



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

QUARTER ENDED 30 SEPTEMBER 2024

(In Canadian Dollars rounded to nearest dollar)

FAB-FORM INDUSTRIES LTD.
CONDENSED INTERIM FINANCIAL STATEMENTS
For the quarter ended 30 September 2024
(Canadian Dollars rounded to nearest dollar)

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FAB-FORM INDUSTRIES LTD.
MANAGEMENT'S REPORT TO SHAREHOLDERS
For the quarter ended 30 September 2024

The accompanying Condensed Interim Financial Statements for the quarter ended 30 September 2024 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 30 September 2024.

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 November 2024



.....
Director
Don Russell
28 November 2024

FAB-FORM INDUSTRIES LTD.
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

For the quarter ended 30 September 2024, 30 September 2023, and year ended 30 June 2024

(Canadian Dollars rounded to nearest dollar)

	Notes	Quarter ended		Year ended
		30-Sep-24	30-Sep-23	30-Jun-24
		\$	\$	\$
		(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>audited</i>)
Revenue	4	1,433,820	1,540,676	4,681,956
Cost of sales	5	(904,476)	(943,602)	(2,987,548)
Gross profit		529,344	597,074	1,694,408
Gross profit margin %		37%	39%	36%
Expenses				
General and administration		(166,232)	(131,777)	(607,628)
Selling and marketing		(46,747)	(47,898)	(199,314)
Total expenses	5	(212,979)	(179,675)	(806,942)
Earnings from operations		316,365	417,399	887,466
Finance cost		(1,695)	(2,263)	(8,973)
Other income	6	42,511	68,632	189,267
Earnings before income taxes		357,181	483,768	1,067,760
Income taxes	7	(78,345)	(126,770)	(295,885)
Net earnings for the period/year ended and total comprehensive income		278,836	356,998	771,875
Weighted average number of shares outstanding		9,174,507	9,174,507	9,174,507
Basic and diluted earnings per share		0.030	0.039	0.084

The accompanying notes are an integral part of these financial statements

FAB-FORM INDUSTRIES LTD.**CONDENSED STATEMENTS OF FINANCIAL POSITION**

As at 30 September 2024, 30 September 2023, and 30 June 2024

(Canadian Dollars rounded to nearest dollar)

	30-Sep-24 \$ (unaudited)	30-Sep-23 \$ (unaudited)	30-Jun-24 \$ (audited)
ASSETS			
Current			
Cash and cash equivalents	1,708,050	1,992,299	1,547,112
Short-term investments	2,590,982	1,709,095	2,557,517
Trade and other receivables	645,242	814,817	527,655
Inventories	653,453	546,583	700,300
Corporate tax receivable	1,934	-	-
	5,599,661	5,062,794	5,332,584
Non current assets			
Property and equipment	258,016	121,803	232,420
Right-of-use assets	209,041	323,066	237,547
Deferred development costs	89,360	95,114	81,249
Intangible assets	232,173	124,984	173,734
	788,590	664,967	724,950
Total Assets	6,388,251	5,727,761	6,057,534
LIABILITIES			
Current			
Trade and other payables	481,393	365,810	361,248
Lease liabilities	118,070	115,160	117,337
Corporate tax payable	-	88,687	52,985
	599,463	569,657	531,570
Non current liabilities			
Lease liabilities	100,643	218,718	130,436
Deferred tax liability	55,046	-	41,265
	155,689	218,718	171,701
Total liabilities	755,152	788,375	703,271
EQUITY			
Share capital	1,388,006	1,388,006	1,388,006
Retained earnings	4,245,093	3,551,380	3,966,257
Total equity	5,633,099	4,939,386	5,354,263
Total equity and liabilities	6,388,251	5,727,761	6,057,534

Approved and authorized by the Board 28 November 2024

"Joseph Fearn"

....., Director

"Vishwanath Kumar"

....., CFO

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

For the quarter ended 30 September 2024 and year ended 30 June 2024

(Canadian Dollars rounded to nearest dollar)

	Issued Capital		Retained	Total equity
	No of shares	Amount	earnings	
		\$	\$	\$
<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		-	278,836	278,836
Balance, 30 September 2024	9,174,507	1,388,006	4,245,093	5,633,099

The accompanying notes are an integral part of these financial statements

FAB-FORM INDUSTRIES LTD.
CONDENSED STATEMENTS OF CASH FLOWS

For the quarter ended 30 September 2024, 30 September 2023, and year ended 30 June 2024
(Canadian Dollars rounded to nearest dollar)

