Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2025 and 2024
(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 September 30, 2025 and December 31, 2024
(Unaudited - expressed in Canadian dollars)

	Note	September 30, 2025	December 31, 2024
		$	$
Assets			
Current			
Cash and cash equivalents		3,750,984	13,128,028
Accounts receivable	**6, 16, 19**	10,695,196	7,986,127
Income taxes receivable		892,868	838,736
Inventories	**7**	8,865,093	8,144,312
Prepaid expenditures		300,124	320,722
Deposits		2,969,722	350,935
		27,473,987	30,768,860
Non-current			
Buildings and equipment	**8**	30,352,140	21,745,372
Intangible assets	**9**	6,278,365	7,361,831
Goodwill	**10**	20,301,583	19,752,336
Deferred tax assets		739,089	1,078,776
Total Assets		85,145,164	80,707,175
Liabilities			
Current			
Accounts payable and accrued liabilities	**5, 11, 16**	7,575,347	2,972,429
Customer deposits		1,281,203	585,379
Lease obligations – current portion	**11**	1,248,748	1,126,557
Long-term debt – current portion	**12**	3,081,260	3,081,260
		13,186,558	7,765,625
Non-current			
Lease obligations	**11**	3,143,097	2,487,809
Long-term debt	**12**	15,545,361	17,856,306
Deferred tax liability		4,112,377	3,991,574
		35,987,393	32,101,314
Shareholders' Equity			
Share capital	**13**	35,313,103	35,570,408
Contributed surplus	**13**	2,544,025	2,045,543
Retained Earnings		11,300,643	10,989,910
		49,157,771	48,605,861
Total Liabilities and Shareholders' Equity		85,145,164	80,254,197

APPROVED BY THE DIRECTORS ON NOVEMBER 21, 2025

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 Income and Comprehensive Income
For the three and nine months ended September 30, 2025 and 2024
(Unaudited - expressed in Canadian dollars)

	Note	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
		$	$	$	$
Revenue	**14**	20,331,585	16,550,911	44,995,448	40,759,108
Cost of sales	**14**	(15,823,155)	(12,466,248)	(36,420,484)	(30,804,400)
Gross profit		4,508,430	4,084,663	8,574,964	9,954,708
Operating expenses					
Administrative and office	**16**	613,204	656,135	1,893,745	1,924,404
Depreciation and amortization	**8, 9**	749,249	702,277	2,040,582	2,299,723
Bad debt expense		2,311	1,896	3,329	2,669
Professional fees		232,344	114,026	733,324	307,832
Salaries and benefits	**16**	1,151,194	898,223	3,079,049	3,031,127
Share-based payments	**13(c),16**	116,622	115,207	498,482	181,532
Operating income		1,643,506	1,596,899	326,453	2,207,421
Other income		27,998	214,200	173,241	423,192
Interest expense	**12**	(360,960)	(416,260)	(1,007,499)	(1,489,440)
Finance charge on leases	**11, 16**	(61,480)	(62,944)	(165,140)	(196,046)
Foreign exchange (loss) gain		10,918	(8,470)	(45,825)	(10,351)
Loss on disposal of assets		(75)	(5,554)	(186)	(3,814)
Gain on bargain purchase	**5**	610,788	-	610,788	-
Income before income tax		1,870,695	1,317,871	(108,168)	930,962
Income taxes					
Current income tax recovery (expense)		(240,536)	(647,280)	122,562	(910,331)
Deferred income tax recovery		234,931	243,867	296,339	605,969
		(5,605)	(403,413)	418,901	(304,362)
Net income and comprehensive income for the period		1,865,090	914,458	310,733	626,600
Income per share					
Basic		0.03	0.01	0.00	0.01
Diluted		0.03	0.01	0.00	0.01
Weighted average number of shares outstanding					
Basic		70,250,747	70,385,477	70,359,047	63,217,680
Diluted		73,906,079	73,406,599	74,015,596	66,002,631

