



**FAB-FORM INDUSTRIES LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS**

QUARTER ENDED 31 MARCH 2025

(In Canadian Dollars rounded to nearest dollar)

FAB-FORM INDUSTRIES LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS
For the quarter ended 31 March 2025
(Canadian Dollars rounded to nearest dollar)

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FAB-FORM INDUSTRIES LTD.
MANAGEMENT'S REPORT TO SHAREHOLDERS
For the quarter ended 31 March 2025

The accompanying Condensed Interim Financial Statements for the quarter ended 31 March 2025 are the responsibility of the management of Fab-Form Industries Ltd. The Condensed Interim Financial Statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") and, where appropriate, include management's best estimates and judgements.

The Company maintains an accounting system and related controls to provide management with reasonable assurance that transactions are executed and recorded in accordance with its authorizations, that assets are properly safeguarded, and accounted for, and that financial records are reliable for preparation of Condensed Interim Financial Statements.

The Company's external auditor has not performed a review of the Condensed Interim Financial Statements for the quarter ended 31 March 2025.

The Board of Directors oversees management's responsibilities for the Condensed Interim Financial Statements primarily through the activities of its Audit Committee. The Audit Committee meets with management of the Company to review the Company's Condensed Interim Financial Statements and Management Discussion and Analysis (MD&A). The Audit Committee also reviews internal accounting controls, risk management and accounting principles and practices. The Audit Committee reports its findings to the Board of Directors, and recommends approval of the Condensed Interim Financial Statements. The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.



.....
Director (President and CEO)
Joseph Fearn
28 May 2025



.....
Director
Don Russell
28 May 2025

FAB-FORM INDUSTRIES LTD.
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the quarter/period ended 31 March 2025, 31 March 2024, and year ended 30 June 2024.

(Canadian Dollars rounded to nearest dollar)

	Notes	Quarter Ended		Period Ended		Year ended
		31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	30-Jun-24
		\$ (unaudited)	\$ (unaudited)	\$ (unaudited)	\$ (unaudited)	\$ (audited)
Revenue	4	772,753	748,002	3,237,428	3,309,292	4,681,956
Cost of sales	5	(531,842)	(507,565)	(2,122,510)	(2,128,410)	(2,987,548)
Gross profit		240,911	240,437	1,114,918	1,180,882	1,694,408
Gross profit margin %		31%	32%	34%	36%	36%
Expenses						
General and administration		(165,715)	(129,952)	(524,297)	(418,373)	(607,628)
Selling and marketing		(55,427)	(52,777)	(172,498)	(147,540)	(199,314)
Total expenses	5	(221,142)	(182,729)	(696,795)	(565,913)	(806,942)
Earnings from operations		19,769	57,708	418,123	614,969	887,466
Finance cost		(1,184)	(1,908)	(4,100)	(6,258)	(8,973)
Other income	6	37,967	64,001	156,913	141,699	189,267
Earnings before income taxes		56,552	119,801	570,936	750,410	1,067,760
Income taxes		(16,217)	(34,644)	(134,450)	(200,883)	(295,885)
Net earnings for the period/year ended and total comprehensive income		40,335	85,157	436,486	549,527	771,875
Weighted average number of shares outstanding		9,174,507	9,174,507	9,174,507	9,174,507	9,174,507
Basic and diluted earnings per share		0.0044	0.0093	0.0476	0.0599	0.0841

FAB-FORM INDUSTRIES LTD.
CONDENSED STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025, 31 March 2024, 30 June 2024 and 30 June 2023
(Canadian Dollars rounded to nearest dollar)

