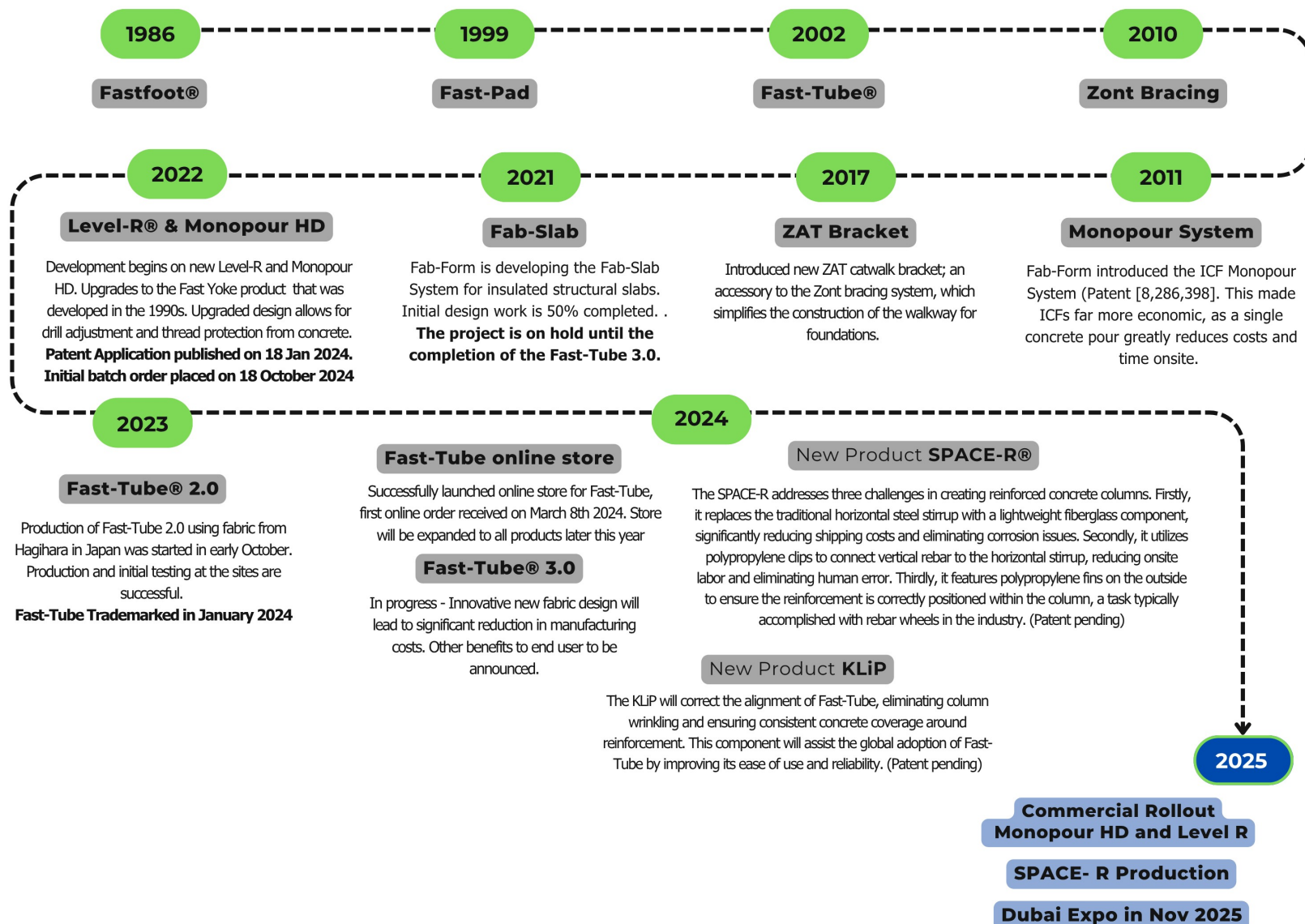


FAB-FORM INDUSTRIES



QUARTER ENDED MARCH 31, 2025

FAB-FORM KEY MILESTONES



Management Discussion and Analysis

For the quarter ended 31 March 2025

(In Canadian Dollars rounded to nearest dollar)

Fab-Form Industries Ltd. ("Fab-Form" or the "Company") is a leading environmentally conscious concrete formwork manufacturer located in Vancouver, BC Canada. Since its inception in 1986, the Company has invented, developed, and commercialized foundation products that are more sustainable for the building industry.

