

Atlas has enjoyed a long history of consistent growth and profitability.

Throughout our history, we have proudly served the educational and institutional markets with high quality buildings at competitive pricing.

As can be seen in the attached financials, Atlas supports a full team, we invest in marketing, and while we strive to make a profit for our owners, our margins are not outrageous for our industry. We have a strong balance sheet that supports continued growth and investment. In early 2023, Atlas took on an institutional financial partner, providing increased backing and capital for growth and expansion.

Atlas Greenhouse, LLC
Pro Forma Income Statement

| | FY2019 | FY2020 | FY2021 | FY2022 |
|---|-------------------|-------------------|-------------------|-------------------|
| | Dec-19 | Dec-20 | Dec-21 | Dec-22 |
| Revenue | | | | |
| Sales | \$ 19,273,919 | \$ 20,806,365 | \$ 30,953,325 | \$ 22,156,302 |
| Sales Adjustments | - | (171,060) | - | (0) |
| Total Revenue | 19,273,919 | 20,635,305 | 30,953,325 | 22,156,302 |
| Cost of Goods Sold | | | | |
| Material COGS | 9,518,617 | 10,694,824 | 15,268,612 | 12,006,399 |
| Contract Labor | 1,991,459 | 1,379,770 | 2,324,048 | 1,893,398 |
| Freight Expense | 677,133 | 745,591 | 921,665 | 698,209 |
| Total Cost of Goods Sold | 12,187,209 | 12,820,185 | 18,514,325 | 14,598,006 |
| Cost of Goods Sold - as % of sales | | | | |
| Material COGS - as % of sales | 49% | 52% | 49% | 54% |
| Contract Labor - as % of sales | 10% | 7% | 8% | 9% |
| Freight Expense - as % of sales | 4% | 4% | 3% | 3% |
| Total Cost of Goods Sold - as % of sales | 63% | 62% | 60% | 66% |
| Material Gross Profit | 9,755,302 | 9,940,482 | 15,684,713 | 10,149,903 |
| Material Margin % | 51% | 48% | 51% | 46% |
| Gross Profit | 7,086,710 | 7,815,120 | 12,439,000 | 7,558,296 |
| Gross Margin % | 37% | 38% | 40% | 34% |
| Operating Expenses | | | | |
| Payroll Expense | 2,278,162 | 2,540,224 | 3,104,035 | 2,316,405 |
| 401k Expense | 70,162 | 70,497 | 88,990 | 71,730 |
| Benefits Expense | - | - | 77,182 | 89,536 |
| Rent Expense | 341,423 | 351,665 | 351,665 | 348,373 |
| Travel Expense | 63,567 | 50,994 | 60,170 | 51,591 |
| Marketing and Advertising | 248,452 | 259,353 | 345,759 | 289,614 |
| Shop Expense | 117,153 | 117,034 | 94,256 | 70,734 |
| Utilities | 39,631 | 35,996 | 38,076 | 41,002 |
| Internet, Telephone, Computer Expenses | 24,434 | 25,813 | 24,525 | 22,319 |
| Office Expense | 116,602 | 112,893 | 120,890 | 88,765 |
| Professional Fees | 52,514 | 57,980 | 82,266 | 136,885 |
| Insurance Expense | 117,633 | 169,712 | 110,355 | 116,933 |
| Vehicle Expense | 13,020 | 10,179 | 13,575 | 33,383 |
| Bank Charges | 76,184 | 76,514 | 81,824 | 95,971 |
| Taxes & Licenses | 24,065 | 51,602 | 39,127 | 27,684 |
| Dues and Subscriptions | 4,951 | 7,100 | 4,731 | 18,240 |
| Donations | - | - | - | 275 |
| Bad Debt Expense | 19,833 | 21,234 | 26,398 | 17,388 |
| SG&A - Other | 3,612 | 890 | 2,576 | 1,849 |
| Total Operating Expenses | 3,611,399 | 3,959,681 | 4,666,401 | 3,838,680 |
| Operating Income | 3,475,312 | 3,855,439 | 7,772,599 | 3,719,616 |
| Other Income | | | | |
| Interest Income | 12,473 | 7,794 | 4,779 | 2,630 |
| Gain/Loss from Sale of Assets | - | - | 54,077 | - |
| Other Income | 12,473 | 7,794 | 58,856 | 2,630 |
| Other Expense | | | | |
| Interest Expense | 1,880 | - | - | 265,789 |
| Depreciation | 101,169 | 142,597 | 183,884 | 21,729 |
| Amortization - Goodwill | 60,000 | 60,000 | 60,000 | 359,302 |
| Amortization - Financing Fees | - | - | - | - |
| Management Fees | - | - | - | 60,440 |
| Board Expenses | - | - | - | - |
| Transaction Fees | - | - | - | 854,372 |
| Lender Fees | - | - | - | - |
| Other Expense | 163,050 | 202,597 | 243,884 | 1,561,631 |
| Income Tax Expense | | | | |
| Net Income, adjusted | 3,324,735 | 3,660,636 | 7,587,571 | 2,160,615 |