	31-Mar-25 \$ (<i>unaudited</i>)	31-Mar-24 \$ (<i>unaudited</i>)	30-Jun-24 \$ (<i>audited</i>)	30-Jun-23 \$ (<i>audited</i>)
ASSETS				
Current				
Cash and cash equivalents	985,078	2,273,398	1,547,112	1,012,026
Short-term investments	3,563,392	1,530,590	2,557,517	2,043,332
Trade and other receivables	498,303	597,776	527,655	875,716
Inventories	767,064	754,816	700,300	625,972
	5,813,837	5,156,580	5,332,584	4,557,046
Non current assets				
Property and equipment	337,601	204,051	232,420	108,364
Right-of-use assets	152,030	266,054	237,547	351,571
Deferred development costs	148,233	86,762	81,249	72,816
Intangible assets	237,608	135,039	173,734	114,570
	875,473	691,906	724,950	647,321
Total Assets	6,689,309	5,848,486	6,057,534	5,204,367
LIABILITIES				
Current				
Trade and other payables	671,679	427,117	361,248	247,837
Lease liabilities	119,505	116,608	117,337	114,449
Corporate tax payable	-	12,800	52,985	11,918
	791,184	556,525	531,570	374,204
Non current liabilities				
Lease liabilities	40,540	160,046	130,436	247,775
Deferred tax liability	66,836	-	41,265	-
	107,376	160,046	171,701	247,775
Total liabilities	898,560	716,571	703,271	621,979
EQUITY				
Share capital	1,388,006	1,388,006	1,388,006	1,388,006
Retained earnings	4,402,743	3,743,909	3,966,257	3,194,382
Total equity	5,790,749	5,131,915	5,354,263	4,582,388
Total equity and liabilities	6,689,309	5,848,486	6,057,534	5,204,367

Approved and authorized by the Board 28 May 2025

"Joseph Fearn"

....., Director

"Vishwanath Kumar"

....., CFO

The accompanying notes are an integral part of these financial statements

FAB-FORM INDUSTRIES LTD.**CONDENSED STATEMENTS OF CHANGES IN EQUITY**

For the quarter ended 31 March 2025 and year ended 30 June 2024

(Canadian Dollars rounded to nearest dollar)

	Issued Capital		Retained earnings	Total equity
	No of shares	Amount'		
		\$	\$	\$
<i>(audited)</i>				
Balance, 1 July 2023	9,174,507	1,388,006	3,194,382	4,582,388
Total net earnings and total comprehensive income		-	771,875	771,875
Balance, 30 June 2024	9,174,507	1,388,006	3,966,257	5,354,263
<i>(unaudited)</i>				
Balance, 1 July 2024	9,174,507	1,388,006	3,966,257	5,354,263
Total net earnings and total comprehensive income	-	-	436,486	436,486
Balance, 31 March 2025	9,174,507	1,388,006	4,402,743	5,790,749

The accompanying notes are an integral part of these financial statements

FAB-FORM INDUSTRIES LTD.
CONDENSED STATEMENTS OF CASH FLOWS

For the quarter/period ended 31 March 2025, 31 March 2024, and year ended 30 June 2024.

(Canadian Dollars rounded to nearest dollar)

	Quarter ended		Period ended		Year ended
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	30-June-24
	\$ (unaudited)	\$ (unaudited)	\$ (unaudited)	\$ (unaudited)	\$ (audited)
Cash flows from operating activities					
Net earnings for the period/year	40,335	85,157	436,486	549,527	771,875
Items not involving use of cash					
Amortization and depreciation	18,716	18,974	49,568	35,032	40,280
Loss on disposal of assets	-	-	-	-	11,401
Depreciation - right-of-use assets	28,506	28,506	85,518	85,518	114,024
Exchange gains	(2,998)	(35,286)	(27,949)	(60,326)	(43,632)
Income taxes	16,217	34,644	134,450	200,883	295,885
Finance cost - lease liabilities	1,184	1,908	4,100	6,258	7,987
	101,960	133,903	682,173	816,892	1,197,820
Changes in working capital items					
Trade and other receivables	201,427	(57,231)	37,684	277,940	348,060
Inventories	(65,680)	(79,854)	(66,764)	(128,844)	(74,328)
Trade and other payables	215,716	185,891	310,430	179,273	113,411
Cash generated from operating activities	453,423	182,709	963,523	1,145,261	1,584,963
Income taxes paid	(50,779)	(100,000)	(170,196)	(200,000)	(213,553)
Net cash generated from operating activities	402,644	82,709	793,327	945,261	1,371,410
Cash flows from investing activities					
Short-term investments	(1,025,768)	(20,882)	(1,005,875)	512,742	(514,185)
Purchase of property and equipment	(47,542)	(30,661)	(118,620)	(127,501)	(140,426)
Deferred development costs	(34,535)	(4,870)	(70,263)	(2,469)	(21,846)
Intangible assets	(15,932)	(4,753)	(96,723)	(35,160)	(81,062)
Net cash used in investing activities	(1,123,777)	(61,166)	(1,291,481)	347,612	(757,519)
Cash flows from financing activities					
Lease payments	(30,609)	(30,609)	(91,827)	(91,827)	(122,437)
Net cash used in financing activities	(30,609)	(30,609)	(91,827)	(91,827)	(122,437)
Net increase in cash and cash equivalents	(751,742)	(9,066)	(589,981)	1,201,046	491,454
Cash and cash equivalents at beginning of the period/year	1,733,822	2,247,178	1,547,109	1,012,026	1,012,026
Effects of exchange rate changes on cash and cash equivalents	2,998	35,286	27,949	60,326	43,632
Cash and cash equivalents at end of the period/year	985,078	2,273,398	985,077	2,273,398	1,547,112