Atlas Engineered Products Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited - expressed in Canadian dollars)

	Number of Common Shares	Share Capital	Contributed Surplus	Retained Earnings	Total
	(Note 12)	(Note 12)	(Note 12)		
		$	$	$	$
Balance, December 31, 2023	**59,166,081**	**21,453,733**	**1,773,815**	**11,202,038**	**34,429,586**
Share-based payments	-	-	181,532	-	181,532
Shares repurchased for cancellation	(19,100)	(21,774)	-	-	(21,774)
Shares issued for cash	10,787,300	14,562,855			14,562,855
Shares issue costs		(836,688)	-	-	(836,688)
Stock options exercised	590,000	394,325	(179,400)	-	214,925
Net loss for the period	-	-	-	626,600	626,600
Balance, September 30, 2024	**70,524,281**	**35,552,451**	**1,775,947**	**11,828,638**	**49,157,036**
Share-based payments	-	-	274,518	-	274,518
Shares issue costs	-	4,735	-	-	4,735
Stock options exercised	11,666	13,222	(4,922)	-	8,300
Net income for the period	-	-	-	(838,728)	(838,728)
Balance, December 31, 2024	**70,535,947**	**35,570,408**	**2,045,543**	**10,989,910**	**48,605,861**
Share-based payments	-	-	498,482	-	498,482
Shares repurchased for cancellation (Note 13b)	(285,200)	(257,305)	-	-	(257,305)
Net income for the period	-	-	-	310,733	310,733
Balance, September 30, 2025	**70,250,747**	**35,313,103**	**2,544,025**	**11,300,643**	**49,157,771**

Atlas Engineered Products Ltd.

Condensed Interim Consolidated Statements of Cash Flows
For the three and nine months ended September 30, 2025 and 2024
(Unaudited - expressed in Canadian dollars)

	Three Months Ended		Nine Months Ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	$	$	$	$
Operating activities				
Net income for the period	1,865,090	914,458	310,733	626,600
Add back non-cash items				
Depreciation and amortization	1,393,477	1,234,363	3,690,670	3,892,022
Unrealized foreign exchange loss (gain)	(5,497)	2,431	30,382	2,431
Deferred tax (recovery) expense	(418,066)	(243,866)	(296,338)	660,865
Loss on disposal of assets	75	5,554	186	3,814
Gain on bargain purchase	(610,788)	-	(610,788)	-
Share-based payments	116,622	115,207	498,482	181,532
Changes in non-cash working capital items:				
Accounts receivable	1,171,602	(1,190,395)	(617,147)	(2,238,526)
Inventories	1,822,786	642,631	339,418	(1,096,220)
Prepaid expenditures	43,845	(35,845)	29,659	(80,763)
Deposits	(2,808,873)	(944,682)	(2,618,787)	(1,738,074)
Accounts payable and accrued liabilities	(373,210)	(959,687)	1,927,026	483,937
Customer deposits	219,223	99,869	687,525	582,198
Corporate income taxes receivable	72,925	1,180,109	(20,461)	1,361,486
Corporate income taxes payable	(29,680)	-	(29,680)	-
Cash provided by operations	2,459,531	820,147	3,320,880	2,641,302
Investing activities				
Acquisition of buildings and equipment	(1,053,938)	(493,465)	(5,978,033)	(1,055,769)
Proceeds from disposition of equipment	-	1,500	3,500	15,000
LCF acquisition net of cash acquired (Note 3)	-	-	-	(1,547,730)
Truss-Worthy acquisition net of cash acquired (Note 4)	(136,359)	-	(1,564,110)	-
Penn-Truss acquisition net of cash acquired (Note 5)	(1,899,111)	-	(1,899,111)	-
Cash used in investing activities	(3,089,408)	(491,965)	(9,437,754)	(2,588,499)
Financing activities				
Repayment of principal lease obligations (Note 11)	(346,099)	(270,117)	(926,919)	(787,293)
Issuance of capital lease obligation	234,999	104,983	234,999	104,983
Repayment of long-term debt (Note 12)	(770,315)	(3,670,315)	(2,310,945)	(11,542,326)
Shares issued for cash (Note 13b)	-	-	-	14,562,855
Shares issue costs (Note 13b)	-	(77,228)	-	(836,688)
Shares repurchased for cancellation (Note 13b)	-	-	(257,305)	(21,774)
Proceeds from stock option exercise (Note 13b)	-	124,925	-	214,925
Cash (used in) provided by financing activities	(881,415)	(3,787,752)	(3,260,170)	1,694,682
(Decrease) increase in cash	(1,511,292)	(3,459,570)	(9,377,044)	1,747,485
Cash - beginning of period	5,262,276	19,954,424	13,128,028	14,747,369
Cash - end of period	3,750,984	16,494,854	3,750,984	16,494,854
Cash paid during the period for:				
Interest	422,440	479,204	1,172,639	1,685,486
Income taxes	201,819	306,129	(62,104)	120,040