This management discussion and analysis ("MD&A") covers the operations of Fab-Form Industries Ltd. for the quarter ended 31 March 2025. The financial statements for the quarter ended 31 March 2025 together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company. The interim financial statements and the accompanying notes should be read in conjunction with the annual financial statements and the accompanying notes contained in our audited financial statement for the year ended 30 June 2024.

The interim financial statements and the accompanying notes have been prepared on the same basis as the annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for a fair statement of the results of operations for the periods presented. The results of operations for any interim period are not necessarily indicative of the results to be expected for the full year or for any other future years or interim periods.

HIGHLIGHTS: QUARTER ENDED 31 MARCH

Profitability	<ul style="list-style-type: none"> Revenue for the quarter ending March 31, 2025, was \$772,753, a 3.31% increase over the same period the year before. Gross Profit: \$240,911; this is a 0.20% rise over 2024. Operating income decreased by 65.74% from 2024 to \$19,769. Net Profit: \$40,335, down 52.63% from the quarter that concluded on March 31, 2024. 	<p>The increase in revenue was primarily driven by a 59% rise in Fastfoot sales, further supported by a favorable USD/CAD exchange rate during the quarter. However, gross profitability was affected by recent USA tariff increases. The company chose to absorb a portion of these costs, honor existing sales commitments, and prioritize customer retention.</p> <p>Looking ahead, tariffs are expected to continue impacting steel exports to USA, particularly the current 70% tariff on steel products. For further details, refer to Section 8: subsequent events and tariff impact.</p> <p>Decrease in operating income was due to an increase administrative and selling costs, write-off of bad debts, and increase tariff costs.</p> <p>Fast-Tube continues to gain international traction, with samples shipped to Ireland, the United Kingdom, Nigeria, and Colombia. Following the quarter's end, the first confirmed order from Ireland was secured.</p>
Operations	<ul style="list-style-type: none"> Participated in Las Vegas Construction Expo 2025. 	<p>The Las Vegas show was very successful with 540 leads obtained. 50% of the costs were covered by the Export Development Program. Fab-Form will be attending the Dubai Expo in November 2025 to develop world markets and return to Las Vegas in January 2026. Marketing expenses are expected to double in 2025 - 2026 year.</p>

Management Discussion and Analysis

For the quarter ended 31 March 2025

*(In Canadian Dollars rounded to nearest dollar)***HIGHLIGHTS: QUARTER ENDED 31 MARCH**

	<ul style="list-style-type: none"> • KLiP initial design was completed subject to testing. • Designing and developing the prototype production machine for SPACE-R commenced this quarter. • The first order for Monopour HD and Level-R was completed during the quarter. 	<p>Final design of KLiP was finalized subsequent to quarter end and sent for moulding. KLiP enables easy alignment of Fast-Tube before pouring concrete.</p> <p>Following the filing of a patent application in July 2024 for Space-R, a concrete stirrup assembly, a method of forming a concrete reinforced structure. the initial design and core product concept have been finalized as well as development has begun on a prototype production machine. FBF Engineering will have this machine producing product for the Dubai show in November 2025. Space-R, KLiP, and Fast-Tube will enable the construction of fabric concrete columns worldwide.</p> <p>The initial production order of Monopour HD and Level-R was ready on May 12, 2025. These two new product lines will introduce new revenue streams to the Company. An increase in Fastfoot sales is also anticipated, driven by growing demand for Level-R.</p>
Liquidity	<ul style="list-style-type: none"> • The total amount of cash generated from operating activities for the six months ending March 31, 2025, was \$402,644. • At the end of March 31, 2025, total liquid funds reduced to \$985,078. 	<p>With 67% of total assets held in cash, cash equivalents, and short-term investments, the company's cash flow position remains solid. Excess cash is consistently directed toward interest-bearing investments.</p> <p>The Company is committed to improving the usability and quality of all products. Ongoing research and development of new products is a very high priority.</p>

SELECTED ANNUAL INFORMATION

The following table presents selected financial information for each of the most recent four financial years