The accompanying notes are an integral part of these financial statements

FAB-FORM INDUSTRIES LTD.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the quarter/period ended 31 March 2025, 31 March 2024, and year ended 30 June 2024.
(Canadian Dollars rounded to nearest dollar)

1 Reporting Entity

Fab-Form Industries Ltd. (the "Company" or "Fab-Form") is a company domiciled in Canada and incorporated under the Business Corporations 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 distributes Helix® micro rebar into the BC market and Nudura® insulating concrete forms (ICF), especially into the Lower Mainland of BC market. The Company has traded on the TSX Venture Exchange ("TSX-V" under the symbol FBF) since 2000.

2 Basis of presentation**a) Basis of preparation**

These condensed interim financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"), collectively IFRS Accounting Standards ("IFRS").

b) Basis of measurement

These financial statements were prepared on the historical cost basis, except for financial instruments measured at fair value through profit or loss. The accounting policies have been applied consistently to all periods presented in these financial statements. Refer to audited financial statements for the year ended 30 June 2024 for material accounting policies.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, the Company's functional currency (rounded to nearest dollar).

d) New and revised standards and interpretations issued but not yet effective

The Company has performed an assessment of new and revised standards issued by the IASB that are not yet effective:

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements. This standard sets out significant new requirements for how financial statements are presented. The focus is particularly on the statement of profit or loss, including requirements for mandatory sub-totals to be presented, aggregation and disaggregation of information, as well as disclosures related to management-defined performance measures. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

e) Use of significant estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have the most significant effect on the amounts recognized in the financial statements:

Estimates**• Credit losses**

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Significant management judgement is required in developing segments and determining level of stratification. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

FAB-FORM INDUSTRIES LTD.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the quarter/period ended 31 March 2025, 31 March 2024, and year ended 30 June 2024.

(Canadian Dollars rounded to nearest dollar)

2 Basis of presentation (continued)**e) Use of significant estimates and judgements (continued)****Significant judgements****• Capitalization of Intangible (including Development costs)**

Management applies its judgement in determining the capitalization of intangible assets (which includes product deferred development costs) that create economic benefits in the future from either sale of those products being developed or use of the asset. A significant judgement is required in assessing the future economic benefits expected to be derived from selling the development products and also economic benefits derived from use of assets being capitalized. The Company ensures it has control over the products through gaining patent rights that restrict others from accessing the same benefit.

• Right-of-use assets and lease liability

Management applies judgement in determining the lease term by considering all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option and whether it is reasonably likely that options will be exercised by considering factors such as how far in the future an option occurs, the entity's business planning cycle and past history of terminating/not renewing leases. Extension options (or periods after termination options) are only included in the lease term applied if the lease is reasonably certain to be extended (or not terminated). The lease term for recognized leases is 5 years commencing from 1 Aug 2021.

3 Material accounting policies**a) Financial Instruments****Financial Assets**

The Company classifies its financial assets in the following categories at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI"), or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company's accounting policy for each of the categories is as follows:

- Financial assets at FVTPL: Financial assets carried at FVTPL are initially, recorded at fair value and transaction costs are expenses in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in profit or loss.
- Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income as they arise.
- Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date, and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.
- Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.
- The Company has designated its cash and cash equivalents and short term investments as FVTPL. Trade receivables are classified at amortized cost.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

- Fair value through profit or loss — This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss.
- Other financial liabilities - This category includes accounts payable and accrued liabilities, accounts payable to related parties, secured convertible debentures and flow-through obligations, all of which are recognized at amortized cost using the effective interest rate (EIR) method, which calculates the amortized cost of a financial liability and of allocating interest expense over the relevant period.
- Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in profit or loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

As at 31 March 2025, the Company does not have any derivative financial liabilities.

FAB-FORM INDUSTRIES LTD.**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**

For the quarter/period ended 31 March 2025, 31 March 2024, and year ended 30 June 2024.