Supplemental cash flow information – Note 17

1. Nature of Operations

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, Manitoba, Ontario, New Brunswick and Saskatchewan 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.

2. Material Accounting Policies

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 nine months ended September 30, 2025.

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 period 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 period. 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 November 21, 2025.

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 nine 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 Ltd. ("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.

3. Acquisition of LCF

On August 23, 2023, the Company completed its acquisition of LCF whereby the Company acquired all the issued and outstanding shares of LCF for $26,000,000 in cash and stock. An initial excess working capital was calculated at $2,884,737 and paid in cash. An additional working capital adjustment for $414,382 was calculated and finalized subsequent to closing. A significant portion of the cash required to complete the transaction was provided by a term loan and a mortgage from a major Canadian chartered bank.

The purchase price allocation (PPA) for LCF was finalised in May 2024, the goodwill was adjusted to reflect final determination of Deferred Income Tax Liabilities (DITL) in the amount of $1,547,730.

LCF is located in Eel River Crossing, NB. LCF, a manufacturer of roof, floor trusses and wall panels and a supplier of engineered wood products aligns with the core business of the Company. The acquisition has given the Company access to the Maritimes in Eastern Canada which aligns with the Company's goals of having locations across Canada to take advantage of the housing markets which can vary across the Country. Additionally, the Company gains access to greater resources and knowledge for the production of wall panels which it can use to support wall panel operations in Ontario and BC.

In accordance with IFRS 3, the LCF acquisition will be accounted for as a business combination. The acquisition date fair values of the assets and liabilities acquired have been estimated as follows:

Category	$
Cash	24,000,000
Shares	2,000,000
Working capital	3,299,119
Total consideration	**29,299,119**
Cash	2,995,932
Accounts receivable	2,532,136
Income taxes receivable	560,466
Inventories	3,639,122
Prepaid expenditures	111,640
Buildings and equipment	7,223,400
Intangible assets	5,337,000
Goodwill	13,017,837
Accounts payable and accrued liabilities	(2,198,203)
Customer deposits	(767,672)
Deferred income tax liability	(3,152,539)
	29,299,119

If the acquisition had occurred on January 1, 2023 then the revenues would have been $18,028,670 for the year ended December 31, 2023. The following table shows the results of the operations of LCF since the acquisition date.

	LCF Jan 1 – Sept 30, 2025	**LCF Jan 1 – Sept 30, 2024**
	$	**$**
Sales per consolidated financial statements	13,498,471	12,518,442
Income before tax	1,886,048	1,649,274
Income tax expense	(208,069)	(15,469)
Income for the period	1,677,979	1,633,805

4. Acquisition of Truss-Worthy

On May 30, 2025, the Company completed its acquisition of 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 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.

Any potential goodwill, still to be determined, 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.