Atlas Greenhouse, LLC
Consolidated Balance Sheet

| | Dec-19 | Dec-20 | Dec-21 | Dec-22 |
|---------------------------------------|---------------------|----------------------|----------------------|----------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash | \$ 3,806,319 | \$ 4,858,490 | \$ 5,988,377 | \$ 744,682 |
| Accounts Receivable | 1,346,783 | 2,515,144 | 2,534,074 | 2,516,602 |
| Inventory | 772,340 | 2,403,575 | 3,949,527 | 4,021,593 |
| Riverstone Prepaid Account | - | (188,300) | (106,750) | - |
| Prepaid Expenses | 9,329 | 9,153 | 5,435 | 100,209 |
| Due From Seller | - | - | - | - |
| Other Current Assets | 67,985 | 67,985 | 67,985 | - |
| Total Current Assets | 6,002,757 | 9,666,047 | 12,438,649 | 7,383,085 |
| Fixed Assets | | | | |
| Gross PP&E | 3,355,782 | 3,457,889 | 3,537,071 | 567,000 |
| Accumulated Depreciation | (2,076,160) | (2,218,757) | (2,340,641) | (21,729) |
| PP&E, net | 1,279,622 | 1,239,132 | 1,196,430 | 545,271 |
| Other Assets | | | | |
| Goodwill and Intangibles, net | 127,015 | 67,015 | 7,015 | 14,012,758 |
| Right of Use Asset | - | - | - | 1,616,529 |
| Deferred Tax Asset | - | - | - | 342,571 |
| Total Other Assets | 127,015 | 67,015 | 7,015 | 15,971,858 |
| Total Assets | 7,409,394 | 10,972,194 | 13,642,093 | 23,900,214 |
| LIABILITIES & EQUITY | | | | |
| Current Liabilities | | | | |
| Accounts Payable | 788,655 | 605,335 | 518,605 | 408,662 |
| Other Current Liabilities | 904 | 9,595 | 8,705 | 324,001 |
| Customer Deposits | 146,778 | 2,190,517 | 922,934 | 733,980 |
| Riverstone Customer Deposits | - | - | - | 647,225 |
| Accrued Expenses | 57,988 | 136,842 | 90,991 | 132,026 |
| Accrued Payroll | - | - | - | - |
| Accrued Professional Fees | - | - | - | 61,870 |
| Accrued Management Fees | - | - | - | - |
| Accrued Contract Labor | - | - | - | 157,125 |
| Commissions Payable | - | - | - | 42,678 |
| Warranty Accrual | - | - | - | 100,000 |
| Accrued Bonuses | - | - | - | - |
| Revolving Line of Credit | - | - | - | - |
| Current Portion of Long Term Debt | - | - | - | 262,500 |
| Total Current Liabilities | 994,325 | 2,942,289 | 1,541,235 | 2,870,067 |
| PPP Loan | - | - | - | - |
| Long Term Debt | - | - | - | 10,171,875 |
| Deferred Financing Fees | - | - | - | (415,625) |
| Lease Liability | - | - | - | 1,327,138 |
| Total Liabilities | 994,325 | 2,942,289 | 1,541,235 | 13,953,455 |
| Shareholder's Equity | | | | |
| Common Stock | 250,000 | 250,000 | 250,000 | 10,500,000 |
| Retained Earnings | 3,922,087 | 6,563,515 | 7,779,905 | (2,749,771) |
| Shareholder Distributions | (1,592,531) | (2,834,068) | (3,501,500) | - |
| Current Year Net Income | 3,835,514 | 4,050,457 | 7,572,453 | 2,196,530 |
| Shareholder's Equity | 6,415,069 | 8,029,905 | 12,100,859 | 9,946,759 |
| Total Liabilities & Equity | \$ 7,409,394 | \$ 10,972,194 | \$ 13,642,093 | \$ 23,900,214 |

Atlas Sales Trends over the Years

| Year | Sales |
|------|-----------|
| 2009 | \$ 6,750 |
| 2010 | \$ 6,983 |
| 2011 | \$ 7,021 |
| 2012 | \$ 7,216 |
| 2013 | \$ 9,215 |
| 2014 | \$ 8,343 |
| 2015 | \$ 9,585 |
| 2016 | \$ 10,386 |
| 2017 | \$ 13,754 |
| 2018 | \$ 16,935 |
| 2019 | \$ 19,274 |
| 2020 | \$ 20,635 |
| 2021 | \$ 30,953 |
| 2022 | \$ 22,156 |

