Unaudited Condensed Interim Consolidated Financial

For the three months ended March 31, 2026 and 2025
(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and reviewed by the Audit Committee and Board of Directors of the Company.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed interim consolidated financial statements by an entity's auditor.

Atlas Engineered Products Ltd.
Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2026 and December 31, 2025
(Unaudited - expressed in Canadian dollars)

	Note	March 31, 2026	December 31, 2025
		$	$
Assets			
Current			
Cash		-	2,392,786
Accounts receivable	**4, 19, 22**	6,042,581	9,150,876
Government grant receivable	**5**	4,000,000	-
Income taxes receivable		924,441	336,729
Inventories	**6**	10,200,627	7,651,977
Prepaid expenditures		425,895	441,472
Deposits		415,830	415,830
		22,009,374	20,389,670
Non-current			
Buildings and equipment	**7**	31,346,233	29,778,549
Advances for equipment	**8**	6,850,849	3,349,629
Intangible assets	**9**	5,743,718	6,114,775
Goodwill	**10**	20,135,833	20,135,833
Deferred tax assets		799,028	738,143
Total Assets		86,885,035	80,506,599
Liabilities			
Current			
Bank indebtedness		2,017,331	-
Accounts payable and accrued liabilities	**12, 19**	6,767,400	5,286,700
Customer deposits		1,138,868	695,296
Lease obligations – current portion	**13**	1,142,238	1,187,146
Long-term debt – current portion	**14**	3,081,260	3,081,260
		14,147,097	10,250,402
Non-current			
Deferred government grants	**5**	4,000,000	-
Lease obligations	**13**	3,931,999	2,844,116
Long-term debt	**14**	14,004,731	14,775,046
Deferred tax liability		3,958,482	4,110,508
		40,042,309	31,980,072
Shareholders' Equity			
Share capital	**15**	35,339,443	35,313,103
Contributed surplus	**15**	2,619,405	2,598,879
Retained Earnings		8,883,878	10,614,545
		46,842,726	48,526,527
Total Liabilities and Shareholders' Equity		86,885,035	80,506,599

APPROVED BY THE DIRECTORS ON MAY 22, 2026

DON HUBBARD Director ***KEVIN SMITH*** Director

The accompanying notes are an integral part of these consolidated financial statements

Atlas Engineered Products Ltd.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2026 and 2025
(Unaudited - expressed in Canadian dollars)

	Note	March 31, 2026	March 31, 2025
		$	$
Revenue	**16**	9,296,081	11,010,715
Cost of sales	**17**	(9,022,906)	(9,270,120)
Gross profit		273,175	1,740,595
Operating expenses			
Administrative and office	**19**	656,755	589,247
Depreciation and amortization	**7, 9**	699,342	636,641
Bad debt (recovery) expense		(2,110)	160
Professional fees		106,815	115,827
Salaries and benefits	**19**	978,048	943,390
Share-based payments	**15(c), 19**	32,366	226,113
Operating loss		(2,198,041)	(770,783)
Other income	**18**	304,109	76,176
Interest expense		(339,565)	(323,369)
Finance charge on leases	**13, 19**	(73,934)	(53,397)
Foreign exchange (loss) gain		(591)	2,185
Loss on asset disposal		(38,755)	(31)
Loss before income tax		(2,346,777)	(1,069,219)
Income taxes			
Current income tax recovery		403,200	26,671
Deferred income tax recovery		212,910	196,217
		616,110	222,888
Net loss and comprehensive loss for the period		(1,730,667)	(846,331)
Loss per share			
Basic		(0.02)	(0.01)
Diluted		(0.02)	(0.01)
Weighted average number of shares outstanding			
Basic		70,265,191	70,495,551
Diluted		73,810,523	74,153,551

Atlas Engineered Products Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - expressed in Canadian dollars)

	Number of Common Shares (Note 15)	Share Capital (Note 15)	Contributed Surplus (Note 15)	Retained Earnings	Total
		$	$	$	$
Balance, December 31, 2024	**70,535,947**	**35,570,408**	**2,045,543**	**10,989,910**	**48,605,861**
Share-based payments	-	-	226,113	-	226,113
Shares repurchased for cancellation	(103,700)	(138,631)	-	-	(138,631)
Net loss for the period	-	-	-	(846,331)	(846,331)
Balance, March 31, 2025	**70,432,247**	**35,431,777**	**2,271,656**	**10,143,579**	**47,847,012**
Share-based payments	-	-	327,223	-	327,223
Shares repurchased for cancellation	(181,500)	(118,674)	-	-	(118,674)
Net income for the period	-	-	-	470,966	470,966
Balance, December 31, 2025	**70,250,747**	**35,313,103**	**2,598,879**	**10,614,545**	**48,526,527**
Share-based payments	-	-	32,366	-	32,366
Shares issued for exercised options (Note 15)	50,000	26,340	(11,840)	-	14,500
Net loss for the period	-	-	-	(1,730,667)	(1,730,667)
Balance, March 31, 2026	**70,300,747**	**35,339,443**	**2,619,405**	**8,883,878**	**46,842,726**

Atlas Engineered Products Ltd.
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31, 2026 and 2025
(Unaudited - expressed in Canadian dollars)

