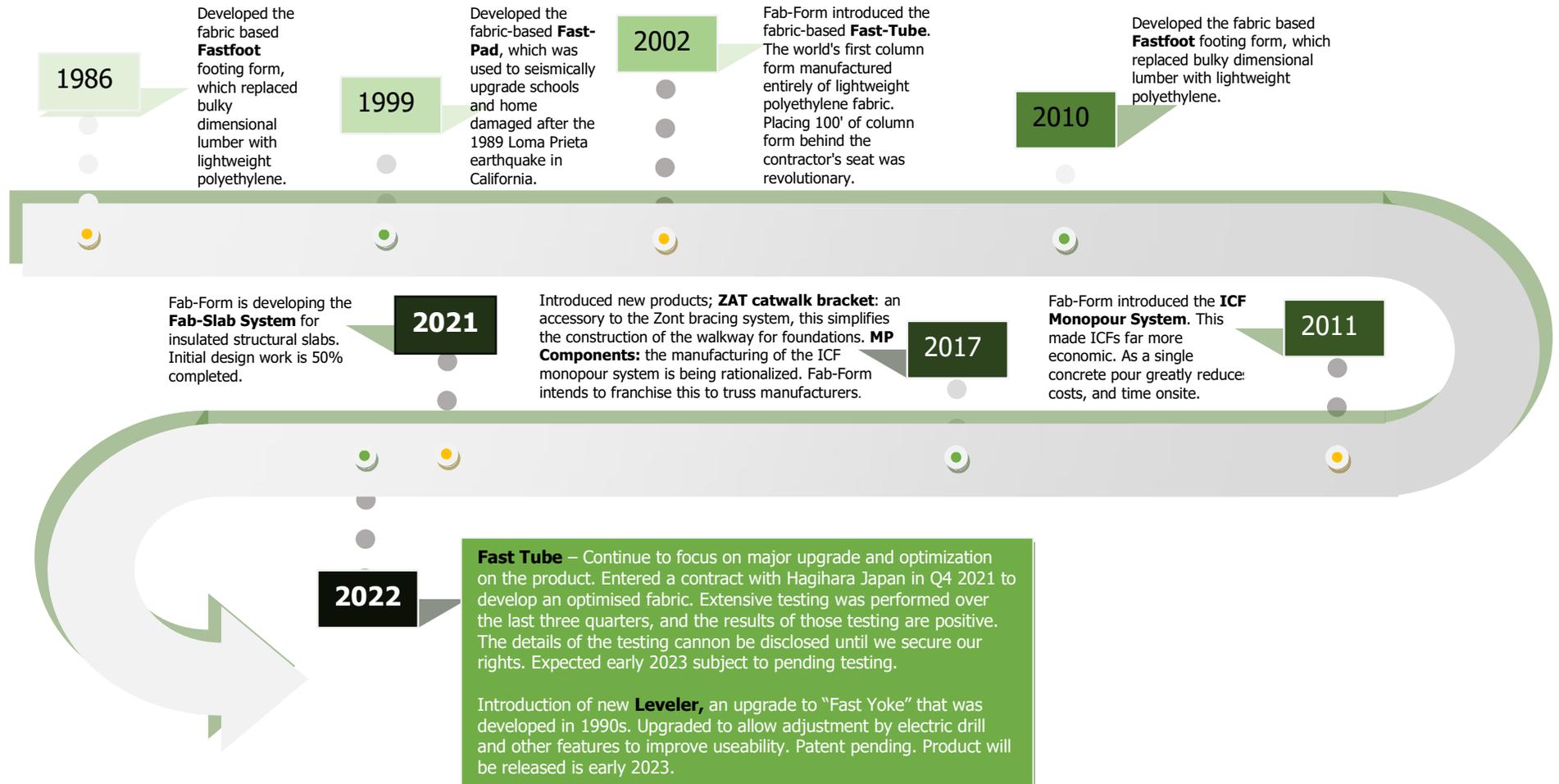




FAB-FORM INDUSTRIES

Third quarter MD&A 2022

FAB-FORM'S KEY MILESTONES



MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended 30 September 2022



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 history of the company shows a continuous effort to develop new products that enable organic growth of the company. 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. As always, thank you, board members, shareholders, and progressive dealers and contractors for your continued support and commitment.

HIGHLIGHTS

Profitability \$116,726 increase in profits in Q3, a 33% increase.
Total profit at the end of Q3 reached \$1Mn after taxation.