In accordance with IFRS 3, the Truss-Worthy acquisition will be accounted for as a business combination. The purchase price allocation as at September 30, 2025 has been estimated as follows:

Category	$
Cash	1,575,000
Excess Working Capital	83,244
Total consideration	**1,658,244**
Cash	94,134
Accounts receivable	249,886
Income taxes receivable	33,671
Inventories	163,980
Prepaid expenditures	9,061
Buildings and equipment	818,775
Goodwill	549,247
Accounts payable and accrued liabilities	(77,374)
Deferred income tax liability	(183,136)
	1,658,244

Due to the recent nature of the transaction, the PPA calculations are still preliminary and have not been finalized. The above values are based on initial working papers detailing the carrying value of the assets and liabilities at time of acquisition, but some values are still to be finalized and agreed upon. The valuation of the intangible assets has also not been completed.

If the acquisition had occurred on January 1, 2025 then the revenues would have been $1,212,239. The following table shows the results of the operations of Truss-Worthy since the acquisition date.

	Truss-Worthy May 30 – Sept 30, 2025
	$
Sales per consolidated financial statements	774,206
Income before tax	138,471
Income tax expense	(12,080)
Income for the period	126,391

5. 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 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. A closing working capital adjustment will also be 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 will be accounted for as a business combination. The purchase price allocation as at September 30, 2025 has been estimated as follows:

Category	$
Cash	2,280,000
Shares/cash	760,000
Future cash	760,000
Total consideration	**3,800,000**
Cash	380,889
Accounts receivable	1,872,419
Inventories	896,219
Building and equipment	3,879,956
Accounts payable and accrued liabilities	(1,078,518)
Customer deposits	(8,300)
Lease liability	(928,505)
Corporate tax payable	(29,680)
Deferred income tax liability	(573,692)
Gain on bargain purchase	(610,788)
	3,800,000

Due to the recent nature of the transaction, the PPA calculations are still preliminary and have not been finalized. The above values are based on initial working papers detailing the carrying value of the assets and liabilities at time of acquisition, but some values are still to be finalized and agreed upon. The valuation of the intangible assets has also not been completed.

If the acquisition had occurred on January 1, 2025 then the revenues would have been $9,146,709. The following table shows the results of the operations of Penn-Truss since the acquisition date.

	Penn-Truss July 24 – Sept 30, 2025
	$
Sales per consolidated financial statements	2,466,581
Income before tax	1,206,676
Income tax expense	(29,553)
Income for the period	1,236,229

6. Accounts receivable

Trade and other receivables were as follows:

	September 30, 2025	December 31, 2024
	$	$
Trade accounts receivable	10,297,642	7,504,814
Other receivables	409,642	490,073
Loss allowance	(12,088)	(8,760)
	10,695,196	7,986,127

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 nine months ended September 30, 2025, the estimated credit loss amounted to $12,088 (December 31, 2024 - $8,760).

7. Inventories

	September 30, 2025	December 31, 2024
	$	$
Raw materials	7,108,266	7,234,987
Work in progress	521,733	216,543
Finished goods	1,116,409	532,799
Other	118,685	159,983
	8,865,093	8,144,312

During the three and nine months ended September 30, 2025, $8,643,762 and $19,313,165 (September 30, 2024 - $7,028,101 and $16,299,186) in raw materials was expensed through cost of sales. It was determined that there was no requirement to write down any raw material, work in progress, or finished goods inventory during the three and nine months ended September 30, 2025.