	March 31, 2026	March 31, 2025
	$	$
Operating activities		
Net loss and comprehensive loss for the period	(1,730,667)	(846,331)
Add back non-cash items		
Depreciation and amortization	1,343,151	1,131,336
Loss on disposal of assets	38,755	31
Unrealized foreign exchange (gain) loss	(2,860)	27,273
Deferred tax recovery	(212,911)	(196,218)
Share-based payments	32,366	226,113
Changes in non-cash working capital items:		
Accounts receivable	3,111,155	201,721
Inventories	(2,548,650)	(2,308,738)
Prepaid expenditures	15,577	(59,733)
Deposits	-	147,863
Accounts payable and accrued liabilities	1,480,700	(15,729)
Customer deposits	443,572	255,907
Corporate income taxes receivable	(587,712)	(606,067)
Cash provided by (used in) operations	1,382,476	(2,042,572)
Investing activities		
Acquisition of buildings and equipment	(1,168,351)	(1,483,598)
Proceeds from disposition of equipment	-	2,000
Advances for equipment	(3,501,220)	-
Cash used in investing activities	(4,669,571)	(1,481,598)
Financing activities		
Proceeds from stock option exercise (Note 15b)	14,500	-
Repayment of principal lease obligations (Note 13)	(367,207)	(288,843)
Proceeds from line of credit (Note 11)	2,017,331	-
Repayment of long-term debt (Note 14)	(770,315)	(770,315)
Shares repurchased for cancellation	-	(138,631)
Cash provided by (used in) financing activities	894,309	(1,197,789)
Decrease in cash	(2,392,786)	(4,721,959)
Cash - beginning of period	2,392,786	13,128,028
Cash - end of period	-	8,406,069
Cash paid during the period for:		
Interest	413,499	376,767
Income taxes	127,236	653,523

Supplemental cash flow information – Note 20

1. Nature of operations, basis of presentation and consolidation

Nature of operation

Atlas Engineered Products Ltd. (the "Company" or "Atlas") was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on January 18, 1999. Atlas Engineered Products Ltd. is a leading manufacturer of trusses, wall panels, and supplier of engineered wood products. Atlas operates manufacturing and distribution facilities in British Columbia, Saskatchewan, Manitoba, Ontario, and New Brunswick to meet the needs of residential and commercial builders.

The Company's registered office is located at 2005 Boxwood Road, Nanaimo, British Columbia V9S 5X9.

Basis of presentation

These consolidated financial statements have been presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), effective for the Company's reporting for the three months ended March 31, 2026.

These consolidated financial statements have been prepared under the historical cost basis and are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

The accounts of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statement of financial position and the reported amount of revenues and expenses during the reporting year. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

These consolidated financial statements were approved for issue by the Board of Directors on May 22, 2026.

Basis of consolidation

The Company's consolidated financial statements consolidate those of the parent company and all its subsidiaries as of the date that control was obtained over those subsidiaries. The Company has ten subsidiaries, all located in Canada, Clinton Building Components Ltd. ("Clinton"), Satellite Building Components Ltd. ("Satellite"), Atlas Building Systems Ltd. ("ABS"), Pacer Building Components Ltd. ("Pacer"), South Central Building Systems Ltd. ("SC"), Novum Building Components Ltd. ("Novum"), Hi-Tec Industries Ltd. ("Hi-Tec"), Léon Chouinard et Fils Co. Ltd./Ltée. ("LCF"), Truss-Worthy Construction Systems Inc. ("Truss-Worthy") and Penn-Truss Mfg. Inc. ("Penn-Truss"). The Company owns 100% of the issued and outstanding shares of all of these subsidiaries.

All transactions and balances between the Companies are eliminated on consolidation, including unrealized gains and losses on transactions between the companies. Amounts reported in the unaudited condensed interim consolidated financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

2. Acquisition of Truss-Worthy

On May 30, 2025, the Company completed its acquisition of Truss-Worthy Construction Systems Inc. ("Truss-Worthy") whereby the Company acquired all the issued and outstanding shares of Truss-Worthy for $1,575,000 in cash. A closing working capital adjustment of $83,244 was finalized and paid in cash subsequent to closing. In a separate transaction, the Company also purchased the land and buildings for $850,000 in cash from the pre-existing landlord.

Truss-Worthy is located in Colborne, ON. Truss-Worthy is a manufacturer of roof trusses and a supplier of engineered wood products. The acquisition has given the Company greater access to the Southern Ontario market, east of Toronto. Truss-Worthy is in the same town as the 42-acres of land acquired in December 2024 by the Company. This location will bring the Company a customer base and presence to the area prior to the potential development of this additional property.

The intangible assets acquired relate to customer relationships and a non-compete agreement, which were recorded at $46,000 and $175,000 at the date of acquisition, respectively. Management applied significant judgment in estimating the fair values of those intangible assets. To estimate the fair values of the intangible assets, management used the "Multi-period Excess earnings method" to value customer relationships, and the "With and Without method" to value the non-compete agreement, using discounted cash flow models. Management developed significant assumptions related to revenue growth rates, gross margin, EBITDA forecasts, customer retention rates, and discount rates when determining the fair value of those intangible assets, as applicable.

In accordance with IFRS 3, the Truss-Worthy acquisition has been accounted for as a business combination. The purchase price allocation as at December 31, 2025 has been estimated as follows:

Category	$
Cash	1,575,000
Excess Working Capital	83,244
Total consideration	**1,658,244**
Cash	94,135
Accounts receivable	249,886
Income taxes receivable	33,671
Inventories	163,980
Prepaid expenditures	9,061
Equipment	818,775
Intangibles	221,000
Goodwill	383,497
Accounts payable and accrued liabilities	(77,375)
Deferred income tax liability	(238,386)
	1,658,244

If the acquisition had occurred on January 1, 2025 then the revenues would have been $1,614,643. The following table shows the results of the operations of Truss-Worthy since the acquisition date.