	Quarter ended		Year ended
	30-Sep-24	30-Sep-23	30-June-24
	\$	\$	\$
	(unaudited)	(unaudited)	(audited)
Cash flows from operating activities			
Net earnings for the period/year	278,836	356,998	771,875
Items not involving use of cash			
Amortization and depreciation	13,770	5,769	40,280
Loss on disposal of assets	-	-	11,401
Depreciation - right-of-use assets	28,506	28,506	114,024
Exchange gains	2,677	(41,707)	(43,632)
Income taxes	78,345	126,770	295,885
Finance cost - lease liabilities	1,549	2,263	7,987
	403,683	478,599	1,197,820
Changes in working capital items			
Trade and other receivables	(117,586)	60,898	348,060
Inventories	46,847	79,389	(74,328)
Trade and other payables	120,145	117,973	113,411
Cash generated from operating activities	453,089	736,859	1,584,963
Income taxes paid	(119,484)	(50,000)	(213,553)
Net cash generated from operating activities	333,605	686,859	1,371,410
Cash flows from investing activities			
Short-term investments	(33,465)	334,237	(514,185)
Purchase of property and equipment	(29,623)	(36,638)	(140,426)
Deferred development costs	(8,801)	(2,913)	(21,846)
Intangible assets	(67,492)	(12,370)	(81,062)
Net cash used in investing activities	(139,381)	282,316	(757,519)
Cash flows from financing activities			
Lease payments	(30,609)	(30,609)	(122,437)
Net cash used in financing activities	(30,609)	(30,609)	(122,437)
Net increase in cash and cash equivalents	163,615	938,566	491,454
Cash and cash equivalents at beginning of the period/year	1,547,112	1,012,026	1,012,026
Effects of exchange rate changes on cash and cash equivalents	(2,677)	41,707	43,632
Cash and cash equivalents at end of the period/year	1,708,050	1,992,299	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 ended 30 September 2024, 30 September 2023, 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 ended 30 September 2024, 30 September 2023, 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.

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

For the quarter ended 30 September 2024, 30 September 2023, and year ended 30 June 2024

(Canadian Dollars rounded to nearest dollar)

	Quarter ended		Year ended
	30-Sep-24	30-Sep-23	30-Jun-24
	\$ (unaudited)	\$ (unaudited)	\$ (audited)
4 Revenue			
Sale of goods and services	1,399,553	1,502,606	4,562,337
Rental income	34,267	38,070	119,619
	<u>1,433,820</u>	<u>1,540,676</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	365,720	454,458	1,353,700
Used bracing equipment	2,761	6,178	24,686
Building and concrete forming materials	1,031,072	1,041,970	3,177,118
Training	-	-	6,833
	<u>1,399,553</u>	<u>1,502,606</u>	<u>4,562,337</u>

Over time

Equipment rental	34,267	38,070	119,619
	<u>34,267</u>	<u>38,070</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	690	1,448	2,760
Amortization of right-of-use of assets	28,506	28,506	114,024
Cost of goods sold	791,633	831,221	2,523,034
Depreciation	4,027	4,019	15,818
Directors' fee (Note 9)	3,250	6,000	24,000
Expected credit loss allowance	647	-	828
Management remuneration (Note 9)	83,749	46,337	315,585
Other expenses	93,671	65,431	389,330
Patent and maintenance expenses	546	1,415	18,473
Professional fees	16,458	12,500	64,218
Salaries and payroll related expenses	94,278	126,400	326,420
Total cost of goods sold, distribution costs and administrative expenses	<u>1,117,455</u>	<u>1,123,277</u>	<u>3,794,490</u>

Represented by:

Cost of sales	904,476	943,602	2,987,548
General and administration	166,232	131,777	607,628
Selling and marketing	46,747	47,898	199,314
	<u>1,117,455</u>	<u>1,123,277</u>	<u>3,794,490</u>

6 Other income

Interest income	39,199	21,691	105,451
Exchange gains / (losses)	(3,038)	45,382	73,521
Miscellaneous income	6,350	1,559	10,295
	<u>42,511</u>	<u>68,632</u>	<u>189,267</u>

Interest income for the quarter ended 30 September 2024 includes \$39,121 (Quarter ended 30 September 2023: \$21,691, 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 CONDENSED INTERIM FINANCIAL STATEMENTS

For the quarter ended 30 September 2024, 30 September 2023, and year ended 30 June 2024

(Canadian Dollars rounded to nearest dollar)