	30 June 2024 \$	30 June 2023 \$	30 June 2022 \$	30 June 2021 \$
Revenue	4,681,956	5,710,975	5,434,743	3,448,075
Net earnings	771,875	1,086,547	1,097,411	412,794
Basic and diluted earning per common share	0.084	0.122	0.121	0.047
Total assets	6,057,534	5,204,367	4,434,162	3,292,127
Long-term debt	-	-	-	-
Dividend	-	-	-	-

Management Discussion and Analysis

For the quarter ended 31 March 2025

*(In Canadian Dollars rounded to nearest dollar)***SELECTED QUARTERLY INFORMATION**

The following table presents selected financial information for each of the most recent eight quarters:

For the periods ending	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24
	\$	\$	\$	\$
Revenue	772,753	1,030,927	1,433,820	1,372,664
Net earnings	40,335	111,393	278,836	222,348
Basic and diluted earning per common share	0.0044	0.0128	0.03	0.024
Total assets	6,689,309	6,488,912	6,388,251	6,057,534
Long-term debt	-	-	-	-
Dividend	-	-	-	-

For the periods ending	31-Mar-24	31 Dec-23	30-Sep-23	30-Jun-23
	\$	\$	\$	\$
Revenue	748,002	1,020,614	1,540,676	1,883,990
Net earnings	85,157	107,372	356,998	370,672
Basic and diluted earning per common share	0.0093	0.0117	0.039	0.04
Total assets	5,848,486	5,671,498	5,727,761	5,204,367
Long-term debt	-	-	-	-
Dividend	-	-	-	-

We look forward to working with all the stakeholders to reach our growth objectives. We continue to thank all our shareholders, employees for their trust in our Company and products.

Sincerely

Signed

'Joseph Fearn'

President and CEO

28 May 2025

Signed

'Vishwanath Kumar'

Chief Financial Officer

28 May 2025

Management Discussion and Analysis

For the quarter ended 31 March 2025

(In Canadian Dollars rounded to nearest dollar)

This MD&A of the interim financial results of the Company should be read in conjunction with the interim financial statements for the quarter ended 31 March 2025 and the audited financial statements for the year ended 30 June 2024 and accompanying notes. The results reported herein have been prepared in accordance with IFRS Accounting Standards and are presented in Canadian dollars unless otherwise stated. MD&A has been prepared with reference to National Instrument ("NI") 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators. The following information prepared as at 26 May 2025. Additional information relating to the Company can be found on the Sedarplus (System for Electronic Document Analysis and Retrieval) website at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Some statements contained in this MD&A constitute "forward-looking statements" as is defined in applicable securities laws. These statements include, without limitation, the success of developing, manufacturing, and distributing new products and other similar statements concerning anticipated future events, conditions, or results that are not historical in nature, and reflect management's current estimates, beliefs, intentions, and expectations. These statements are not guaranteeing of future performance. The Company cautions that all forward-looking information is inherently uncertain, and that actual performance may be affected by several material factors, many of which are beyond the Company's control. Such factors include, among others, risks and uncertainties relating to product development; the ability of the Company to obtain additional financing; the Company's limited operating history; the need to comply with environmental and governmental regulations; potential defects in product performance; fluctuations in currency exchange rates; fluctuating prices of commodities; operating hazards and risks; competition; the uncertainty of capturing market share and other risks and uncertainties. Accordingly, actual future events, conditions, and results may differ materially from the estimates, beliefs, intentions, and expectations expressed or implied in the forward-looking information. These statements are made as of the Report Date and, except as required by law, the Company is under no obligation to update or alter any forward-looking information.

COMPANY DESCRIPTION

Fab-Form is a public company domiciled in Canada and incorporated under the Company Act of British Columbia. The address of the Company's head office is Unit 19, 1610 Derwent Way, Delta BC V3M 6W1. The Company develops, manufactures, and distributes proprietary technology to form concrete footings, columns, foundations, and walls for building structures. The Company also exclusively distributes Helix® micro rebar into the BC market and Nudura® insulating concrete form into BC and Washington. The Company has traded on the TSX Venture Exchange ("TSXV" under the symbol FBF) since 1999.

MD&A is presented in Canadian dollars, the Company's functional currency (rounded to nearest dollar).