	March 31, 2026	**May 30 - Dec 31, 2025**
	$	**$**
Sales per consolidated financial statements	232,086	1,176,610
(Loss) Income before taxes	(7,850)	216,904
Income tax recovery (expense)	8,782	(22,938)
Income for the period	932	193,966

3. Acquisition of Penn-Truss

On July 24, 2025, the Company completed its acquisition of Penn-Truss MFG Inc. ("Penn-Truss") whereby the Company acquired all 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 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. The acquisition has given the Company access to the Saskatchewan market as Penn-Truss is the first location in this province. Penn-Truss is close enough to the Company's SC location to provide some synergies between these two locations when it comes to management, employees, skills, training, equipment, and strategic sales options.

In accordance with IFRS 3, the Penn-Truss acquisition has been accounted for as a business combination. The purchase price allocation as at December 31, 2025 has been estimated as follows:

Category	$
Cash	2,280,000
Deferred purchase price	760,000
Performance earnout	760,000
Working Capital deficiency	(70,526)
Total consideration	**3,729,474**
Cash	(3,932)
Accounts receivable and prepaid expenses	1,882,280
Inventories	897,357
Building and equipment	3,879,956
Accounts payable and accrued liabilities	(1,203,791)
Customer deposits	(4,600)
Lease liability	(928,505)
Corporate tax payable	(37,642)
Deferred income tax liability	(736,985)
Other gain	(14,664)
	3,729,474

3. Acquisition of Penn-Truss (continued)

If the acquisition had occurred on January 1, 2025 then the revenues would have been $12,691,830. The following table shows the results of the operations of Penn-Truss since the acquisition date.

	March 31, 2026	July 24 - Dec 31, 2025
	$	$
Sales per consolidated financial statements	2,147,293	6,011,702
(Loss) Income before taxes	(80,488)	884,831
Income tax recovery (expense)	83,585	(189,011)
Income for the period	3,097	695,820

4. Accounts receivable

Trade and other receivables were as follows:

	March 31, 2026	December 31, 2025
	$	$
Trade accounts receivable	5,716,596	8,500,521
Sales taxes receivable	65,859	-
Other receivables	264,369	656,708
Loss allowance	(4,243)	(6,353)
	6,042,581	9,150,876

Trade and other receivables are non-interest bearing and are carried at amortized cost, and impaired using the simplified approach which records impairment at the lifetime expected credit losses. During the three months ended March 31, 2026, the estimated credit loss amounted to $4,243 (December 31, 2025 - $6,353).

5. Government grant receivable

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 to support the Company’s Robotics Manufacturing Plant project. Under the agreement, the Company is eligible to receive funding of up to $4.0 million for eligible costs incurred from the agreement date to March 31, 2026.

During the three months ended March 31, 2026, the Company has incurred $4 million in eligible expenditures in accordance with the terms of the agreement but has not yet received reimbursement from the Government of Canada. Accordingly, a government grant receivable has been recognized for the portion of eligible expenditures incurred for which reimbursement is expected.

The contribution is accounted for as a government grant in accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance. Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to the grant and that the grant will be received.

The grant relates to the acquisition and construction of qualifying capital assets. As such, the grant is recognized initially as a deferred government grant liability and is amortized to income on a systematic basis over the useful lives of the related assets, consistent with the recognition of the associated depreciation expense. Any portion of the grant related to eligible expenditures incurred but not yet received is recognized as a government grant receivable.

6. Inventories

	March 31, 2026	December 31, 2025
	$	$
Raw materials	7,977,879	6,682,096
Work in progress	202,770	165,318
Finished goods	1,919,384	691,458
Other	100,594	113,105
	10,200,627	7,651,977

During the three months ended March 31, 2026, $3,798,421 (March 31, 2025 - $4,659,102) in raw materials was expensed through cost of sales. It was determined that there was no requirement to write down any raw materials, work in progress, or finished goods inventory during the three months ended March 31, 2026.

7. Buildings and equipment

	Land and Buildings	Office Furniture and Equipment	Vehicles	Production Equipment	Computer Equipment and Software	Signage and Land Improv	Total
	$	$	$	$	$	$	$
Cost							
Balance, December 31, 2024	17,950,559	431,207	6,019,294	9,169,498	476,806	229,421	34,276,785
Additions	5,771,120	8,735	438,733	811,200	13,296	-	7,043,084
Additions through business combination	776,331	50,860	1,245,000	2,594,790	31,750	-	4,698,731
Disposals	(1,522,018)	-	(35,000)	(400)	-	-	(1,557,418)
Balance, December 31, 2025	22,975,992	490,802	7,668,027	12,575,088	521,852	229,421	44,461,182
Additions	2,485,370	1,316	28,324	70,878	7,469	-	2,593,357
Disposals	-	-	(65,000)	-	-	-	(65,000)
Balance, March 31, 2026	25,461,362	492,118	7,631,351	12,645,966	529,321	229,421	46,989,539
Accumulated depreciation							
Balance, December 31, 2024	3,060,871	240,086	3,439,039	5,262,021	370,655	158,741	12,531,413
Additions	1,482,076	43,581	1,028,374	1,106,462	38,375	6,084	3,704,952
Disposals	(1,522,018)	-	(31,389)	(325)	-	-	(1,553,732)
Balance, December 31, 2025	3,020,929	283,667	4,436,024	6,368,158	409,030	164,825	14,682,633
Additions	400,156	10,198	241,505	310,237	8,621	1,377	972,094
Disposals	-	-	(11,421)	-	-	-	(11,421)
Balance, March 31, 2026	3,421,085	293,865	4,666,108	6,678,395	417,651	166,202	15,643,306
Carrying amount at December 31, 2025	19,955,063	207,135	3,232,003	6,206,930	112,822	64,596	29,778,549
Carrying amount at March 31, 2026	22,040,277	198,253	2,965,243	5,967,571	111,670	63,219	31,346,233

Depreciation for tangible assets during the three months ended March 31, 2026 was $972,094 (March 31, 2025 - $770,182) During the three months ended March 31, 2026, $643,809 (March 31, 2025 - $494,695) of the depreciation was included in cost of sales.

