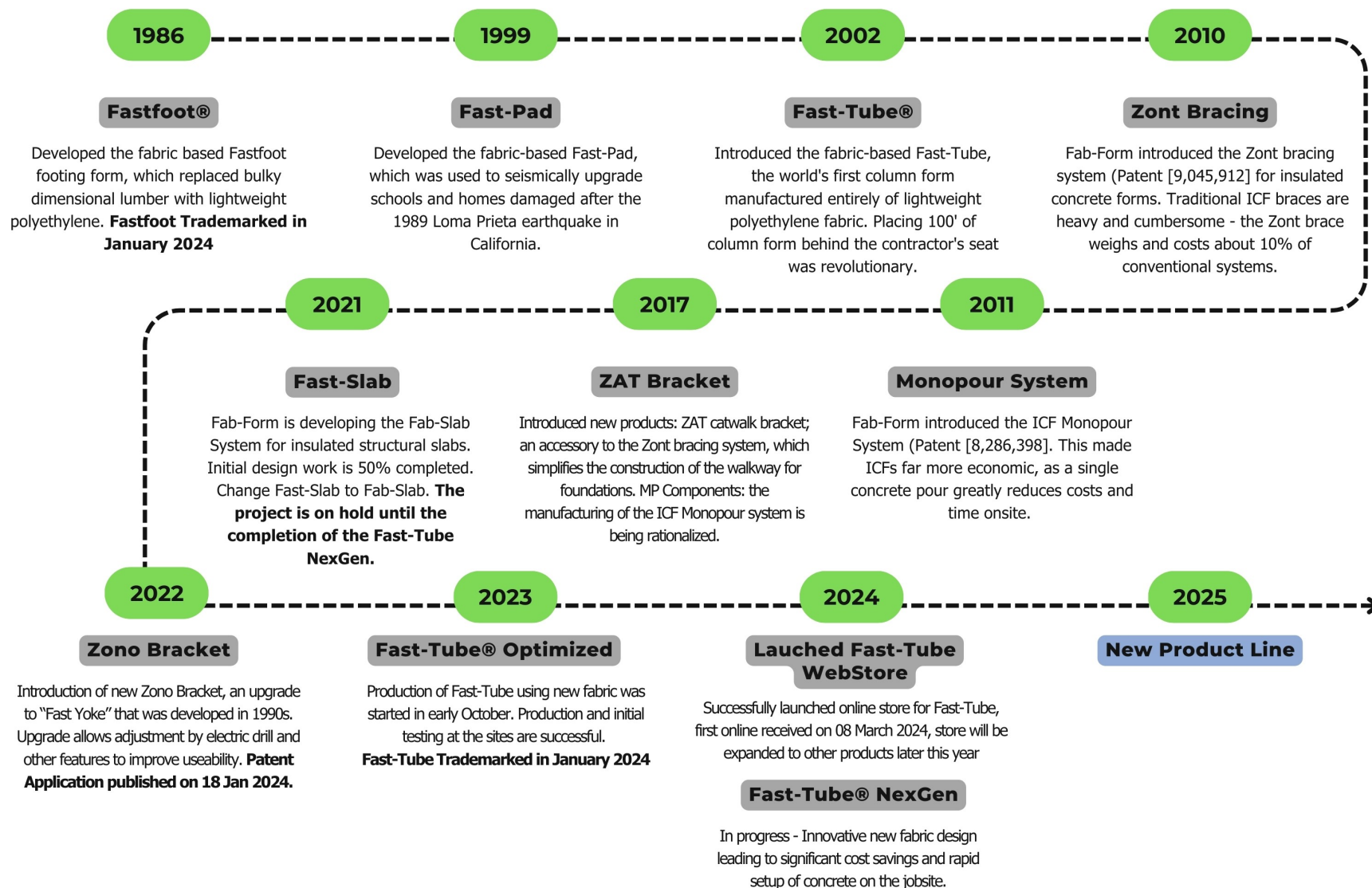


FAB-FORM INDUSTRIES



THIRD QUARTER MD&A 2023/24

FAB-FORM KEY MILESTONES



MANAGEMENT DISCUSSION & ANALYSIS

For the year ended 31 March 2024

Fab-Form Industries Ltd ("Fab-Form") 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.

