits of revenues and gross margins in order to determine whether to reduce margins in order to generate more revenues and increase market share. Additionally, the Company acquired two new acquisitions that are not fully integrated as of the three months ended December 31, 2025.

Normalized EBITDA and EBITDA Margin[1]:

- Non-IFRS normalized EBITDA for the year ended December 31, 2025 was $7,384,785, compared to $8,524,374 for the year ended December 31, 2024. Normalized EBITDA for the year ended December 31, 2025 decreased compared to the year ended December 31, 2024 due to the competitive market that resulted in lower selling prices despite increase in revenues.

ANNUAL SELECTED FINANCIAL RESULTS	Year Ended	
	Dec 2025	Dec 2024
Revenue	$62,641,420	$55,828,723
Cost of Sales	50,483,426	42,282,238
Gross Profit	**12,157,994**	**13,546,485**
Gross Margin %	19%	24%
Operating Expenses	11,015,436	10,649,618
Operating Income	**1,142,558**	**2,896,867**
Net Loss After Adjustments and Taxes	(375,365)	(212,128)
Adjusted EBITDA	**6,868,901**	**8,499,458**
Adjusted EBITDA Margin %	11%	15%
Normalized EBITDA	**7,384,785**	**8,524,374**
Normalized EBITDA Margin %	12%	15%
Weighted Average Number of Shares	70,331,749	65,056,625
Adjusted EBITDA per Share ($ per share)	0.10	0.13
Loss per Share, Basic ($ per share)	(0.01)	0.00
Loss per Share, Fully Diluted ($ per share)	(0.01)	0.00

Selected Financial Information as at:		
	Dec 2025	Dec 2024
Total Assets	$80,506,599	$80,707,175
Total Non-Current Liabilities	21,729,670	24,335,689

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

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

for more details.

SUMMARY OF QUARTERLY RESULTS	Dec 2025	Sept 2025	June 2025	Mar 2025	Dec 2024	Sept 2024	June 2024	Mar 2024
Revenues	$17,645,972	$20,331,585	$13,653,148	$11,010,715	$15,069,615	$16,550,911	$15,087,138	$9,121,059
Net (loss) income	($686,098)	$1,865,090	($708,026)	($846,331)	($838,728)	$914,458	$705,578	($993,436)
Net (loss) income per share basic	(0.01)	0.03	(0.01)	(0.01)	(0.01)	0.01	0.01	(0.02)
Net (loss) income per share diluted	(0.01)	0.03	(0.01)	(0.01)	(0.01)	0.01	0.01	(0.02)

RESULTS OF OPERATIONS

Three Months Ended December 31, 2025

Revenue for the three months ended December 31, 2025 was $17,645,972 compared to revenue of $15,069,615 for the three months ended December 31, 2024. Revenue increased due to revenue from the Truss-Worthy and Penn-Truss acquisitions.

Cost of sales for the three months ended December 31, 2025 was $14,062,942 compared to $11,477,838 for the three months ended December 31, 2024. Cost of sales increased due to an increase in revenues.

Gross profit for the three months ended December 31, 2025 was $3,583,030 compared to $3,591,777 for the three months ended December 31, 2024. Gross margin for the three months ended December 31, 2025 was 20%, which is lower than gross margin of 24% for the three months ended December 31, 2024. Gross profits and margins decreased mainly due to increased cost of sales combined with the competitive market. The Company regularly analyses the benefits of revenues and gross margins in order to determine whether to reduce margins in order to generate more revenues and increase market share. Additionally, the Company acquired two new acquisitions that are not fully integrated as of the three months ended December 31, 2025.

The Company recorded net loss after taxes of $686,098 (-$0.01 per share basic, -$0.01 per share diluted) for the three months ended December 31, 2025 compared to a net loss after taxes of $838,728 (-$0.01 per share basic, -$0.01 per share diluted) for the three months ended December 31, 2024. Net loss after taxes has increased compared to the prior period due to a reduction in gross margins driven by a competitive market and several expenses related to acquisitions and the automation facility that could not be capitalized, such as legal fees, travel costs, appraisals, etc. These are all impacting the net loss for the period but are added back for normalized EBITDA.

Administrative and office for the three months ended December 31, 2025 $663,676 (three months ended December 31, 2024 – $752,294). Administrative and office expenses have slightly decreased from the prior period due to the end of some consulting contracts, but offset by increases with the Truss-Worthy and Penn-Truss acquisitions.