7. Buildings and equipment (continued)

The above buildings and equipment schedule includes right-of-use assets. The following summarizes those right-of-use assets and their depreciation for the period ended March 31, 2026 and 2025.

	Building	Vehicles	Total
	$	$	$
Balance, December 31, 2024	3,330,811	88,979	3,419,790
Additions	1,524,851	436,499	1,961,350
Derecognitions, net	(207,628)	-	(207,628)
Disposals, net	-	-	-
Depreciation charge for the year	(1,249,484)	(88,602)	(1,338,086)
Balance, December 31, 2025	3,398,550	436,876	3,835,426
Additions	1,410,182	-	1,410,182
Disposals, net	-	(53,579)	(53,579)
Depreciation charge for the year	(339,336)	(31,356)	(370,692)
Balance, March 31, 2026	4,469,396	351,941	4,821,337

8. Advances for equipment

During the year ended December 31, 2025, the Company recorded deposits of $3,349,629 related to advance payments made to third-party suppliers for the purchase of manufacturing robotics and automation equipment. During the three months ended March 31, 2026, the Company recorded additional deposits of $3,501,220, bringing the total balance of deposits to $6,850,849 as at March 31, 2026.

The deposits are non-interest bearing and are expected to be applied against the purchase price of the equipment upon delivery and commissioning. The related assets will be capitalized to property, plant and equipment once the equipment is available for use.

Delivery is expected to occur in 2026. Based on the status of the project and contractual arrangements, management has determined that no impairment of the deposit is required at the reporting date.

9. Intangible assets

	Customer Relationships	Brand	Non-Compete Agreements	Total
	$	$	$	$
Cost				
Balance, December 31, 2024	7,386,000	2,581,000	2,243,000	12,210,000
Additions	46,000	-	175,000	221,000
Disposal	-	-	-	-
Balance, December 31, 2025	7,432,000	2,581,000	2,418,000	12,431,000
Additions	-	-	-	-
Disposal	-	-	-	-
Balance, March 31, 2026	7,432,000	2,581,000	2,418,000	12,431,000
Accumulated amortization				
Balance, December 31, 2024	3,091,648	919,828	836,693	4,848,169
Additions	741,168	258,000	468,888	1,468,056
Disposal	-	-	-	-
Balance, December 31, 2025	3,832,816	1,177,828	1,305,581	6,316,225
Additions	185,764	64,499	120,794	371,057
Disposal	-	-	-	-
Balance, March 31, 2026	4,018,580	1,242,327	1,426,375	6,687,282
Carrying amount at December 31, 2025	3,599,184	1,403,172	1,112,419	6,114,775
Carrying amount at March 31, 2026	3,413,420	1,338,673	991,625	5,743,718

Amortization for intangible assets during the three months ended March 31, 2026 was $371,057 (March 31, 2025 - $361,154).

As at March 31, 2026, the Company completed a quarterly assessment of the intangible assets and determined there were no impairment indicators present. As such, an impairment teat was not performed. leading to an impairment of these intangible assets.

10. Goodwill

The following summarizes the Company's goodwill as at March 31, 2026 and 2025.

	Clinton	Satellite	Pacer	SC	Hi-Tec	LCF	TW	Total
	$	$	$	$	$	$	$	$
Cost								
Balance, December 31, 2024	474,428	136,446	2,284,327	883,275	2,956,023	13,017,837	-	19,752,336
Additions	-	-	-	-	-	-	383,497	383,497
Balance, December 31, 2025	474,428	136,446	2,284,327	883,275	2,956,023	13,017,837	383,497	20,135,833
Additions	-	-	-	-	-	-	-	-
Balance, March 31, 2026	474,428	136,446	2,284,327	883,275	2,956,023	13,017,837	383,497	20,135,833

The Company uses the value in use method to evaluate the carrying amount of goodwill as at October 31 on an annual basis, but management still assesses for impairments indicators throughout the year. The Company has determined that there was no impairment to goodwill as at March 31, 2026.

11. Bank Indebtedness

	March 31, 2026	December 31, 2025
	$	$
Operating Line	2,017,331	-
	2,017,331	-

The Company has a committed operating line of credit with a maximum availability of $7.5 million. On May 31, 2026, the Company entered into an amendment agreement with TD to temporarily increase the maximum availability of the operating line of credit to $12.5 million. Borrowings under the facility bear interest at variable rates based on the bank's prime rate plus an applicable margin. The facility forms part of a larger credit arrangement secured by a general security agreement over the Company's assets, including certain fixed assets. (Note 14).

12. Accounts payable and accrued liabilities

	March 31, 2026	December 31, 2025
	$	$
Trade accounts payable	3,722,211	2,153,254
Sales taxes payable	-	115,531
Salaries and vacation payable	1,177,324	1,121,559
Deferred purchase price for Penn-Truss acquisition	1,449,474	1,449,474
Other accounts payable	25,658	6,836
Accrued liabilities	392,733	440,046
	6,767,400	5,286,700

Included in accounts payable and accrued liabilities as at March 31, 2026 is $1,449,474 related to the Penn-Truss acquisition. A deferred purchase price of $760,000 payable in cash nine months post-closing reduced by Working Capital deficiency of $70,526 and a contingent earn-out of $760,000 payable in cash or shares at the discretion of the Company.