8. Buildings and equipment

	Land and Buildings	Office Furniture and Equipment	Vehicles	Production Equipment	Computer Equipment and Software	Signage and Land Improvement	Total
	$	$	$	$	$	$	$
Cost							
Balance, December 31, 2023	14,281,181	395,513	5,555,685	9,091,583	448,417	229,421	30,001,800
Additions	3,669,378	35,694	520,744	77,915	28,389	-	4,332,120
Additions through business combination	-	-	-	-	-	-	-
Disposals	-	-	(57,135)	-	-	-	(57,135)
Balance, December 31, 2024	17,950,559	431,207	6,019,294	9,169,498	476,806	229,421	34,276,785
Additions	5,269,495	3,350	438,733	797,482	9,866	-	6,518,926
Additions through business combination	776,331	50,860	1,245,000	2,594,790	31,750	-	4,698,731
Disposals	(207,627)	-	(35,000)	(400)	-	-	(243,027)
Balance, September 30, 2025	23,788,758	485,417	7,668,027	12,561,370	518,422	229,421	45,251,415
Accumulated depreciation							
Balance, December 31, 2023	1,656,230	196,488	2,476,990	4,298,589	334,050	152,009	9,114,356
Additions	1,404,641	43,598	1,000,371	963,432	36,605	6,732	3,455,379
Disposals	-	-	(38,322)	-	-	-	(38,322)
Balance, December 31, 2024	3,060,871	240,086	3,439,039	5,262,021	370,655	158,741	12,531,413
Additions	1,085,173	31,020	710,586	748,901	26,961	4,563	2,607,204
Disposals	(207,628)	-	(31,389)	(325)	-	-	(239,342)
Balance, September 30, 2025	3,938,416	271,106	4,118,236	6,010,597	397,616	163,304	14,899,275
Carrying amount at December 31, 2024	14,889,688	191,121	2,580,255	3,907,477	106,151	70,680	21,745,372
Carrying amount at September 30, 2025	19,850,342	214,311	3,549,791	6,550,773	120,806	66,117	30,352,140

Depreciation for tangible assets during the three and nine months ended September 30, 2025 was $1,032,320 and $2,607,204 (September 30, 2024 - $873,043 and $2,562,181). During the three and nine months ended September 30, 2025, $644,227 and $1,650,088 (September 30, 2024 - $532,086 and $1,592,299) of the depreciation was included in cost of sales. During the nine months ended September 30, 2025, $4,472,846 (December 31, 2024 - $656,491) was included in land and building additions which is considered construction work-in-progress related to a new manufacturing facility under construction.

8. 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 periods ended September 30, 2025 and December 31, 2024.

	Building	Vehicles	Total
	$	$	$
Balance, December 31, 2023	4,498,931	-	4,498,931
Additions	9,132	104,680	113,812
Disposals, net	-	-	-
Depreciation charge for the year	(1,177,252)	(15,701)	(1,192,953)
Balance, December 31, 2024	3,330,811	88,979	3,419,790
Additions	1,524,851	436,499	1,961,350
Disposals, net	(207,628)	-	(207,628)
Depreciation charge for the period	(914,940)	(49,102)	(964,042)
Balance, September 30, 2025	3,733,094	476,376	4,209,470

9. Intangible assets

	Customer Relationships	Brand	Non-Compete Agreements	Total
	$	$	$	$
Cost				
Balance, December 31, 2023	7,386,000	2,581,000	2,720,000	12,687,000
Additions	-	-	-	-
Disposals	-	-	(477,000)	(477,000)
Balance, December 31, 2024	7,386,000	2,581,000	2,243,000	12,210,000
Additions	-	-	-	-
Impairment	-	-	-	-
Balance, September 30, 2025	7,386,000	2,581,000	2,243,000	12,210,000
Accumulated amortization				
Balance, December 31, 2023	2,263,915	612,523	757,569	3,634,007
Additions	827,733	307,305	556,124	1,691,162
Disposals	-	-	(477,000)	(477,000)
Balance, December 31, 2024	3,091,648	919,828	836,693	4,848,169
Additions	553,835	193,499	336,132	1,083,466
Impairment	-	-	-	-
Balance, September 30, 2025	3,645,483	1,113,327	1,172,825	5,931,635
Carrying amount at December 31, 2024	4,294,352	1,661,172	1,406,307	7,361,831
Carrying amount at September 30, 2025	3,740,517	1,467,673	1,070,175	6,278,365

Amortization for intangible assets during the three and nine months ended September 30, 2025 was $361,157 and $1,083,466 (September 30, 2024 - $361,320 and $1,329,841).