Management Discussion and Analysis

For the quarter ended 31 March 2025

*(In Canadian Dollars rounded to nearest dollar)***OPERATING RESULTS**

	Quarter Ended 31 March				Year-to-date Ended 31 March			
	31-Mar-25	31-Mar-24	Change	%	31-Mar-25	31-Mar-24	Change	%
	\$	\$	\$		\$	\$	\$	
Revenue	772,753	748,002	24,751	3.31	3,237,428	3,309,292	(71,864)	(2.17)
Cost of sales	(531,842)	(507,565)	(24,277)	4.78	(2,122,510)	(2,128,410)	5,900	(0.28)
Gross profit	240,911	240,437	474	0.20	1,114,918	1,180,882	(65,964)	(5.59)
Expenses								
General and administration	(165,715)	(129,952)	(35,763)	27.52	(524,297)	(418,373)	(105,924)	25.32
Selling and marketing	(55,427)	(52,777)	(2,650)	5.02	(172,498)	(147,540)	(24,958)	16.92
Total expenses	(221,142)	(182,729)	(38,413)	21.02	(696,795)	(565,913)	(130,882)	23.13
Earnings from operations	19,769	57,708	(37,939)	(65.74)	418,123	614,969	(196,846)	(32.01)
Finance cost	(1,184)	(1,908)	724	(37.95)	(4,100)	(6,258)	2,158	(34.48)
Other income	37,967	64,001	(26,034)	(40.68)	156,913	141,699	15,214	10.74
Earnings before income taxes	56,552	119,801	(63,249)	(52.80)	570,936	750,410	(179,474)	(23.92)
Income taxes	(16,217)	(34,644)	18,427	(53.19)	(134,450)	(200,883)	66,433	(33.07)
Net earnings for the period/year ended and total comprehensive income	40,335	85,157	(44,822)	(52.63)	436,486	549,527	(113,041)	(20.57)

The company experienced a 2.17% decline in **year-to-date revenue**, primarily due to weaker housing demand and declining economic conditions. Cost of sales fell 0.28%, leading to a gross profit drop of 5.59%.

Operating expenses increased significantly, with general and administrative expenses rising by 25.32%, driven by higher IT-related costs, professional fees, bad debts as well as increase payroll cost in line with increase in number of marketing staff. These increases are an investment in future growth as the housing market improves. Selling and marketing expenses increased by 16.92%, reflecting the company's continued investment in marketing, distribution and sales. Total expenses rose by 23.13%, leading to a 32.01% decline in earnings from operations.

Other income increased by 10.74%, primarily due to increase in interest income.

Earnings before income taxes declined by 23.92%, leading to an income tax decline of 33.07%. Net earnings for three quarters ended 31 March 2025 was \$436,486, down 20.57% from the same period ended in 2024.

In summary, while the company faced negative market conditions, it continued to invest in new products, marketing, distribution and sales channels for those products.

Management Discussion and Analysis
For the quarter ended 31 March 2025
(In Canadian Dollars rounded to nearest dollar)

1. Product performance

	Quarter Ended 31 March				Year-to-date Ended 31 March			
	31-Mar-25	31-Mar-24	Change	%	31-Mar-25	31-Mar-24	Change	%
Bracing	190,066	180,208	9,858	5.47	696,329	815,448	(119,119)	(14.61)
Fastfoot	124,291	78,094	46,197	59.16	424,573	324,460	100,113	30.86
Fast-Pad	2,774	45	2,729	6,064.44	8,407	4,445	3,962	89.13
Fast-Tube	27,383	20,260	7,123	35.16	80,851	21,400	59,451	277.81
Helix	36,612	27,863	8,749	31.40	128,284	126,913	1,371	1.08
ICF accessories	23,407	19,578	3,829	19.56	147,876	129,097	18,779	14.55
Level-R	51	-	51	100.00	51	-	51	100.00
Monopour	21,302	31,782	(10,480)	(32.97)	93,636	121,279	(27,643)	(22.79)
Nadura ICF	330,765	355,950	(25,185)	(7.08)	1,579,663	1,655,960	(76,297)	(4.61)
Rentals	15,671	30,703	(15,032)	(48.96)	73,377	99,344	(25,967)	(26.14)
Used bracing & accessories	431	3,518	(3,087)	(87.75)	4,382	10,946	(6,564)	(59.97)
	772,753	748,002	24,751	3.31	3,237,428	3,309,292	(71,864)	(2.17)

Product sales declined by 2.17% year-to-date, with a 277% increase in Fast-Tube Sales. Fastfoot® 30.86%, and ICF accessories 14.55%, showing increased market adoption. Decreases: bracing -14.61%, Monopour -22.79%, and Rentals -26.14% due to the decline in housing starts.