13. Lease obligations

Certain buildings and equipment of the Company's' are held as right-of-use assets under lease obligations. The terms and the outstanding balances of the lease obligations as at March 31, 2026 and December 31, 2025 are as follows:

	March 31, 2026	December 31, 2025
	$	$
Building under right-of-use asset lease repayable in monthly instalments of $26,000 inclusive of implied interest of 6.18% per annum, residual value of $nil, maturing in December 2030. (Note 19)	1,345,915	-
Building under right-of-use asset lease repayable in monthly instalments of $10,068 inclusive of implied interest of 6.37% per annum, residual value of $nil, maturing in June 2030.	471,110	493,883
Vehicle under right-of-use asset lease repayable in monthly instalments of 5,573 with interest of 6.50% per annum, no residual value, maturing in June 2029.	195,449	208,847
Building under right-of-use asset lease repayable in monthly instalments of $15,000 inclusive of implied interest of 6.37% per annum, residual value of $nil, maturing in July 2030.	679,530	713,824
Vehicle under right-of-use asset lease repayable in monthly instalments of 2,269 with interest of 6.27% per annum, residual value of $1, maturing in November 2029.	88,981	94,338
Vehicle under right-of-use asset lease repayable in monthly instalments of 1,842 with interest of 1.74% per annum, residual value of $1, maturing in September 2026.	10,997	16,459
Building under right-of-use asset lease repayable in monthly instalments of $69,720 inclusive of implied interest of 6.7% per annum, residual value of $nil, maturing October 2028.	2,121,625	2,302,451
Building under right-of-use asset lease repayable in monthly instalments of $6,646 inclusive of implied interest of 3.95% per annum, residual value of $nil, maturing in June 2027.	97,153	116,041
Vehicle under right-of-use asset lease repayable in monthly instalments Of $2,377 with interest of 7.66% per annum, residual value of $32,543, maturing in June 2027.	63,477	69,317
Vehicle under right-of-use asset lease repayable in monthly instalments of 1,247 with interest of 6.82% per annum, residual value of $13,785, maturing in February 2026.	-	16,102
Total lease obligation	5,074,237	4,031,262
Current portion	(1,142,238)	(1,187,146)
Non-current portion	3,931,999	2,844,116

13. Lease obligations (continued)

The following is a schedule of the total lease payments made during the three months ended March 31, 2026 and 2025:

	March 31, 2026	March 31, 2025
	$	$
Principal payment	367,207	288,843
Interest expense	73,934	53,397
Total lease payments	441,141	342,240

During the three months ended March 31, 2026 no assets were purchased under a right-of-use lease (March 31, 2025 – no assets were purchased under a right-of-use lease).

On November 3, 2025, the Company entered into a new five-year lease agreement commencing January 1, 2026, replacing the existing lease that expires on December 31, 2025. Base rent is $26,000 per month in the first year, increasing annually, with additional rent subject to annual adjustment.

The following is a schedule of the Company's future minimum lease payments related to the building, equipment, and vehicles under lease obligations:

	March 31, 2026
	$
2026	1,274,653
2027	1,702,202
2028	1,493,516
2029	703,893
2030	502,518
Total minimum lease payments	5,676,782
Less: imputed interest	(602,545)
Total present value of minimum lease payments	5,074,237

During the three months ended March 31, 2026, the Company did not enter into any low value leases (March 31, 2025 – no low value leases).

14. Long-term debt

The long-term debt consists of the following:

	March 31, 2025	December 31, 2025
	$	$
TD term loan[1]	13,608,333	14,333,333
TD mortgage[2]	1,809,438	1,833,813
TD mortgage[3]	1,668,220	1,689,160
	17,085,991	17,856,306
Less current portion of term debt	(3,081,260)	(3,081,260)
Total long-term portion of term debt	14,004,731	14,775,046

1. A term loan with a major Canadian bank bearing interest at a fixed rate (6.37% as at March 31, 2026) repayable at $241,667 per month with maturity August 2033. The term of the loan is 120 months. The loan is secured by a general security interest granted by the Company and an assignment of share pledge agreement.
2. A mortgage with a major Canadian bank bearing interest at a fixed rate (6.37% as at March 31, 2026) repayable at $8,125 per month with maturity February 2047. The loan is amortized over 300 months. The loan is secured by a general security interest granted by the Company and an assignment of share pledge agreement.
3. A mortgage with a major Canadian bank bearing interest at a fixed rate (6.37% as at March 31, 2026) repayable at $6,980 per month with maturity August 2048. The loan is amortized over 300 months. The loan is secured by a general security interest granted by the Company and an assignment of share pledge agreement.

The Company applies judgement in the classification of long-term and short-term debt portions. The Company assumes that the prime interest rate will remain consistent or not change materially over the next twelve months. All loans are either no interest loans or have fluctuating payments that would change as the interest rate changes and the principal portion of those payments would remain constant.

On August 23, 2023, the Company entered into an amended and restated credit facility agreement with TD Canada Trust. The agreement has four facilities. The first facility is a committed, revolving credit facility of $7,500,000 and the second facility is a committed non-revolving reducing term credit facility which was used to finance the LCF acquisition and refinance previous facilities with TD. The third facility is a committed non-revolving reducing term credit facility used to mortgage the land and buildings of the LCF acquisition and the fourth facility is a committed, non-revolving reducing term credit facility which was used to mortgage the land and buildings of the Hi-Tec acquisition.