(Canadian Dollars rounded to nearest dollar)

	Quarter ended		Period ended		Year ended
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	30-Jun-24
	\$ (unaudited)	\$ (unaudited)	\$ (unaudited)	\$ (unaudited)	\$ (audited)
4 Revenue					
Sale of goods and services	757,081	717,299	3,164,050	3,209,948	4,562,337
Rental income	15,672	30,703	73,378	99,344	119,619
	<u>772,753</u>	<u>748,002</u>	<u>3,237,428</u>	<u>3,309,292</u>	<u>4,681,956</u>

The Company recorded revenue from the transfer of goods and services at a point-in-time and over time in the following lines of business:

Point-in-time

New bracing equipment	211,367	211,990	789,955	936,727	1,353,700
Used bracing equipment	431	3,518	4,383	10,946	24,686
Building and concrete forming materials	540,855	497,696	2,360,593	2,258,180	3,177,118
Training	4,428	4,095	9,119	4,095	6,833
	<u>757,081</u>	<u>717,299</u>	<u>3,164,050</u>	<u>3,209,948</u>	<u>4,562,337</u>

Over time

Equipment rental	15,672	30,703	73,378	99,344	119,619
	<u>15,672</u>	<u>30,703</u>	<u>73,378</u>	<u>99,344</u>	<u>119,619</u>

Contracts with customers are short-term, goods or services transferred and payment terms are within 30 days.

5 Breakdown of expenses by nature

Amortization of deferred developments	1,867	690	3,281	1,380	2,760
Amortization of right-of-use of assets	28,506	28,506	85,518	85,518	114,024
Cost of goods sold	395,629	404,909	1,770,110	1,795,615	2,523,034
Depreciation	4,655	3,639	13,439	11,072	15,818
Directors' fee (Note 7)	-	-	-	-	24,000
Expected credit loss allowance / (reversal)	10,194	290	7,186	808	828
Management remuneration (Note 7)	81,572	77,286	245,579	240,519	315,585
Other expenses	43,267	63,820	183,510	171,400	389,330
Patent and maintenance expenses	96	2,858	1,587	7,494	18,473
Professional fees	15,468	12,500	71,083	38,000	64,218
Salaries and payroll related expenses	171,730	95,798	438,012	342,517	326,420
Total cost of goods sold, distribution costs and administrative expenses	<u>752,984</u>	<u>690,296</u>	<u>2,819,305</u>	<u>2,694,323</u>	<u>3,794,490</u>

Represented by:

Cost of sales	531,842	507,565	2,122,510	2,128,410	2,987,548
General and administration	165,715	129,952	524,297	418,373	607,628
Selling and marketing	55,427	52,779	172,498	147,540	199,314
	<u>752,984</u>	<u>690,296</u>	<u>2,819,305</u>	<u>2,694,323</u>	<u>3,794,490</u>

6 Other income

Interest income	31,559	26,635	108,369	70,921	105,451
Exchange gains / (losses)	1,716	33,702	36,577	65,120	73,521
Miscellaneous income	4,692	3,664	11,967	5,658	10,295
	<u>37,967</u>	<u>64,001</u>	<u>156,913</u>	<u>141,699</u>	<u>189,267</u>

Interest income for the quarter ended 31 March 2025 includes \$30,888 (Quarter ended 31 March 2024: \$26,377, year ended 30 June 2024: \$69,077) interest receivable from short-term investments which is included in short-term investments.

FAB-FORM INDUSTRIES LTD.
NOTES TO THE FINANCIAL STATEMENTS

For the quarter/period ended 31 March 2025, 31 March 2024, and year ended 30 June 2024.
(Canadian Dollars rounded to nearest dollar)

		Quarter ended		Period ended		Year ended
		31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24	30-Jun-24
				\$	\$	\$
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(audited)
7	Related party transactions					
	Related parties include Key management personnel. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly. Key management personnel include Directors, the President, Vice-President and Chief Financial					
	Related party payable (Related party payables are payable on demand without interest).	42,860	24,465	42,860	24,465	29,596
	Management remuneration (Note 5)	81,572	77,286	245,579	240,519	315,585
	Directors' fees (Note 5)	-	-	-	-	24,000
	Related party transactions					
	Consultancy fees					
	Related party Shape Energy Inc.	2,550		3,952	-	
8	Commitments					
	Commitments for purchase of raw material and finished goods in the ordinary course of business.	346,888	131,935	346,888	131,935	248,852
	Commitments for capital expenditure	73,768	-	-	-	-
		420,655	131,935	346,888	131,935	248,852
	Commitments includes orders placed at the end of the reporting period/year but products not delivered.					
9	Financial instruments and financial risk management					
9.1	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 in order 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.					
9.2	Fair value of financial instruments					
	The Company's financial instruments consist of cash and cash equivalents, short term investments, trade receivables, trade and other payables.					
	The fair values of cash and cash equivalents (classified FVTPL - level 1), short term investments (classified FVTPL - level 1), trade receivables, trade and other payables approximate their carrying values due to the short-term maturities of those instruments.					
	Fair value hierarchy					
	The fair value hierarchy classifies inputs used in valuation techniques into three levels:					
	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.					
9.3	Financial risk management					
	Exposure to counterparty credit risk and foreign currency risk arises in the normal course of the Company's business.					
	The Company currently does not enter into derivative financial instruments to reduce exposure to fluctuations in any of the risks impacting the Company's operations.					