2. Analysis of cost of sales

	Quarter Ended 31 March				Year-to-date Ended 31 March			
	31-Mar-25	31-Mar-24	Change	%	31-Mar-25	31-Mar-24	Change	%
Total direct product COGS	501,643	480,199	21,444	4.47	2,037,419	2,059,355	(21,936)	(1.07)
Indirect product COGS								
Waste disposal	243	404	(161)	(39.85)	1,064	1,294	(230)	(17.77)
Packing materials	212	3,422	(3,210)	(93.80)	2,609	3,960	(1,351)	(34.12)
Depreciation production equipment and tools	845	793	52	6.56	2,394	2,360	34	1.44
Warehouse lease rental	11,689	10,447	1,242	11.89	35,341	31,676	3,665	11.57
Variable overhead	17,210	12,300	4,910	39.92	43,683	29,765	13,918	46.76
Total indirect product COGS	30,199	27,366	2,833	10.35	85,091	69,055	16,036	23.22
Total Cost of sales	531,842	507,565	24,277	4.78	2,122,510	2,128,410	(5,900)	(0.28)

Total cost of sales declined by 0.28% year-to-date, slightly less than the sales reduction of 2.17%. This was due primarily to a 1.07% reduction in direct product COGS. There was a 23.22% increase in indirect product COGS primarily due to increased labour costs.

Management Discussion and Analysis
For the quarter ended 31 March 2025
(In Canadian Dollars rounded to nearest dollar)

3. Analysis of General and Administration Expenses

	Quarter Ended 31 March				Year-to-date Ended 31 March			
	31-Mar-25	31-Mar-24	Change	%	31-Mar-25	31-Mar-24	Change	%
Amortization & Depreciation	9,527	7,933	1,594	20.09	27,957	17,434	10,523	60.36
Research and development expenses	3,930	8,715	(4,785)	(54.91)	11,719	10,096	1,623	16.08
Office rental and occupancy costs	6,895	5,767	1,128	19.56	21,660	17,060	4,600	26.96
Patent & TM maintenance fees	96	2,858	(2,762)	(96.64)	1,587	7,494	(5,907)	(78.82)
Professional Fees	15,468	12,500	2,968	23.74	71,083	38,000	33,083	87.06
Pubco expenses	10,922	15,039	(4,117)	(27.38)	34,948	43,501	(8,553)	(19.66)
General expenses	5,269	9,265	(3,996)	(43.13)	24,713	28,763	(4,050)	(14.08)
Wages and benefits	79,904	54,823	25,081	45.75	245,002	206,449	38,553	18.67
Telecommunications & computers	14,646	8,398	6,248	74.40	46,333	21,596	24,737	114.54
Credit Card Processing fees	8,864	4,365	4,499	103.07	32,109	27,172	4,937	18.17
Provision / (reversal) of expected credit losses	10,194	289	9,905	3,427.34	7,186	808	6,378	789.36
Total General & Administrative Expenses	165,715	129,952	35,763	27.52	524,297	418,373	105,924	25.32

General and administrative expenses increased by 25.32% year-to-date, driven primarily by higher professional fees 87.06%, depreciation 60.36%, telecommunication IT related expenses 114.54%, wages and benefits 18.67% and bad debts +789%.