On June 30, 2025, the Company entered into a first amendment agreement with TD Canada Trust in relation to the previous amended and restated credit facility agreement. This first amendment included changes to the total leverage ratio resulting in an increase to this ratio from 2.75 to 3.25 for periods ending June 30, 2025 and September 30, 2025. On December 23, 2025, the Company entered into a second amendment agreement with TD Canada Trust which included changes to the total leverage ratio resulting in a continuation of the increase to this ratio from 2.75 to 3.25 for the year ending December 31, 2025.

On March 31, 2026, the Company entered into a third amendment agreement with TD Canada Trust, which included changes to the total leverage ratio resulting in a increase to this ratio from 2.75 to 4.00 for the three months ending March 31, 2026 and June 30, 2026 and an increase to this ratio from 2.75 to 3.25 for the three months ending September 30, 2026. The fixed charge coverage ratio has been reduced from 1.15 to 1.10 for the three months ending June 30, 2026. Additionally, the bank has temporarily increased the revolving credit facility from $7.5 million to $12.5 million to allow for the additional spending before the government grant is received.

The credit facility with TD Canada Trust contains two financial covenants. A total leverage ratio of less than or equal to 4.00 to 1 which is tested quarterly on a twelve-month rolling basis. The second financial covenant is a fixed charge coverage ratio of greater than or equal to 1.15 to 1 to be tested quarterly on a twelve-month rolling basis. As at March 31, 2026, the Company was in compliance with their covenants.

15. Share capital

a) Authorized

Unlimited common shares without par value.

b) Share capital transactions

On November 27, 2024 the Company commenced a Normal Course Issuer Bid (NCIB) which will be in effective until the earlier of November 27, 2025 and the date on which the Company has purchased the maximum permitted number of shares or such earlier times as the Company deems is appropriate. Pursuant to the NCIB, the Company may purchase up to 5,943,813 of its outstanding common shares representing approximately 10% of the public float of shares outstanding at market prices. The Company did not renew this NCIB.

On March 5, 2026, 50,000 options were exercised at $0.29 for 50,000 common shares.

c) Options

The Company adopted a share option plan that allows for the issuance of up to 10% of the issued and outstanding shares as incentive share options to directors, officers, employees and consultants to the Company. Share options granted under the plan may be subject to vesting provisions as determined by the Board of Directors. Standard vesting provisions are in thirds every six months from the date of grant. The options are priced using the trading price at the end of the close on the date of the grant and they are exercisable within five years from the date of grant.

The Company's share options outstanding as at March 31, 2026 and December 31, 2025 and the changes for the periods then ended are as follows:

	Number	Weighted average exercise price
		$
Balance as at December 31, 2024	3,608,000	0.89
Granted	-	-
Exercised	-	-
Forfeited	(4,000)	1.30
Balance as at December 31, 2025	3,604,000	0.88
Granted	-	-
Exercised	(50,000)	0.29
Forfeited	(100,000)	0.49
Balance as at March 31, 2026	3,454,000	0.90

The total share-based payments recorded during the three months ended March 31, 2026 was $32,366 (March 31, 2025 - $226,113).

15. Share capital (continued)

The following table summarizes information about the share options outstanding as at March 31, 2026:

Exercise price per share of options outstanding	Number of options outstanding	Weighted average remaining life (years) of options outstanding	Weighted exercise price of options exercisable	Number of options exercisable	Expiry date
$0.29	250,000	0.06	$0.29	250,000	April 21, 2026
$0.60	397,500	0.76	$0.60	397,500	January 4, 2027
$0.64	200,000	1.06	$0.64	200,000	April 21, 2027
$0.60	100,000	1.65	$0.60	100,000	November 22, 2027
$0.73	717,500	1.72	$0.73	717,500	December 20, 2027
$0.74	400,000	1,76	$0.74	400,000	January 4, 2028
$1.30	1,389,000	3.39	$1.30	1,389,000	August 21, 2029
$0.91	3,454,000	2.13	$0.91	3,454,000	

The Black-Scholes Pricing Model was used to estimate the fair value of the share options using the following assumptions on the grant date of the options:

Issue date	Expected option life (years)	Risk free interest rate	Dividend yield	Expected volatility	Expected forfeiture rate	Weighted average fair value
January 4, 2021	5.00	0.39%	Nil	127%	24.39%	$0.42
April 21, 2021	5.00	0.94%	Nil	118%	24.26%	$0.24
January 4, 2022	5.00	1.39%	Nil	94%	22.85%	$0.43
April 21, 2022	5.00	2.78%	Nil	67%	22.08%	$0.37
November 22, 2022	5.00	3.23%	Nil	66%	20.58%	$0.35
December 20, 2022	5.00	3.05%	Nil	66%	20.42%	$0.42
January 4, 2023	5.00	3.25%	Nil	66%	20.03%	$0.43
August 21, 2024	5.00	2.90%	Nil	61%	16.19%	$0.70

The expected volatility is based on the historic volatility and adjusted for any expected material changes to future volatility due to publicly available information. Historical volatility is based on the daily volatility from the five years prior to the grant date due to the remaining life of the options at the grant date.

16. Operating Segments

The Chief Operating Decision Maker ("CODM") is the CEO, which reviews financial information to evaluate performance and allocate resources. Management has determined that the Company operates as a single operating segment in accordance with IFRS 8 Operating Segments.

Revenue is monitored monthly by geographic location (Eastern and Western Canada) and by revenue stream for operational and sales-volume purposes. While individual locations are assessed based on revenue generated, expenses are not tracked or managed by revenue stream or geography, as costs are incurred collectively to support the Company's operations as a whole.

Performance is assessed based on consolidated revenue growth and overall gross margin. The CODM does not regularly review discrete measures of profit or loss, assets, or returns by revenue stream or geographic region. Accordingly, the Company presents its results as one operating segment.