As at September 30, 2025, the Company completed a quarterly assessment of the intangible assets and determined there were no circumstances leading to an impairment of these intangible assets.

10. Goodwill

The following summarizes the Company's goodwill as at September 30, 2025 and December 31, 2024.

	Clinton	Satellite	Pacer	SC	Hi-Tec	LCF	TW	Total
	$	$	$	$	$	$	$	$
Cost								
Balance, December 31, 2023	474,428	136,446	2,284,327	883,275	2,956,023	11,470,107	-	18,204,606
Additions	-	-	-	-	-	1,547,730	-	1,547,730
Balance, December 31, 2024	474,428	136,446	2,284,327	883,275	2,956,023	13,017,837	-	19,752,336
Additions	-	-	-	-	-	-	549,247	549,247
Balance, September 30, 2025	474,428	136,446	2,284,327	883,275	2,956,023	13,017,837	549,247	20,301,583

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 September 30, 2025.

11. Accounts payable and accrued liabilities

	September 30, 2025	December 31, 2024
	$	$
Trade accounts payable	4,207,830	1,686,808
Sales taxes payable	132,776	172,713
Salaries and vacation payable	1,307,056	740,009
Other accounts payable	1,558,062	50,953
Accrued liabilities	369,623	321,946
	7,575,347	2,972,429

Other accounts payable as at September 30, 2025 includes $1,520,000 related to the Penn-Truss acquisition. A deferred purchase price of $760,000 payable in cash nine months post-closing and a contingent earn-out of $760,000 payable in cash or shares at the discretion of the Company.

11. 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 September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025	December 31, 2024
	$	$
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.	516.235	-
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.	222,029	-
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.	747,485	-
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.	99,610	-
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.	19,530	-
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.	21,897	-
Building under right-of-use asset lease repayable in monthly instalments of $26,000 inclusive of implied interest of 5.95% per annum, residual value of $nil, maturing in December 2025 (Note 16).	77,257	302,457
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.	2,478,018	2,975,774
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.	134,737	189,744
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.	75,047	91,594
Building under right-of-use asset lease repayable in monthly instalments of $9,337 inclusive of implied interest of 6.7% per annum, residual value of $nil, maturing in June 2025.	-	54,797
Total lease obligation	4,391,845	3,614,366
Current portion	(1,248,748)	(1,126,557)
Non-current portion	3,143,097	2,487,809

11. Lease obligations (continued)

The following is a schedule of the total lease payments made during the three and nine months ended September 30, 2025 and 2024:

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	$	$	$	$
Principal payment	346,099	270,117	926,919	787,293
Interest expense	61,480	62,944	165,140	196,046
Total lease payments	407,579	333,061	1,092,059	983,339

During the three and nine months ended September 30, 2025, a vehicle was acquired under a right-of-use asset lease for $234,999 (September 30, 2024 – a vehicle was acquired under a right-of-use asset lease for $104,681).

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

	September 30, 2025
	$
2025	426,477
2026	1,403,796
2027	1,378,202
2028	1,163,516
2029	367,892
2030	166,517
Total minimum lease payments	4,906,400
Less: imputed interest	(514,555)
Total present value of minimum lease payments	4,391,845

During the nine months ended September 30, 2025 – the Company did not enter into any low value leases (September 30, 2024 – the Company did not enter into any low value leases).

12. Long-term debt

The long-term debt consists of the following:

	September 30, 2025	December 31, 2024
	$	$
TD term loan[1]	15,058,333	17,233,333
TD mortgage[2]	1,858,188	1,931,313
TD mortgage[3]	1,710,100	1,772,920
	18,626,621	20,937,566
Less current portion of term debt	(3,081,260)	(3,081,260)
Total long-term portion of term debt	15,545,361	17,856,306

1. A term loan with a major Canadian bank bearing interest at a fixed rate (6.37% as at September 30, 2025) 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 September 30, 2025) 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 September 30, 2025) 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.

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.