4. Analysis of Selling and Marketing Expenses

	Quarter Ended 31 March				Year-to-date Ended 31 March			
	31-Mar-25	31-Mar-24	Change	%	31-Mar-25	31-Mar-24	Change	%
Bracing	4,597	9,409	(4,812)	(51.14)	22,791	34,137	(11,346)	(33.24)
Fastfoot	5,065	5,636	(571)	(10.13)	17,372	20,060	(2,688)	(13.40)
Fast-Pad	1,915	-	1,915	0.00	5,745	-	5,745	0.00
Fast-Tube	4,823	16,986	(12,163)	(71.61)	19,739	28,357	(8,618)	(30.39)
Helix	361	392	(31)	(7.91)	395	625	(230)	(36.80)
Monopour	2,943	2,279	664	29.14	7,961	9,077	(1,116)	(12.29)
Nudura	35,723	18,075	17,648	97.64	98,495	55,284	43,211	78.16
Total selling & marketing	55,427	52,777	2,650	5.02	172,498	147,540	24,958	16.92

Total selling and marketing expenses increased by 16.92% year-to-date, primarily driven by higher spending on Nudura 78.16%. Decreased: Fastfoot -13.4%, bracing -33.24%, Monopour -12.29%.

5. Liquidity, Cash Flow Position and Going Concern

For the quarter ended March 31, 2025, cash generated from operating activities was \$402,644, allowing increase in short-term investment capital to \$3.5Mn at the end of the period. The decrease in net cash generated compared to the previous quarter was primarily driven by higher outflow from investment activities

Investing activities resulted in a net cash outflow of \$1,123,777, largely due to the investment in short-term investments (\$1,025,768), Other activities include purchase of property and equipment (\$47,542), deferred development costs (\$34,535), and intangible asset investments (\$15,932).

Financing activities used \$30,609 in cash, entirely for lease payments, while the company remains debt-free apart from lease liabilities, demonstrating strong liquidity and flexibility. With a solid cash position and strategic investments in assets and development, the company is well-positioned for continued financial stability and growth.

6. Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the year of the change if the change affects that year only, or in the year of the change and future years if the change affects both.

7. Off-Balance sheet arrangements

The Company has not engaged in any off-balance sheet arrangements, such as obligations under guaranteed contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments, or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing or hedging services with the Company.






Management Discussion and Analysis
For the quarter ended 31 March 2025
(In Canadian Dollars rounded to nearest dollar)

8. Events subsequent to 31 March 2025

US Tariffs and Impact assessment

In the first quarter of 2025, the United States initiated a series of tariffs on Canadian imports, leading to significant trade tensions between the two nations, the changes to these tariffs were followed through subsequent to the quarter end. Fab-Form has several steel products that were manufactured in China and those were subject to 25% under section 301 before the following changes take effect.

The following table shows sequence of changes and impact to Fab-Form

Event		Impact to FBF products	Steel Products Made in China *	Steel Products Made in Canada ^
February 1, 2025: President Donald Trump announced a 20% tariff on products origin of China citing national security concerns under the International Emergency Economic Powers Act (IEEPA), which was effective after 30 days delay.		Increase to 45% from 25%	45%	0%
March 12, 2025: An additional 25% tariff was imposed on steel and aluminum imports from Canada under section 232.		Further increased to 70%	70%	25%
April 2, 2025: The U.S. announced a baseline 10% "reciprocal" tariff on most imports, with higher rates up to 50% for certain countries, 34% on Chinese products		Further increased to 104%	104%	25%
April 10, 2025, 34% increased to 125% followed by escalation of trade conflicts between two countries		Further increased to 195%	195%	195%
May 2, 2025, \$800 De minimis eligibility was terminated for goods from China (including Hong Kong and Macau) but remains in effect for imports from all other countries, though President Trump has indicated an intent to eliminate de minimis entirely		Parcel shipment subject to 195% tariff	195%	25%
May 12, 2025, both countries agreed to a 90-day suspension of the heightened tariffs, reducing them to a baseline rate of 10% to facilitate further trade negotiations.		Reduce back to 70%	70%	25%

*Steel Products Made in China – **ZAT, ZUCKLES, ZEVELER, LEVEL-R, MONOPUR-HD, and ZOTES**

^Steel Products Made in Canada – **ZONTS, MONOPOUR**

All the other products are exempted from tariff under USMCA trade agreement, which includes **FASFOOT, FAST-TUBE, FASTBAG** and **SPACE-R**.

These tariffs have already impacted on bracing sales, sales to USA have come down subsequent to the quarter end, bracing sales were down by 23% from 01 April 2025 to 26 May 2025, as compared to same period in 2024.

9. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Key management personnel include the directors, chief executive officer ("CEO") and chief financial officer ("CFO"), who have the authority and responsibility for planning, directing and controlling the activities of the Company.