The following information represents entity-wide disclosures required under IFRS 8 and does not represent separate operating segments. The Company has three distinct revenue streams: trusses, engineered wood products and walls. The Company's revenues by these revenue streams for the three months ended March 31, 2026 and 2025 is as follows:

Year ended March 31, 2026

	Trusses	Engineered wood products	Walls	Total
	$	$	$	$
Western Canada	3,546,770	1,603,338	72,892	5,223,000
Eastern Canada	2,937,692	545,417	589,972	4,073,081
	6,484,462	2,148,755	662,864	9,296,081

Year ended March 31, 2025

	Trusses	Engineered wood products	Walls	Total
	$	$	$	$
Western Canada	2,595,622	2,649,300	-	5,244,922
Eastern Canada	4,048,884	680,402	1,036,507	5,765,793
	6,644,506	3,329,702	1,036,507	11,010,715

17. Cost of sales

Cost of sales for the three months ended March 31, 2026 and 2025 is as follows:

	March 31, 2026	March 31, 2025
	$	$
Materials	3,729,888	4,556,909
Labour	3,339,119	3,064,983
Maintenance and overhead	1,310,089	1,153,533
Depreciation and amortization	643,810	494,695
Total cost of sales	9,022,906	9,270,120

18. Other Income

Other Income for the years ended December 31, 2026 and 2025 is as follows:

	March 31, 2026	March 31, 2025
	$	$
Other Revenue	282,254	2,353
Interest Revenue	19,029	72,165
Convenience fees	1,135	-
Sales Tax Commissions	1,691	1,658
Total other revenue	304,109	76,176

During the three months ended March 31, 2025, the Company recognized a gain of $277,000 arising from the settlement of an investment that had been fully written off in prior periods. As there was no remaining carrying value at the time of settlement, the proceeds have been recognized in full as other revenue.

19. 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 includes directors and executive officers of the Company. Other than the amounts disclosed below, there was no other compensation paid or payable to key management personnel for the reported periods.

Atlas is the parent company and owns 100% of the following subsidiaries: Clinton, Satellite, ABS, Pacer, SC, Novum, Hi-Tec, LCF, Truss-Worthy and Penn-Truss.

19. Related party transactions (continued)

The Company incurred the following charges as part of the Company's consolidated statement of income and comprehensive income during the three months ended March 31, 2026 and 2025:

	March 31, 2026	March 31, 2025
	$	$
Salaries and benefits	191,142	251,795
Administrative and office	31,800	31,800
Finance charge on lease obligations[1]	13,732	3,973
Share-based payments	18,817	128,721
Total related party transactions	255,491	416,289

Due to related parties

Amounts due to related parties are detailed as follows:

	March 31, 2026	December 31, 2025
	$	$
Due to related parties		
Accounts payable and accrued liabilities	(9,600)	(10,497)
Lease obligation (Note 13)[1]	(1,345,915)	-
Total due to related parties	(1,355,515)	(10,497)

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.

These amounts were incurred in the normal course of operations and are recorded at exchange amounts as part of our consolidated statement of financial position. Accounts receivable and accounts payable and accrued liabilities are unsecured, non-interest bearing, and have no set terms of repayment.

20. Supplemental cash flow information

Investing and financing activities that do not have a direct impact on the current cash flows are excluded from the cash flow statements. During the three months ended March 31, 2026 and 2025, the Company had the following non-cash investing and financing activities:

Three months ended March 31, 2026

A Building lease was renewed under a right-of-use asset for $1,410,182.

Three months ended March 31, 2025

During the three months ended March 31, 2025, the Company had no investing or financing activities identified that did not have a direct impact on the current cash flows.

21. Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Long-term debt	Lease obligations	Total
	$	$	$
Balance December 31, 2025	17,856,306	4,031,262	21,887,568
Repayments	(770,315)	(367,207)	(1,137,522)
Issuance	-	-	-
Non-cash – lease obligation	-	1,410,182	1,410,182
Non-cash – lease adjustment	-	-	-
Balance March 31, 2026	17,085,991	5,074,237	22,160,228

	Long-term debt	Lease obligations	Total
	$	$	$
Balance December 31, 2024	20,937,566	3,614,366	24,551,932
Repayments	(3,081,260)	(1,287,502)	(4,368,762)
Issuance	-	1,163,504	1,163,504
Non-cash – lease obligation	-	540,894	540,894
Non-cash – lease adjustment	-	-	-
Balance December 31, 2025	17,856,306	4,031,262	21,887,568

22. Financial instruments

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. 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.

22. Financial instruments (continued)

Classification of financial instruments (continued)

The following tables show the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy and accounting classification:

			As at March 31, 2026		As at December 31, 2025	
	Classification	Fair Value Level	Carrying Value	Fair Value	Carrying Value	Fair Value
			$	$	$	$
Financial assets						
Cash	Amortized cost	1	-	-	2,392,786	2,392,786
Accounts receivable	Amortized cost	2	6,042,581	6,042,581	,,,,9,150,876	9,150,876
Financial liabilities						
Bank indebtedness	Amortized cost	1	2,017,331	2,017,331	-	-
Accounts payable and accrued liabilities	Amortized cost	2	6,767,400	6,767,400	5,286,700	5,286,700
Customer deposits	Amortized cost	2	1,138,868	1,138,868	695,296	695,296
Long-term debt	Amortized cost	2	17,085,991	17,085,991	17,856,306	17,856,306

There were no transfers between the levels of the fair value of hierarchy for the years ended March 31, 2026 and December 31, 2025.

Market risk

a) Foreign exchange risk

The Company is exposed to foreign exchange risk. The Company has revenues, US non-inventory expenditures and bank accounts in US currency. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the Company. The risk is measured through a forecast of highly probable USD transactions.