FAB-FORM INDUSTRIES LTD.
NOTES TO THE FINANCIAL STATEMENTS

For the quarter/period ended 31 March 2025, 31 March 2024, and year ended 30 June 2024.

(Canadian Dollars rounded to nearest dollar)

9 Financial instruments and financial risk management (continued)
9.3 Financial risk management (continued)
Credit risk

Credit risk refers to 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's maximum exposure to credit risk, which is a worst case scenario and does not reflect results expected by the Company, is as follows:

	Quarter ended		As at year ended
	31-Mar-25	31-Mar-24	30-Jun-24
	\$	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Cash and Cash Equivalents	985,078	2,273,398	1,547,112
Short-Term investments	3,563,392	1,530,590	2,557,517
Trade receivables and supplier rebates	287,059	465,335	474,903
Total	4,835,529	4,269,323	4,579,532

The credit risk on cash and short-term investments are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has credit risk as a result of its trade receivables and supplier rebates. trade receivables and supplier rebates consists of a large number of 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. Of the trade receivables and supplier rebates balance at 31 March 2025, no customers represented greater than 10% of the total receivable balance. There were no significant changes to the credit risk management during the year.

The following table presents an analysis of the age of customer trade receivables.

As at year ended 31 March 2025

<i>(unaudited)</i>	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
	Days	Days	Days	Days	
	\$	\$	\$	\$	\$
Trade receivables (CAD customers)	121,210	19,340	46,338	65,476	252,364
Trade receivables (USD customers)	41,942	1,413	-	2,073	45,428
Supplier rebates	3,104	-	-	-	3,104
Total	166,256	20,753	46,338	67,549	300,896
Loss allowance %	0.5%	7.3%	1.2%	16.3%	4.6%
Expected credit losses	(807)	(1,510)	(543)	(10,978)	(13,838)
Net receivables	165,450	19,243	45,796	56,570	287,059

As at year ended 31 March 2024

<i>(unaudited)</i>	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
	\$	\$	\$	\$	\$
Trade receivables (CAD customers)	220,104	30,848	20,615	128,113	399,679
Trade receivables (USD customers)	75,605	-	7	322	75,934
Supplier rebates	2,964	-	-	-	2,964
Total	298,673	30,848	20,622	128,436	478,578
Loss allowance %	0.3%	4.9%	2.6%	8.1%	2.8%
Expected credit losses	(807)	(1,510)	(543)	(10,382)	(13,242)
Net receivables	297,866	126,324	51,714	33,507	465,335

As at year ended 30 June 2024

<i>(audited)</i>	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
	\$	\$	\$	\$	\$
Trade receivables (CAD customers)	167,576	96,734	15,783	156,196	436,289
Trade receivables (USD customers)	36,170	11,633	1,689	326	49,818
Supplier rebates	2,038	-	-	-	2,038
Total	205,784	108,367	17,472	156,522	488,145
Loss allowance %	0.4%	1.4%	3.1%	6.6%	2.7%
Expected credit losses	(807)	(1,510)	(543)	(10,382)	(13,242)
Net receivables	204,977	106,857	16,929	146,140	474,903

FAB-FORM INDUSTRIES LTD.
NOTES TO THE FINANCIAL STATEMENTS

For the quarter/period ended 31 March 2025, 31 March 2024, and year ended 30 June 2024.
(Canadian Dollars rounded to nearest dollar)

9 Financial instruments and financial risk management (continued)

9.3 Financial risk management (continued)

Credit risk (continued)

Quarter ended		Year ended
31-Mar-25	31-Mar-24	30-Jun-24
\$	\$	\$
(unaudited)	(unaudited)	(audited)

The loss allowances for trade receivables reconciled to the opening loss allowances as follows:

Balance at beginning of the quarter/year	13,838	13,242	14,434
Increase in loss allowance recognized in profit or loss	10,194	290	828
Write offs	(10,194)	(290)	(2,020)
Balance at end of quarter/year	13,838	13,242	13,242

Trade receivables are non-interest bearing and are generally on 30 day terms.