The credit facility with TD Canada Trust contains two financial covenants. A total leverage ratio of less than or equal to 3.25 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 September 30, 2025, the Company was in compliance with their covenants.

13. 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.

During the nine months ended September 30, 2025, the Company purchased for cancellation 285,200 of shares pursuant to its NCIB for a total of $257,305. The Company's share capital was reduced by the average carrying value of shares repurchased for cancellation.

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 September 30, 2025 and December 31, 2024 and the changes for the periods then ended are as follow:

	Number	Weighted average exercise price
		$
Balance as at December 31, 2023	2,816,666	0.57
Granted	1,393,000	1.30
Exercised	(601,666)	0.37
Forfeited	-	-
Balance as at December 31, 2024	3,608,000	0.89
Granted	-	-
Exercised	-	-
Forfeited	(4,000)	1.30
Balance as at September 30, 2025	3,604,000	0.88

The total share-based payments recorded during the three and nine months ended September 30, 2025 was $116,922 and $498,782 (September 30, 2024 - $115,207 and $181,532).

13. Share capital (continued)

c) Options (continued)

The following table summarizes information about the share options outstanding as at September 30, 2025:

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
$0.49	100,000	0.26	$0.49	100,000	January 4, 2026
$0.29	300,000	0.56	$0.29	300,000	April 21, 2026
$0.60	397,500	1.26	$0.60	397,500	January 4, 2027
$0.64	200,000	1.56	$0.64	200,000	April 21, 2027
$0.60	100,000	2.14	$0.60	100,000	November 22, 2027
$0.73	717,500	2.22	$0.73	717,500	December 20, 2027
$0.74	400,000	2.26	$0.74	400,000	January 4, 2028
$1.30	1,389,000	3.89	$1.30	987,653	August 21, 2029
$0.89	3,604,000	2.53	$0.83	3,202,653	

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.

14. Revenue

The Company has three distinct revenue streams: trusses, engineered wood products and walls. The Company's revenues by these revenue streams for the three and nine months ended September 30, 2025 and 2024 is as follows:

Three months ended September 30, 2025

	Trusses	Engineered wood products	Walls	Total
	$	$	$	$
Total revenue	14,280,780	3,385,008	2,665,797	20,331,585

Three months ended September 30, 2024

	Trusses	Engineered wood products	Walls	Total
	$	$	$	$
Total revenue	10,378,642	4,239,070	1,933,199	16,550,911

Nine months ended September 30, 2025

	Trusses	Engineered wood products	Walls	Total
	$	$	$	$
Total revenue	30,363,554	9,448,266	5,183,628	44,995,448

Nine months ended September 30, 2024

	Trusses	Engineered wood products	Walls	Total
	$	$	$	$
Total revenue	25,147,329	11,399,396	4,212,383	40,759,108

15. Cost of sales

Cost of sales for the three and nine months ended September 30, 2025 and 2024 is as follows:

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	$	$	$	$
Materials	8,751,052	7,127,197	19,404,094	16,470,609
Labour	4,936,595	3,740,310	11,694,849	9,824,132
Maintenance and overhead	1,491,281	1,066,655	3,671,453	2,917,360
Depreciation and amortization	644,227	532,086	1,650,088	1,592,299
Total cost of sales	15,823,155	12,466,248	36,420,484	30,804,400

16. 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.

The Company incurred the following charges as part of the Company's consolidated statement of income and comprehensive income during the three and nine months ended September 30, 2025 and 2024:

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
	$	$	$	$
Salaries and benefits	98,080	216,133	597,894	1,112,283
Administrative and office	37,800	35,400	105,600	114,400
Finance charge on lease obligations[1]	1,862	6,128	8,800	21,345
Share-based compensation	59,321	68,186	268,916	107,739
Total related party transactions	197,063	325,847	981,210	1,355,767

Due from/to related parties

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

	September 30, 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	(10,579)	(25,255)
Lease obligation (Note 10)[1]	(77,257)	(302,457)
Total due to related parties	(87,836)	(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.