The company's history shows a continuous effort to develop new products that enable its organic growth. Fab-Form focuses on innovative solutions that have the lowest cost to the customer. Refer to key milestones shown on the above page achieved by Fab-Form since its inception.

Q3 UPDATES		SUMMARY
Profitability	Quarterly revenue increased by 5.79% compared to the quarter ended March 31, 2023, primarily driven by ICF sales and related accessories. The quarter concluded March 31, 2024, resulted in a reduction in profitability by \$26,764, a 23% decrease compared to the quarter ended March 31, 2023.	Current economic quantitative measures have slowed down the housing market, which has impacted the company's overall performance. We anticipate a notable increase in revenue as soon as the easement of such measures starts.
Operations	Fast-Tube production continued as planned. The second material shipment arrived at the Delta warehouse at the end of February 2024. In early March, the internally developed and integrated webstore was successfully launched.	Expanded Fast-Tube production to attract retail customer segment, where Fast-Tube is now available with 12-foot sections covering 8", 10", 12", 14", and 16" diameters. The first online sale was made on 08 March 2024, and the Fast-Tube new website was launched after the end of the quarter. Using social media as a main marketing tool allowed FBF to reach a large customer base within a shorter period, we noticed it is an effective solution to reach the customer directly.
Liquidity	In the quarter that ended March 31, 2024, net operational cash flow amounted to \$117,995. Total liquid funds reached \$2,273,398 by the end of March 2024. The short-term investment, maturing in nine months, was valued at \$1,530,590 at the end of March 2024.	<p>The cash flow position remains healthy, with 65% of the total assets representing cash and short-term investments. The company continues to invest the excess cash flows in interest-bearing instruments.</p> <p>The company remains committed to enhancing the usability and quality of existing products. Ongoing research and development activities for new product development continue to progress well.</p>

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended 31 March 2024

Year-End Change

The Company changed its financial year end from December 31 to June 30 to better align Fab-Form's reporting calendar. This is the second quarter reporting under the new financial year ending 30 June 2024. There is no change to the comparative information presented in this report as a result of the above change.

We look forward to working with all our stakeholders to reach our growth objectives. As always, thank you, board members, shareholders, and progressive dealers and contractors for your continued support and commitment.

Sincerely

Sgd

Joseph Fearn
President and CEO
31 May 2024

Sgd

Vishwanath Kumar
Chief Financial Officer
31 May 2024

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended 31 March 2024

This discussion and analysis of the financial results of Fab-Form Industries Ltd. ("Fab-Form" or the "Company") should be read in conjunction with the condensed interim financial statements for the quarter ended 31 March 2024, and accompanying notes. The results reported herein have been prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on the SEDAR (System for Electronic Document Analysis and Retrieval) website at www.sedar.com.

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 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 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 the Lower Mainland market. The Company has traded on the TSX Venture Exchange ("TSXV" under the symbol FBF) since 1999.