Depreciation and amortization for the three months ended December 31, 2025 $793,319 (three months ended December 31, 2024– $719,098). Overall depreciation and amortization increased due to depreciation related to capital expenditures made during the 2025 fiscal year and the acquisition of Truss-Worthy and Penn-Truss. During the three months ended December 31, 2025, $689,018 in additional depreciation was included in cost of sales (three months ended December 31, 2024 – $535,421).

Professional fees for the three months ended December 31, 2025 $194,546 (three months ended December 31, 2024 – $198,616). Professional fees remained consistent for the three months ended December 31, 2025 compared to the three months ended December 31, 2024.

Salaries and benefits for the three months ended December 31, 2025 $1,037,348 (three months ended December 31, 2024– $894,231). Salaries and benefits increased mainly due to the additional salaries and benefits related to the acquisition of Truss-Worthy and Penn-Truss for the three months ended December 31, 2025 compared to the three months ended December 31, 2024.

Share-based payments for the three months ended December 31, 2025 $54,854 (three months ended

December 31, 2024– $274,518). Share-based payments decreased due to the number of options being expensed in the current period. There were no new options granted in the last twelve months compared to the prior period.

Year Ended December 31, 2025

Revenue for the year ended December 31, 2025 was $62,641,420 compared to revenue of $55,828,723 for the year ended December 31, 2024. Revenue has increased due to acquisitive growth, the organic growth related to walls from the beginning of the year, and an increase in roof and floor trusses from the beginning of the year. The Company has seen an increase in manufacturing metrics, but due to the competitive market, sales prices have decreased when comparing year ended December 31, 2025 to the year ended December 31, 2024.

Cost of sales for the year ended December 31, 2025 was $50,483,426 compared to $42,282,238 for the year ended December 31, 2024. Cost of sales increased due to the increase in revenues. Additionally, cost of sales increased more than revenues due to the more competitive market for sales, especially in areas where affordability has impacted the market more like Ontario and British Columbia.

Gross profit for the year ended December 31, 2025 was $12,157,994 compared to $13,546,485 for the year ended December 31, 2024. Gross margin for the year ended December 31, 2025 was 19%, which is lower than gross margin of 24% for the year ended December 31, 2024. Gross profits and gross margins decreased mainly due to increased cost of sales combined with the competitive market. The Company regularly analyses the benefits of revenues and gross margins in order to determine whether to reduce margins in order to generate more revenues and increase market share. Additionally, the Company acquired two new acquisitions that are not fully integrated as of the year ended December 31, 2025.

The Company recorded a net loss after taxes of $375,365 (-$0.01 per share basic, -$0.01 per share diluted) for the year ended December 31, 2025 compared to a net loss after taxes of $212,128 ($0.00 per share basic and $0.00 per share diluted) for the year ended December 31, 2024. Net loss after taxes has increased compared to the prior period due to a reduction in gross margins driven by a competitive market and several expenses related to acquisitions and the automation facility that could not be capitalized, such as legal fees, travel costs, appraisals, etc. These are all impacting the net income for the period but are added back for normalized EBITDA.

Administrative and office for the year ended December 31, 2025 $2,557,421 (year ended December 31, 2024 – $2,676,698). Administrative and office expenses have slightly decreased from the prior period due to the end of some consulting contracts, but offset by increases with the Truss-Worthy and Penn-Truss acquisitions.

Depreciation and amortization for the year ended December 31, 2025 $2,833,901 (year ended December 31, 2024 – $3,018,821 Overall depreciation and amortization decreased slightly due to amortization related to non-manufacturing assets that was recorded in the year ended December 31, 2024 and 2025. The prior period included amortization related to the intangibles from the LCF acquisition that was posted from the acquisition date which increased the amortization related to the intangibles for the year ended December 31, 2024 compared to the year ended December 31, 2025. During the year ended December 31, 2025, $2,339,107 in additional depreciation was included in cost of sales (year ended December 31, 2024 – $2,127,720). This increase is due to depreciation related to the Truss-Worthy and Penn-Truss acquisition that was recorded in the year ended December 31, 2025.

Professional fees for the year ended December 31, 2025 $927,870 (year ended December 31, 2024 – $506,448). Professional fees increased due to higher legal fees related to the Truss-Worthy and Penn-Truss acquisitions, the addition of Truss-Worthy and Penn-Truss to the Company's credit facilities, and the review of the contracts for the automation facility in Clinton, ON.