Operations Reached \$5Mn turnover at the end of Q3. Total assets increased to \$5Mn at the end of Q3.
ICF area increased by 28,946 sq.ft. compared to corresponding quarter in 2021, a 20% increase.
Warehouse space utilization reached to optimum level during the quarter.

Liquidity Cash generated from operation in Q3 was \$618,933. Total liquid funds increased to \$2.87Mn in Q3

SUMMARY

The third quarter was another strong period with record revenue, profit from operations, and net cash generated. Operating margins remained above 35%, with total cash in hand ending at \$2.87Mn.

Fab-Form achieved a record \$5Mn in sales at the end of Q3, representing \$0.7mn revenue per employee. It is expected that both the ICF and bracing markets will have a significant growth potential not only in North America but in other continents as well. Fab-Form intends to exploit these markets.

Supply chain bottlenecks remain challenging due to volatility in lead-times and unexpected covid-related shutdown of suppliers' production facilities in China. International freight costs have come down to pre-covid levels. Cost of delivery in Canada and USA remain at higher levels compared to 2021 due to inflation.

Fab-Form remains focused on improving existing products in terms of their usability and quality. Research and development activities related to the development of new products continues to make good progress.

Richard Fearn
President and CEO
22 November 2022

Don Russell
Chief Financial Officer
22 November 2022

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended 30 September 2022

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 30 September 2022, 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 2000.

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended 30 September 2022



OPERATING RESULTS

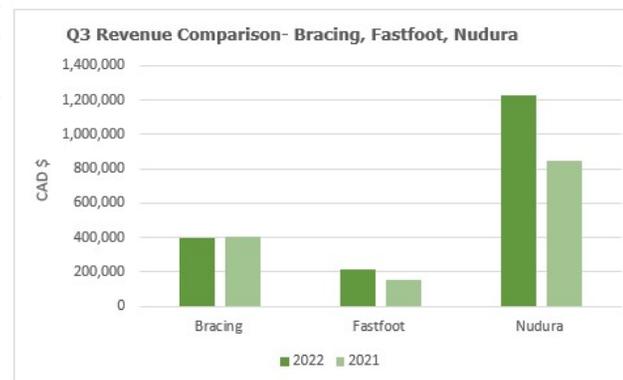
	For the quarter ended 30 September 2022				For the period ended 30 September 2022			
	2022	2021	Change	%	2022	2021	Change	%
Revenue	\$ 2,115,097	\$ 1,619,631	\$ 495,466	30.59	\$ 5,127,353	\$ 3,621,123	\$ 1,506,230	41.60
Cost of sales	(1,329,953)	(995,662)	(334,291)	33.57	(3,156,544)	(2,292,299)	(864,245)	37.70
Gross profit	785,144	623,969	161,175	25.83	1,970,809	1,328,824	641,985	48.31
Other operating income	87,417	22,931	64,486	281.21	109,058	9,918	99,140	999.60
Expenses								
General and administration	(168,268)	(113,448)	(54,819)	48.32	(388,176)	(275,808)	(112,368)	40.74
Selling and marketing	(43,404)	(54,943)	11,539	(21.00)	(144,531)	(143,029)	(1,502)	1.05
Total expenses	(211,672)	(168,391)	(43,279)	25.70	(532,707)	(418,837)	(113,870)	27.19
Earnings from operations	660,889	478,509	182,382	38.11	1,547,160	919,905	627,255	68.19
Finance cost	(2,962)	(3,623)	661	(18.24)	(9,399)	(4,090)	(5,309)	129.80
Earnings before taxation	657,927	474,886	183,043	38.54	1,537,761	915,815	621,946	67.91
Income tax expense	(189,827)	(123,510)	(66,317)	53.69	(415,427)	(242,388)	(173,039)	71.39
Earnings after taxation	468,100	351,376	116,726	33.22	1,122,334	673,427	448,907	66.66
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	468,100	351,376	116,726	33.22	1,122,334	673,427	448,907	66.66

Total earnings for the second quarter increased 33% compared to 2021. The total earnings for the nine months ended 30 September 2022 increased to \$1,122,334, an increase of \$448,907 (67%) over 2021. Total sales for the quarter increased by \$495,466 over 2021, a 31% increase QOQ basis.

Fab-Form achieved its target sales of \$5Mn for the year by the end of Q3, a 42% increase over 2021. Net assets attributable to shareholders at the end of nine months increased by 41.28%.