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended 31 March 2024

OPERATING RESULTS

	For the Quarter ended 31 March				For the nine-month ended 31 March			
	2024	2023	Change	%	2024	2023	Change	%
	\$	\$	\$		\$	\$	\$	
Revenue	748,002	707,075	40,927	5.79	3,309,292	3,826,974	(517,682)	(13.53)
Cost of sales	(507,565)	(428,345)	(79,220)	18.49	(2,128,410)	(2,389,352)	260,942	(10.92)
Gross profit	240,437	278,730	(38,293)	(13.74)	1,180,882	1,437,622	(256,740)	(17.86)
Other income	64,001	24,654	39,347	159.60	141,699	103,621	38,078	36.75
Expenses								
General and administration	(129,952)	(96,899)	(33,053)	34.11	(418,373)	(389,736)	(28,637)	7.35
Selling and marketing	(52,777)	(56,002)	3,225	(5.76)	(147,540)	(151,614)	4,074	(2.69)
Total expenses	(182,729)	(152,901)	(29,827)	19.51	(565,913)	(541,350)	(24,563)	4.54
Earnings from operations	121,709	150,483	(28,773)	(19.12)	756,668	999,893	(243,225)	(24.33)
Finance cost	(1,908)	(2,615)	707	(27.04)	(6,258)	(8,366)	2,108	(25.20)
Earnings before taxation	119,801	147,868	(28,066)	(18.98)	750,410	991,527	(241,117)	(24.32)
Income tax expense	(34,644)	(35,946)	1,302	(3.62)	(200,883)	(275,453)	74,570	(27.07)
Earnings after taxes	85,157	111,922	(26,764)	(23.91)	549,527	716,074	(166,547)	(23.26)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	85,157	111,922	(26,764)	(23.91)	549,527	716,074	(166,547)	(23.26)

The company recorded a net profit of \$85,157 for the quarter ended on March 31, 2024, compared to \$111,922 in the preceding year. This decline is attributed to an increase in pubco-related expenses and expenses relating to research and development. Revenue increased by 5.79%, primarily due to an increase in ICF sales. Other income includes earnings from short-term investments and exchange gains from USD-denominated funds. Most of these USD funds were subsequently translated to the Canadian Dollar to realize those exchange gains and to reduce the overall exposure to USD.

Total revenue for the six months ended March 31, 2024, stood at \$3.30Mn, compared to \$3.82Mn in 2023. Overall administration and marketing expenses for the period ended March 31, 2024, increased by 4.5% over the preceding year. Net profits for the nine months ended March 31 decreased by \$166,547, a 23% reduction compared to the previous year.

FAB-FORM INDUSTRIES LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended 31 March 2024

1. Product performance

For the Quarter ended 31 March				
	2024	2023	Change	
	\$	\$	\$	%
Bracing	180,208	224,525	(44,317)	(19.74)
Fastfoot	78,094	77,642	452	0.58
Fast-Pad	45	1,430	(1,385)	(96.83)
Fast-Tube	20,260	20,844	(584)	(2.80)
Helix	27,863	32,671	(4,808)	(14.72)
ICF accessories	19,578	19,684	(106)	(0.54)
Monopour	31,782	30,746	1,035	3.37
Nudura ICF	355,950	265,812	90,139	33.91
Rentals	30,703	30,505	198	0.65
Used bracing & accessories	3,518	3,214	304	9.45
	748,002	707,075	40,927	5.79

Sales for the quarter increased by 5.79% as compared prior year, mainly resulting from an increase in Nudura ICF by 33.91%, whereas bracing sales were reduced by 19.7% which has impacted the overall gross margin for the quarter. Successfully launched the Fast-Tube across North America in parallel to launching the first online webstore that was developed internally, allowing all our customers to place orders online, effective from March 2024.

2. Analysis of cost of sales

For the Quarter ended 31 March				
	2024	2023	Change	
	\$	\$	\$	%
Total direct product COGS	480,199	408,652	71,547	17.51
Indirect product COGS				
Waste disposal	404	483	(79)	(16.36)
Packing materials	3,422	332	3,090	930.72
Depreciation and amortization	793	2514	(1,721)	(68.46)
Warehouse lease rental	10,447	10,815	(368)	(3.40)
Variable overhead	12,300	5,549	6,751	121.66
Total indirect product COGS	27,366	19,693	7,673	38.96
Total Cost of sales	507,565	428,345	79,220	18.49

The cost of sales for the quarter ended increased by 18% compared to the previous year, aligning with the 33.91% increase in Nudura ICF sales in the same period.