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.

17. 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 and nine months ended September 30, 2025 and 2024, the Company had the following non-cash investing and financing activities:

17. Supplemental cash flow information (continued)

Three and Nine months ended September 30, 2025

During the three and nine months ended September 30, 2025, a Building lease was renewed under a right-of-use asset for $540,894.

Three and nine months ended September 30, 2024

During the three and nine months ended September 30, 2024, the Company had no investing or financing activities identified that did not have a direct impact on the current cash flows.

18. 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, 2024	20,937,566	3,614,366	24,551,932
Repayments	(2,310,945)	(926,919)	(3,237,864)
Issuance	-	234,999	234,999
Issuance through business combination	-	928,505	928,505
Non-cash – lease obligation	-	540,894	540,894
Non-cash – lease adjustment	-	-	-
Balance September 30, 2025	18,626,621	4,391,845	23,018,466

	Long-term debt	Lease obligations	Total
	$	$	$
Balance December 31, 2023	33,689,544	4,577,023	38,266,567
Repayments	(12,751,978)	(1,073,899)	(13,825,877)
Issuance	-	111,242	111,242
Non-cash – lease obligation	-	-	-
Non-cash – lease adjustment	-	-	-
Balance December 31, 2024	20,937,566	3,614,366	24,551,932

19. 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.

19. Financial instruments (continued)

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 $64,200 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 September 30, 2025, 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 $92,056 annually.

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 September 30, 2025 and December 31, 2024 summarized below:

	September 30, 2025	December 31, 2024
	$	$
Classes of financial assets – carrying amounts		
Cash and cash equivalents	3,750,984	13,128,028
Trade accounts receivable, net of loss allowance	10,285,554	7,496,054
	14,036,538	20,624,082

19. Financial instruments (continued)

Credit risk (continued)

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 and 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 September 30, 2025 and December 31, 2024 is summarized below:

	September 30, 2025	December 31, 2024
	$	$
Trade accounts receivable, net of loss allowance		
Current	5,641,360	2,986,674
Past due 1 to 30 days	2,106,411	2,408,667
Past due 31 to 60 days	1,343,706	854,791
Past due over 60 days	1,194,077	1,245,922
	10,285,554	7,496,054

The loss allowance as at September 30, 2025 and December 31, 2024 was determined as follows for trade accounts receivable:

As at September 30, 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%	0.73%	0.12%
Trade accounts receivable	5,641,360	2,106,411	1,347,074	1,202,797	10,297,642
Loss allowance	-	-	3,368	8,720	12,088

As at December 31, 2024

	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%	0.53%	0.12%
Trade accounts receivable	2,986,674	2,408,667	856,933	1,252,540	7,504,814
Loss allowance	-	-	2,142	6,618	8,760

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.

19. Financial instruments (continued)

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 2.08:1. Cash flows from trade accounts receivable are all contractually due within thirty days.

As at September 30, 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	789,620	694,330	3,422,450	-
Accounts payable and accrued liabilities	7,575,347	-	-	-
Income taxes payable	-	-	-	-
Long-term debt	2,108,791	2,068,633	15,658,350	3,572,038
Total	10,473,758	2,762,963	19,080,800	3,572,038

As at December 31, 2024, 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	684,291	632,709	2,716,900	-
Accounts payable and accrued liabilities	2,972,429	-	-	-
Income taxes payable	-	-	-	-
Long-term debt	2,185,113	2,139,636	18,515,695	3,830,209
Total	5,841,833	2,772,345	21,232,595	3,830,209

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

20. 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:

	September 30, 2025	December 31, 2024
	$	$
Long-term debt	18,626,621	20,937,566
Lease obligations	4,391,845	3,614,366
Less: Cash and cash equivalents	(3,750,984)	(13,128,028)
Net debt	19,267,482	11,423,904
Total equity	49,157,771	48,605,861
	68,425,253	60,029,765

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.