7 Income taxes

A reconciliation of income tax at statutory rates at the reporting date with the reported taxes is shown in the table below. Income tax expense differs from the amount calculated by applying the enacted federal and provincial rates as follows:

Current tax

Current tax on profits for the year

Total current tax expenses

Deferred income tax

Increase in deferred tax liabilities

(Increase) / decrease in deferred tax assets

Total deferred tax expense

Income taxes

Earnings before income taxes

Tax using statutory tax rate of 25.64% (30 September 2023: 25.80%, 30 June 2024: 25.55%)

Tax effect of amounts which are not deductible (taxable) in calculated taxable income

Unrealized exchange gains

Temporary differences arising from tangible assets

Temporary differences arising from intangible assets

Product development resource reduction

Recognition of deferred tax

Unrecognized deferred taxes

Other

Income taxes

Quarter ended		Year ended
30-Sep-24	30-Sep-23	30-Jun-24
\$	\$	\$
(unaudited)	(unaudited)	(audited)

64,565	126,770	254,620
64,565	126,770	254,620

5,893	-	106,768
7,887	-	(65,503)
13,780	-	41,265
78,345	126,770	295,885

357,181	483,768	1,067,760
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91,581	124,812	272,826
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-	-	(18,806)
(1,605)	-	(8,236)
(12,175)	-	3,941
-	-	1,973
-	-	41,265
-	1,958	-
544	-	2,922
78,345	126,770	295,885

8 Deferred tax liability
Deferred tax assets

The balance comprises temporary differences attributable to:

Contractual liabilities - Lease

Resource deduction

Total deferred tax assets

Deferred tax liabilities

The balance comprises temporary differences attributable to:

Property and equipment

Right-of-use of assets

Intangible assets

Total deferred tax liabilities

Net deferred tax liabilities

56,075	-	63,309
1,541	-	2,193
57,616	-	65,502

20,021	-	21,890
53,596	-	60,696
39,045	-	24,181
112,662	-	106,767
55,046	-	41,265

FAB-FORM INDUSTRIES LTD.
NOTES TO THE FINANCIAL STATEMENTS

For the quarter ended 30 September 2024, 30 September 2023, and year ended 30 June 2024
(Canadian Dollars rounded to nearest dollar)

		Quarter ended		Year ended
		30-Sep-24	30-Sep-23	30-Jun-24
		\$	\$	\$
		<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
9	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 Officer and Chief Technology Officer.			
	Related party payable (Related party payables are payable on demand without interest).	31,642	19,112	29,596
	Management remuneration (Note 5)	83,749	46,337	315,585
	Directors' fees (Note 5)	3,250	6,000	24,000
	Related party transactions			
	Consultancy fees			
	Related party Shape Energy Inc.	974	-	
10	Commitments			
	Commitments for purchase of raw material and finished goods in the ordinary course of business.	271,221	176,680	248,852
	Commitments for capital expenditure	-	-	-
		<u>271,221</u>	<u>176,680</u>	<u>248,852</u>
	Commitments includes orders placed at the end of the reporting period/year but products not delivered.			
11	Financial instruments and financial risk management			
11.1	Management of Capital			
	The Company considers its capital to consist of all components of its shareholders' equity of \$5,633,099 (30 September 2023: \$4,939,386, 30 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 30 September 2024 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.			
11.2	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.			
11.3	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 ended 30 September 2024, 30 September 2023, and year ended 30 June 2024
(Canadian Dollars rounded to nearest dollar)

11 Financial instruments and financial risk management (continued)**11.3 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
	30-Sep-24	30-Sep-23	30-Jun-24
	\$	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Cash and Cash Equivalents	1,708,050	1,992,299	1,547,112
Short-Term investments	2,590,982	1,709,095	2,557,517
Trade receivables and supplier rebates	551,063	606,372	474,903
Total	4,850,095	4,307,766	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 30 September 2024, 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 30 September 2024*(unaudited)*

	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
	\$	\$	\$	\$	\$
Trade receivables (CAD customers)	260,790	142,399	9,501	92,334	505,024
Trade receivables (USD customers)	34,249	10,498	-	11,689	56,437
Supplier rebates	3,440	-	-	-	3,440
Total	298,479	152,897	9,502	104,023	564,900
Loss allowance %	0.3%	1.0%	5.7%	10.6%	2.4%
Expected credit losses	(807)	(1,510)	(543)	(10,978)	(13,838)
Net receivables	297,672	151,387	8,959	93,045	551,063