Salaries and benefits for the year ended December 31, 2025 $4,116,397 (year ended December 31, 2024 – $3,925,358). Salaries and benefits increased mainly due to the additional salaries and benefits related to the

acquisition of Truss-Worthy and Penn-Truss for the year ended December 31, 2025 compared to the year ended December 31, 2024

Share-based payments for the year ended December 31, 2025 $553,336 (year ended December 31, 2024– $456,050). Share-based payments increased due to the number of options being expensed in the for the year ended December 31, 2025. This increased due to an option grant on August 21, 2024 which is being expensed as per terms of the Company's Stock Option Plan over the 18 months from issuance.

One-time Costs

The Company incurred one-time costs of $515,884 during the year ended December 31, 2025 compared to $24,916 for the year ended December 31, 2024. These costs are related to acquisition activities, credit facility updates to include the new acquisitions, and consulting and legal contract support for the new robotics facility that are not incurred due to the sales and manufacturing business of the Company. 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 year ended December 31, 2025 was $6,248,913, with an EBITDA margin of 10%. EBITDA for the year ended December 31, 2024 was $6,579,350, with an EBITDA margin of 12%. EBITDA and EBITDA margin decreased for the year ended December 31, 2025 compared to the year ended December 31, 2024 due to a competitive market impacting pricing which reduced gross profits.

Adjusted EBITDA for the year ended December 31, 2025 was $6,868,901 with an adjusted EBITDA margin of 11%. Adjusted EBITDA for the year ended December 31, 2024 was $8,499,458 with an adjusted EBITDA margin of 15%. Adjusted EBITDA and EBITDA margin decreased for the year ended December 31, 2025 compared to the year ended December 31, 2024 due to a competitive market impacting pricing which reduced gross profits.

Normalized EBITDA for the year ended December 31, 2025 was $7,384,785 with a normalized EBITDA margin of 12%. Normalized EBITDA for the year ended December 31, 2024 was $8,524,374 with a normalized EBITDA margin of 15%. These decreases were mainly due to a competitive market impacting pricing which reduced gross profits.

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

EBITDA, Adjusted EBITDA, and Normalized EBITDA Calculation	Year Ended	
	Dec 2025	Dec 2024
Net loss for the period as reported	($375,365)	($212,128)
Other income	(234,506)	(553,493)
Interest expense	1,357,350	1,828,184
Income tax expense	97,392	115,972
Finance charge on leases	231,035	254,274
Depreciation and amortization	5,173,007	5,146,541
EBITDA	**6,248,913**	**6,579,350**
Loss on disposal of equipment	186	3,814
Foreign exchange loss (gain)	66,466	(24,708)
Impairment loss	-	1,484,952
Share-based payments	553,336	456,050
Adjusted EBITDA	**6,868,901**	**8,499,458**
Revenue	62,641,420	55,828,723
EBITDA Margin %	**10%**	**12%**
Adjusted EBITDA Margin %	**11%**	**15%**
One time costs	515,884	24,916
Normalized EBITDA	**7,384,785**	**8,524,374**
Normalized EBITDA Margin %	**12%**	**15%**

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 years.

The Company incurred the following charges as part of the Company's consolidated statement of income and comprehensive income during the years ended December 31, 2025 and 2024.

	December 31, 2025	December 31, 2024
	$	$
Salaries and benefits	747,857	1,463,886
Administrative and office	138,000	154,800
Finance charge on lease obligations[1]	9,543	26,392
Share-based payments	300,807	269,809
Total related party transactions	1,196,207	1,914,887

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.

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

	December 31, 2025	December 31, 2024
	$	$
Due from related party		

Accounts receivable and prepaid expenses	-	-
Total due from related party	-	-
Due to related parties		
Accounts payable and accrued liabilities	(10,497)	(25,255)
Lease obligation[1]	-	(302,457)
Total due to related parties	(10,497)	(327,712)

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 decreased to $80,506,599 as at December 31, 2025 compared to $80,707,175 as at December 31, 2024. This is mainly due to the decrease in cash incurred by the Truss-Worthy and Penn-Truss acquisitions, advances on equipment, and repayment of debt but offset by an increase in assets related to the Truss-Worthy and Penn-Truss acquisitions. The Company's total liabilities have slightly decreased to $31,980,072 as at December 31, 2025 from $32,101,314 as at December 31, 2024 due to the decrease in liabilities related to the Truss-Worthy and Penn-Truss acquisitions and offset by the reduction in long term debt as standard payments are made.

As at December 31, 2025, the Company held cash of $2,392,786 and had working capital of $10,139,268 (December 31, 2024 – cash of $13,128,028 and working capital of $23,003,235). Working capital has decreased mainly due to the cash invested in the new automated facility, the deposits for the automated equipment, and the Truss-Worthy and Penn-Truss acquisitions.