These amounts of key management compensation are included in the amounts shown in profit or loss for the following period/years.

	Quarter Ended 31 March 2025	Quarter Ended 31 March 2024	Year ended 30-June 2024
	\$	\$	\$
Key management compensation			
Management remuneration	81,572	77,286	315,585
Directors' fees	7,542	6,000	24,000
Related party transactions			
Shape Energy Inc. – Consultancy Fees	2,550	-	-

10. Risk Management**Management of Capital**

The Company considers its capital to consist of all components of its shareholders' equity of \$5,790,749 (31 March 2024: \$5,131,915, June 2024: \$5,354,263).

The Company's objectives for managing capital are to safeguard its ability to continue as a going concern to pursue the design, development and marketing of new products to service the concrete forming industry. There were no changes in the Company's approach to capital management during the quarter ended 31 March 2025 and the Company does not have any externally imposed capital restrictions.

The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Management Discussion and Analysis

For the quarter ended 31 March 2025

(In Canadian Dollars rounded to nearest dollar)

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability, relying on the entity's own assumptions about market participant pricing.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

31-Mar-25	Level 1	Level 2	Level 3	Total
Cash & cash equivalent	\$985,078	-	-	\$985,078
Short-term investments	\$3,563,392	-	-	\$3,563,392
	\$4,548,470			\$4,548,470
31-Mar-24	Level 1	Level 2	Level 3	Total
Cash & cash equivalent	\$2,273,398	-	-	\$2,273,398
Short-term investments	\$1,530,590	-	-	\$1,530,590
	\$3,803,988			\$3,803,988
30-Jun-24	Level 1	Level 2	Level 3	Total
Cash & cash equivalent	\$1,547,112	-	-	\$1,547,112
Short-term investments	\$2,557,517	-	-	\$2,557,517
	\$4,104,629			\$4,104,629

There were no changes to the Company's risk exposures during the quarter ended 31 March 2025. The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages its credit risk on by holding cash and cash equivalent and short-term deposits in high credit quality banking institutions in Canada. The Company also has credit risk because of its trade receivables and supplier rebates. Trade receivables and supplier rebates consists of many customers, spread across diverse industries. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. As such, the Company does not anticipate any significant credit losses.

Management Discussion and Analysis

For the quarter ended 31 March 2025

*(In Canadian Dollars rounded to nearest dollar)***b) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company achieves this by maintaining sufficient cash. As at 31 March 2025, the Company had cash and cash equivalents of \$985,078 (31 March 2024: \$ 2,273,398, 30 June 2024: \$1,547,112). The Company's financial liabilities, based on contractual undiscounted payments at 31 March 2025, were 819,984 (31 March 2024: \$699,412, 30 June 2024: \$603,291). Management believes that future cash flows from operations will be adequate to support the financial liabilities. Trade payables are non-interest bearing and are normally settled on 30-day term.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to USD, and if the USD exchange rate had fluctuated by 10% the net earnings would have had an impact of \$54,433 (31 March 2024: \$157,258, 30 June 2024: \$93,406). The management has taken necessary steps to minimize the effect from subsequent valuation by reducing the overall exposure to USD.
- ii) *Interest rate risk* – 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 does not have any short- or long-term borrowings or deposits that are directly exposed to interest rate risk.
- iii) *Other price risk* – The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is not exposed to significant other price risk.

11. Outstanding share data

The Company had the following securities issued and outstanding:

	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24	30-Jun-23	30-Jun-22
Common shares	9,174,507	9,174,507	9,174,507	9,174,507	9,174,507	9,084,036
Fully and diluted shares	9,174,507	9,174,507	9,174,507	9,174,507	9,174,507	9,084,036

FAB-FORM INDUSTRIES LTD.

Management Discussion and Analysis

For the quarter ended 31 March 2025

(In Canadian Dollars rounded to nearest dollar)

Additional financial information on the Company can be found on SEDAR at www.sedarplus.com.

Approved: "Board of Directors"

28 May 2025

FAB-FORM INDUSTRIES LTD., headquartered in Delta BC, is a manufacturer and distributor of green and cost-effective concrete forming products for the building industry. Its common shares trade on the Toronto Venture Exchange under the symbol "FBF".

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