1. Analysis of Revenue by Product

	For the quarter ended 30 September 2022			
	2022 \$	2021 \$	Change \$	%
Bracing	398,939	407,556	(8,617)	(2.11)
Fastfoot	213,113	152,494	60,619	39.75
Fast-Pad	3,470	6,002	(2,532)	(42.19)
Fast-Tube	7,780	2,331	5,449	233.76
Helix	77,885	66,557	11,328	17.02
ICF accessories	73,123	50,685	22,438	44.27
Monopour	51,410	56,622	(5,212)	(9.20)
Nudura	1,225,369	847,506	377,863	44.59
Rentals	58,294	29,345	28,949	98.65
Used bracing & accessories	5,714	533	5,181	972.05
Total	2,115,097	1,619,631	495,466	30.59



Total sales in the third quarter increased 31% compared to 2021. Bracing sales decreased 2%, Fastfoot increased by 40% and Monopour down by 9%. Sales volumes for bracing products reduced slightly (-2%), because of the US housing market downturn. Rental income increased 98% because of increased ICF in Great Vancouver, with Nudura ICF sales increasing a strong 45%.

2. Analysis of Cost of Sales

	For the quarter ended 30 September 2022			
	2022 \$	2021 \$	Change \$	%
Total direct product COGS	1,311,643	978,299	333,344	34.07
Indirect product COGS				
Waste disposal	203	383	(180)	(47.00)
Packing materials	2,798	1,132	1,666	147.17
Depreciation production equipment and tools	699	648	51	7.87
Warehouse lease rental	10,816	9,966	850	8.53
Variable overhead	3,794	5,234	(1,440)	(27.51)
Total indirect product COGS	18,310	17,363	947	5.45
Total	1,329,953	995,662	334,291	33.57

The cost of sales increase of \$334,291 (34%) for this quarter over 2021 was in line with the increase in sales of 30%.

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended 30 September 2022

**3. Analysis of Administration Expenses**

	For the quarter ended 30 September 2022			
	2022	2021	Change	%
	\$	\$	\$	
Amortization & depreciation	695	711	(16)	(2.25)
Office rental amortisation	6,302	4,934	1,368	27.73
Patent & TM maintenance fees	3,500	71	3,429	4,829.58
Professional Fees	8,045	6,429	1,616	25.14
Pubco expenses	23,548	10,528	13,020	123.67
General expenses	4,979	4,749	230	4.84
Wages and benefits	104,486	68,927	35,559	51.59
Telecommunications & computers	5,039	4,007	1,032	25.75
Credit card processing fees	11,660	13,954	(2,294)	(16.44)
Provision for expected credit losses	14	(862)	876	(101.57)
Total administrative expenses	168,268	113,448	54,819	48.32

Administration expenses increased 48% during the third quarter of this year compared to 2021. This increase was substantially due to the provision for employee bonuses as well as an increase in directors' fee. Credit card processing fees increased by 16%, in line with the sales increase. Patent fees includes fees paid to patent lawyers for filing of patent applications and associated services.

4. Analysis of Selling and Marketing Expenses

	For the quarter ended 30 September 2022			
	2022	2021	Change	%
	\$	\$	\$	
Bracing	9,496	24,640	(15,144)	(61.46)
Fastfoot	8,471	7,402	1,069	14.45
Fast-Pad	1,320	1,475	(155)	100.00
Fast-Tube	956	122	834	683.61
Helix	177	1,266	(1,089)	(86.02)
Monopour	2,335	1,674	661	39.49
Nadura	20,649	18,364	2,285	12.44
Total selling & marketing	43,404	54,943	(11,539)	(21.00)

Total selling & marketing expenses fell by 21% over quarter ended in 2021, because of a reduction of goodwill credits granted to customers during the quarter.

5. Liquidity, Cash Flow Position, and Going Concern

The Company generated \$618,932 from operating activities in the third quarter of 2022 compared with \$401,665 in 2021.

Cash and cash equivalents at the quarter end increased by \$572,629. Total cash and cash equivalents at the quarter was \$2,876,918 compared to \$2,006,709 in 2021. The Company remains debt-free and has 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.

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

Approved

"Board of Directors"

22 November 2022

FAB-FORM INDUSTRIES LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended 30 September 2022

FAB-FORM

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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FAB-FORM

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Shareholders and interested investors should visit:

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www.vancouvericf.com
www.steelfiberswest.com