In determining the expected credit loss amount, the Company considers the client's financial position, service and payment history and economic conditions.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents or short term investments and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash, as well as through the availability of funding from committed credit facilities. 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.

The tables below analyze the Company's non-derivative financial liabilities into relevant maturity groupings based on their contractual maturities.

(unaudited)	Total	Less than 6 months	6-12 months	Between 1-2 years	Between 3-4 years	More than 5 years
As at 31 March 2025	\$	\$	\$	\$	\$	\$
Trade and other payables	659,939	659,939	-	-	-	-
Lease liabilities	160,045	61,218	61,218	37,609	-	-
	819,984	721,157	61,218	37,609	-	-

(unaudited)	Total	Less than 6 months	6-12 months	Between 1-2 years	Between 3-4 years	More than 5 years
As at 31 March 2024	\$	\$	\$	\$	\$	\$
Trade and other payables	422,758	422,758	-	-	-	-
Lease liabilities	276,654	61,218	61,218	122,436	31,782	-
	699,412	483,976	61,218	122,436	31,782	-

(audited)	Total	Less than 6 months	6-12 months	Between 1-2 years	Between 3-4 years	More than 5 years
As at 30 June 2024	\$	\$	\$	\$	\$	\$
Trade and other payables	348,215	348,215	-	-	-	-
Lease liabilities	255,076	61,218	61,218	132,640	-	-
	603,291	409,433	61,218	132,640	-	-

FAB-FORM INDUSTRIES LTD.**NOTES TO THE FINANCIAL STATEMENTS**

For the quarter/period ended 31 March 2025, 31 March 2024, and year ended 30 June 2024.

(Canadian Dollars rounded to nearest dollar)

9 Financial instruments and financial risk management (continued)**9.3 Financial risk management (continued)****Market risk**

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(a) Currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and is exposed to currency risk, primarily the USD. Currency risk arises from future commercial transactions, and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Company's exposure to USD at the end of the year, expressed in CAD, was as follows.

	Quarter ended		Year ended
	31-Mar-25	31-Mar-24	30-Jun-24
	\$	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Accounts receivable	45,428	75,934	49,818
Cash and cash equivalents	603,747	1,512,643	906,551
	<u>649,175</u>	<u>1,588,577</u>	<u>956,369</u>
Accounts payable	<u>(104,844)</u>	<u>(15,997)</u>	<u>(22,309)</u>
Net Exposure	544,331	1,572,580	934,060
Impact on net earnings from a change in USD/CAD exchange rate by 10%	<u>54,433</u>	<u>157,258</u>	<u>93,406</u>

(b) 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 exposed to other price risk on their cash and cash equivalents and short term investments classified as FVTPL. However, the risk is not significant due to the short term maturities of these instruments.

(c) 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.

10 Segmented information

The Company operates in one reportable segment being the manufacture and distribution of concrete forming products. The enterprise-wide disclosures are as follows:

		Quarter ended		Quarter ended		Year ended	
		31 March 2025		31 March 2024		30 June 2024	
		\$		\$		\$	
		<i>(unaudited)</i>		<i>(unaudited)</i>		<i>(audited)</i>	
Gross Sales	Canada	562,217	72.8%	555,478	74.3%	3,228,019	68.9%
	USA	210,536	27.2%	192,524	25.7%	1,453,937	31.1%
	Total	772,753	100.0%	748,002	100.0%	4,681,956	100.0%
Total assets	Canada	6,370,936	95.2%	5,732,536	98.0%	5,665,509	93.5%
	USA	318,373	4.8%	115,950	2.0%	392,025	6.5%
	Total	6,689,309	100.0%	5,848,486	100.0%	6,057,534	100.0%
Capital expenditure	Canada	98,009	100.0%	40,284	100.0%	243,334	100.0%
	USA	-	-	-	-	-	-
	Total	98,009	100.0%	40,284	100.0%	243,334	100.0%

Capital expenditure refers to purchases of property and equipment, deferred development costs and intangible assets. All non-current assets are located in Canada.