FAB-FORM INDUSTRIES LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended 31 March 2024

3. Analysis of Administration Expenses

Amortization & Depreciation	7,933	6,501	1,432	22.03
Research and Development	8,715	-	8,715	100.00
Office rental amortisation	5,767	4,844	923	19.05
Patent & TM maintenance fees	2,858	981	1,877	191.34
Professional Fees	12,500	7,499	5,001	66.69
Pubco expenses	15,039	5,104	9,935	194.65
General expenses	9,265	5,053	4,212	83.36
Wages and benefits	54,823	50,652	4,171	8.24
Telecommunications & computers	8,398	5,766	2,632	45.65
Credit Card Processing fees	4,365	10,468	(6,103)	(58.30)
Provision/(reversal) for expected credit losses	289	31	258	832.26
Total administrative expenses	129,952	96,899	33,053	34.11

For the Quarter ended 31 March			
2024	2023	Change	%
\$	\$	\$	
7,933	6,501	1,432	22.03
8,715	-	8,715	100.00
5,767	4,844	923	19.05
2,858	981	1,877	191.34
12,500	7,499	5,001	66.69
15,039	5,104	9,935	194.65
9,265	5,053	4,212	83.36
54,823	50,652	4,171	8.24
8,398	5,766	2,632	45.65
4,365	10,468	(6,103)	(58.30)
289	31	258	832.26
129,952	96,899	33,053	34.11

During the quarter, pubco-related expenses and professional expenses were increased by 194% and 66% respectively as compared to the quarter that ended in the previous year. In addition, research and development-related adjustment has resulted in an overall increase in administration expenses by 34%.

4. Analysis of Selling and Marketing Expenses

Bracing	9,409	11,055	(1,646)	(14.89)
Fastfoot	5,636	5,354	282	5.27
Fast-Pad	-	711	(711)	100.00
Fast-Tube	16,986	483	16,503	3,416.77
Helix	392	1,349	(957)	100.00
Monopour	2,279	3,238	(959)	(29.62)
Nudura	18,075	33,812	(15,737)	(46.54)
Total selling & marketing	52,777	56,002	(3,225)	(5.76)

For the Quarter ended 31 March			
2024	2023	Change	%
\$	\$	\$	
9,409	11,055	(1,646)	(14.89)
5,636	5,354	282	5.27
-	711	(711)	100.00
16,986	483	16,503	3,416.77
392	1,349	(957)	100.00
2,279	3,238	(959)	(29.62)
18,075	33,812	(15,737)	(46.54)
52,777	56,002	(3,225)	(5.76)

Sales and marketing expenses have decreased compared to last year. Fast-Tube was the primary focus during the quarter, sales marketing on Fast-Tube increased to \$16,986. We will continue to invest in the sales and marketing of Fast-Tube.



MANAGEMENT DISCUSSION & ANALYSIS

For the year ended 31 March 2024

5. Liquidity, Cash Flow Position and Going Concern

The company generated \$117,995 from net operating activities in the quarter ended on March 31, 2024, compared to \$440,565 in 2023.

Year-end cash and cash equivalents increased by \$26,220, reaching \$2,273,398 as of March 31, 2024. Total cash and short-term investments reached 3.8Mn by the end of March 2024.

\$40,284 was used in other investing activities, comprising \$30,661 for new machinery and related costs and \$4,753 for intangible assets.

The cash used in financing activities amounted to \$30,609, the lease payments for offices and warehouses in Delta, BC.

The company is debt-free except for lease liability, demonstrating financial liquidity and flexibility.

The financial statements have been prepared based on accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations, and commitments will occur in the ordinary course of business of the Company.



BUILDING GREEN from the ground up

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

Approved: "Board of Directors"

31 May 2024

FAB-FORM INDUSTRIES LTD.
OTHER INFORMATION

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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