During the year ended December 31, 2025, net cash provided by operating activities was $7,352,186 (year ended December 31, 2024 - $2,480,061). The cash provided by operations for the year ended December 31, 2025 increased compared to the year ended December 31, 2024 due to a combination of increases in net income and changes in non-cash working capital items due to the acquisitions and payables due to the construction on the new facility in Clinton, ON.

Net cash used in investing activities for the year ended December 31, 2025 was $13,696,360 (year ended December 31, 2024 – $4,317,120). The increase in cash used in investing activities was due to the construction of the new automation facility, advances for the new automation equipment, the Truss-Worthy acquisition, and the Penn-Truss acquisition.

Cash used in financing activities for the year ended December 31, 2025 was $4,391,068 (year ended December 31, 2024 provided by - $217,718). The change in cash used in financing activities for the year ended December 31, 2025 compared to the year ended December 31, 2024 was due to the Company taking advantage of the prepayments allowed as per the credit facility and the equity financing raise in the prior period.

CAPITAL EXPENDITURES

During the year ended December 31, 2025, the Company used cash to acquire equipment of $6,502,190 (year ended December 31, 2024 - $4,332,120). Overall buildings and equipment increased for the year ended December 31, 2025 compared to the year ended December 31, 2024 due to the construction of the new automation facility in Clinton, ON and the Truss-Worthy and Penn-Truss acquisitions.

During the year ended December 31, 2025, the Company used cash for advances for equipment of $3,349,629 (year ended December 31, 2024 - $NIL). These advances were for robotics, an automated saw, and related equipment for the new automation facility in Clinton, ON.

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, long-term debt, and lease liabilities 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 April 29th, 2026, the Company's outstanding share information was as follows:

Security	Number	Exercise Price	Expiry Date
Issued and outstanding common shares	70,300,747	NA	NA
Stock options	250,000	0.29	21-Apr-26
Stock options	397,500	0.60	04-Jan-27
Stock options	200,000	0.64	21-Apr-27
Stock options	100,000	0.60	22-Nov-27
Stock options	717,500	0.73	20-Dec-27
Stock options	400,000	0.74	04-Jan-28
Stock options	1,389,000	1.30	21-Aug-29
Total Options	**3,454,000**		

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 year ended December 31, 2025 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.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 year, 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.

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 sufficient cash reserves to fund 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 future growth and expansion plans.

In the past, the Company has partially financed acquisitions through debt. Future growth and expansion may also be financed through debt. The Company's ability to make scheduled payments of principal and interest on its debt obligations will depend on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond the Company's control. If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company's existing debt facilities place restrictions on the Company's ability to dispose of assets and may restrict other measures that may otherwise be available to service the Company's debt obligations as they become due. If the Company is unable to make scheduled payments on its debt, lenders under could terminate their commitments to loan money, accelerate the due date of the Company's outstanding obligations and foreclose against the assets securing those obligations.

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 British Columbia Business Corporations Act, 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.

Tariff and Trade Restriction risk

Countries may implement, modify, and remove tariffs and other trade restrictions. These actions can negatively affect the Company due to trade disputes and tariffs. The Company passes cost fluctuations on to its customers; therefore, as costs rise, these increases are reflected where applicable. Recently, the United States has implemented tariffs, prompting Canada to respond with counter-tariffs. While the U.S. tariffs would impact the Company's exports to the U.S., it is noteworthy that only approximately 1% of their products have

been exported to the U.S. up to the end of December 2024. Part of the Company's organic growth plan involves expansion into the U.S. market, which could be affected by tariffs. However, the full extent of these impacts remains uncertain, as counter-tariffs and potential effects on the Canadian dollar may mitigate negative consequences. Moreover, some of the Company's raw materials and products originate from the U.S. The Company continuously evaluates its material input costs to ensure they remain cost-effective and of high quality. With numerous suppliers in both Canada and the U.S., the Company retains a range of options moving forward.

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

The Company had the following subsequent event for the year ended December 31, 2025.

Government Grant Agreement

On February 2, 2026, the Company entered into a non-repayable contribution agreement with the Government of Canada under the Investments in the Forest Industry Transformation (IFIT) Program in support of the Company's Robotics Manufacturing Plant project. The agreement provides funding of up to $4,000,000 toward eligible expenditures incurred from the agreement date to March 31, 2026.

OTHER INFORMATION

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