As at year ended 30 September 2023*(unaudited)*

	0-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
	\$	\$	\$	\$	\$
Trade receivables (CAD customers)	295,598	116,033	6,795	61,145	479,571
Trade receivables (USD customers)	62,722	36,801	20,174	9,006	128,703
Supplier rebates	12,532	-	-	-	12,532
Total	370,852	152,834	26,969	70,151	620,806
Loss allowance %	0.9%	0.4%	1.0%	14.8%	2.3%
Expected credit losses	(3,212)	(585)	(273)	(10,364)	(14,434)
Net receivables	367,640	126,324	51,714	33,507	606,372

As at year ended 30 June 2024*(audited)*

	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 ended 30 September 2024, 30 September 2023, and year ended 30 June 2024

(Canadian Dollars rounded to nearest dollar)

11 Financial instruments and financial risk management (continued)**11.3 Financial risk management (continued)****Credit risk (continued)**

Quarter ended		
30-Sep-24	30-Sep-23	Year ended 30-Jun-24
\$	\$	\$
<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
The loss allowances for trade receivables reconciled to the opening loss allowances as follows:		
Balance at beginning of the quarter/year	13,242	14,434
Increase in loss allowance recognized in profit or loss	647	828
Write offs	(51)	(2,020)
Balance at end of quarter/year	13,838	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 30 September 2024, the Company had cash and cash equivalents of \$1,708,050 (30 September 2023: \$1,992,299, 30 June 2024 : \$1,547,112).

The Company's financial liabilities, based on contractual undiscounted payments at 30 September 2024, were \$685,408 (30 September 2023: \$783,900, 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.

<i>(unaudited)</i>	Total	Less than 6 months	6-12 months	Between 1-2 years	Between 3-4 years	More than 5 years
As at 30 September 2024	\$	\$	\$	\$	\$	\$
Trade and other payables	460,941	460,941	-	-	-	-
Lease liabilities	224,467	61,218	61,218	102,031	-	-
	685,408	522,159	61,218	102,031	-	-

<i>(unaudited)</i>	Total	Less than 6 months	6-12 months	Between 1-2 years	Between 3-4 years	More than 5 years
As at 30 September 2023	\$	\$	\$	\$	\$	\$
Trade and other payables	436,996	436,996	-	-	-	-
Lease liabilities	346,904	61,218	61,218	224,468	-	-
	783,900	498,214	61,218	224,468	-	-

<i>(audited)</i>	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 ended 30 September 2024, 30 September 2023, and year ended 30 June 2024
(Canadian Dollars rounded to nearest dollar)

11 Financial instruments and financial risk management (continued)
11.3 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
	30-Sep-24	30-Sep-23	30-Jun-24
	\$	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Accounts receivable	56,437	128,703	49,818
Cash and cash equivalents	598,561	1,512,643	906,551
Short-term investments	-	676,000	-
	<u>654,998</u>	<u>2,317,346</u>	<u>956,369</u>
Accounts payable	<u>(42,124)</u>	<u>(111,183)</u>	<u>(22,309)</u>
Net Exposure	<u>612,874</u>	<u>2,206,163</u>	<u>934,060</u>
Impact on net earnings from a change in USD/CAD exchange rate by 10%	<u>61,287</u>	<u>220,616</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.

12 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	
		30 September 2024		30 September 2023		30 June 2024	
		\$		\$		\$	
		<i>(unaudited)</i>		<i>(unaudited)</i>		<i>(audited)</i>	
Gross Sales	Canada	987,608	68.9%	1,004,158	65.2%	3,228,019	68.9%
	USA	446,212	31.1%	536,518	34.8%	1,453,937	31.1%
	Total	<u>1,433,820</u>	<u>100.0%</u>	<u>1,540,676</u>	<u>100.0%</u>	<u>4,681,956</u>	<u>100.0%</u>
Total assets	Canada	6,197,447	97.0%	5,727,761	93.7%	5,665,509	93.5%
	USA	190,804	3.0%	382,574	6.3%	392,025	6.5%
	Total	<u>6,388,251</u>	<u>100.0%</u>	<u>6,110,335</u>	<u>100.0%</u>	<u>6,057,534</u>	<u>100.0%</u>
Capital expenditure	Canada	105,916	100.0%	51,921	100.0%	243,334	100.0%
	USA	-	-	-	-	-	-
	Total	<u>105,916</u>	<u>100.0%</u>	<u>51,921</u>	<u>100.0%</u>	<u>243,334</u>	<u>100.0%</u>

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