The Company minimizes the risk of the volatility of the US currency cost by keeping USD funds received from sales in USD bank accounts. These USD funds are then used for expenditures that arise in the same currency. Only at the end of the year does the Company assess the risk of transferring the excess funds to a CDN bank account. If the risk is too high, then the funds will remain in the USD account until the risk is reduced.

Profit or loss is sensitive to the fluctuations of the USD to CDN foreign exchange rates on the US revenues. If the USD foreign exchange rate were to increase by 10% with a full year of USD sales transactions based on previous sales to the US, this is estimated by management to increase sales by $263,107 annually.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's policy is to minimize interest rate risk exposures on term financing. All leases and exchangeable notes have fixed rates. As at March 31, 2026, the Company is exposed to changes in market interest rates through the bank borrowings at a floating base rate. This risk is low because changes in the prime rate are not substantial and increases would not impact the consolidated financial statements significantly. If the rates were to increase 10% this would result in an increase in interest of approximately $81,435 annually.

22. Financial instruments (continued)

Credit risk

Credit risk is the risk that a counterparty fails to meet its contractual obligation to the Company. The Company is exposed to the risk for various financial instruments through receivables from customers and placing deposits and the potential for cash fraud. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized as at March 31, 2026 and December 31, 2025 summarized below:

	March 31, 2026	December 31, 2025
	$	$
Classes of financial assets – carrying amounts		
Cash	-	2,392,786
Trade accounts receivable, net of loss allowance	5,712,353	8,494,168
	5,712,353	10,886,954

The Company closely monitors cash by applying a sweep account function to the subsidiary accounts and a daily bank reconciliation. The Company also requires each division to detail weekly any collection attempts of receivables over 61 days and prepares an aging account receivable report weekly to monitor any progress.

The Company also continuously monitors defaults of customers, identified individually, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and credit checks are obtained and used. The Company's policy is to deal only with creditworthy customers.

The Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The receivables and their aging as at March 31, 2026 and December 31, 2025 is summarized below:

	March 31, 2026	December 31, 2025
	$	$
Trade accounts receivable, net of loss allowance		
Current	3,164,678	4,371,991
Past due 1 to 30 days	983,412	1,772,515
Past due 31 to 60 days	278,377	944,116
Past due over 60 days	1,285,886	1,405,546
	5,712,353	8,494,168

22. Financial instruments (continued)

Credit risk (continued)

The loss allowance as at March 31, 2026 and December 31, 2025 was determined as follows for trade accounts receivable:

As at March 31, 2026

	Current	Past due 1 to 30 days	Past due 31 to 60 days	Past due over 60 days	Total
Expected loss rate	0.00%	0.00%	0.25%	0.27%	0.07%
Trade accounts receivable	3,164,678	983,412	279,075	1,289,431	5,716,596
Loss allowance	-	-	698	3,545	4,243

As at December 31, 2025

	Current	Past due 1 to 30 days	Past due 31 to 60 days	Past due over 60 days	Total
Expected loss rate	0.00%	0.00%	0.25%	0.28%	0.07%
Trade accounts receivable	4,371,991	1,772,515	946,482	1,409,533	8,500,521
Loss allowance	-	-	2,366	3,987	6,353

The expected loss rates are based on historical credit losses and adjusted to reflect current and forward-looking information of the customers' ability to settle the receivables. This is affected and adjusted constantly based on acquisitions that bring in new customers and new information from economic conditions.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations. The Company may be exposed to liquidity risks if it is unable to collect its trade and other receivables balances in a timely manner, which could in turn impact the Company's long-term ability in meeting commitments under its current facilities.

The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities and debt servicing ratios. The Company also forecasts and manages cash inflows and outflows on a daily, weekly and monthly basis.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables exceeds the current cash outflow requirements as our current ratio is currently 1.56:1. Cash flows from trade accounts receivable are all contractually due within thirty days.

22. Financial instruments (continued)

Liquidity risk (continued)

As at March 31, 2026, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	Current Within 6 months	Current 6 to 12 months	Non-current 1 to 5 years	Non-current Later than 5 years
	$	$	$	$
Lease obligations	850,330	853,837	3,972,613	-
Accounts payable and accrued liabilities	6,767,400	-	-	-
Income taxes payable	-	-	-	-
Long-term debt	2,068,488	2,011,605	13,814,976	3,403,808
Total	9,686,218	2,865,442	17,787,589	3,403,808

As at December 31, 2025, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

	Current Within 6 months	Current 6 to 12 months	Non-current 1 to 5 years	Non-current Later than 5 years
	$	$	$	$
Lease obligations	710,006	693,790	3,076,127	-
Accounts payable and accrued liabilities	5,286,700	-	-	-
Income taxes payable	-	-	-	-
Long-term debt	2,087,255	2,041,229	14,729,704	3,487,566
Total	8,083,961	2,735,019	17,805,831	3,487,566

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

23. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue operations. In the management of capital, the Company includes its components of long-term debt, lease obligations, cash and equity.

The amounts managed as capital by the Company are summarized as follows:

	March 31, 2026	December 31, 2025
	$	$
Long-term debt	17,085,991	17,856,306
Lease obligations	5,074,237	4,031,262
Cash	-	(2,392,786)
Bank indebtedness	2,017,331	-
Net debt	24,177,559	19,494,782
Total equity	46,842,726	48,526,527
	71,020,285	68,021,309

23. Management of capital (continued)

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. From time to time, the Company purchases its own shares in the open market under a defined NCIB. All repurchased common shares are cancelled.

Management reviews its capital management policies on an ongoing basis.