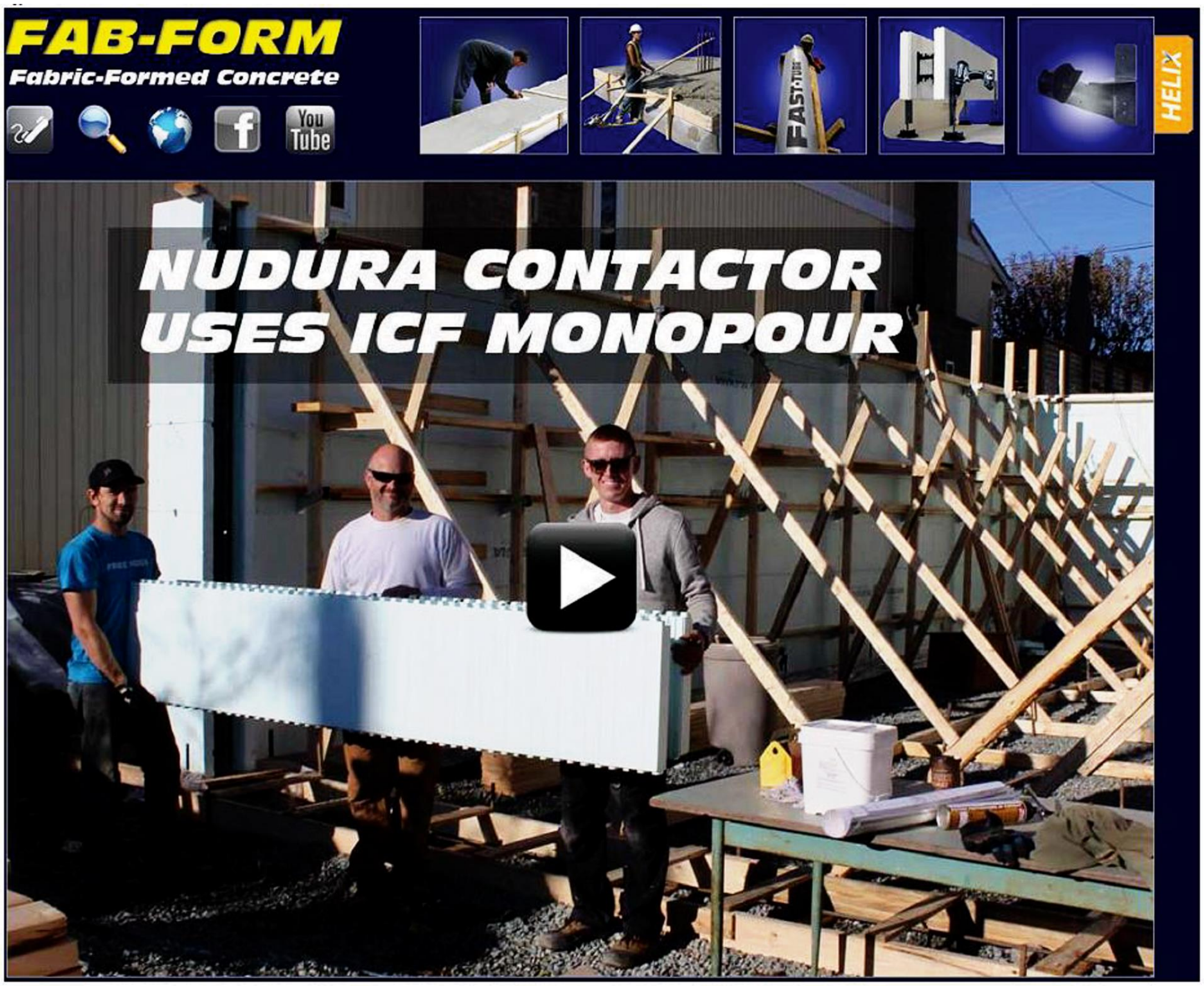

FAB-FORM

2014 Year End

MD&A

MD&A TO OUR SHAREHOLDERS

The cover is a screenprint of our current home page, showing a builder in White Rock who used the Fab-Form Monopour System for his foundation. For a video and project pictures, go to:

http://www.fab-form.com/fastfootMp/nuduraComesToVancouver.php

We recently began distributing the Nudura ICF block which the contractor is proudly holding up in front of his project. This ICF is ideal for use with the Monopour System.

As always, thank you Board Members, Shareholders, and progressive Dealers and Contractors for your continued support and commitment.

Sincerely

Richard Fearn

President and CEO

29 April 2015

Herb Bentz

Chief Financial Officer

29 April 2015

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 consolidated audited financial statements for the year 2014 and accompanying notes. The results reported therein 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; they are not guarantees of future performance. The Company cautions that all forward-looking information is inherently uncertain and that actual performance may be affected by a number of 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. All 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 Industries Ltd. (the "Company" or "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 ("TSX-V" under the symbol FBF) since 2000.

OPERATING RESULTS

1. Fourth Quarter Analysis

	4th Qtr 2014	4th Qtr 2013	$ change	% change
Sales	**$ 295,968**	$ 146,140	**$ 149,828**	102.5%
Cost of sales	**236,495**	120,082	**116,413**	96.9%
Gross income	**$ 59,473**	$ 26,058	**$ 33,415**	128.2%
(Percent gross margin)	20.1%	20.6%		
Expenses				
General and administration	**48,224**	29,130	**19,094**	65.5%
Selling and marketing	**25,780**	10,122	**15,659**	154.7%
	74,005	39,252	**34,753**	88.5%
Operating income (loss)	**$ (14,531)**	$ (13,194)	**$ (1,337)**	(10.1%)
Foreign exchange and interest				
Foreign exchange losses (gain)	**(2,866)**	(554)	**(2,312)**	(417.7%)
Interest expense	**5,372**	3,901	**1,472**	37.7%
	2,506	3,347	**841**	(25.1%)
Net income before other items	**(17,038)**	(16,541)	**(496)**	(3.0%)
Other items				
Inventory write-off	**3,635**	-	**3,635**	100%
Bad debt expense	**-**	5,056	**(5,056)**	(100%)
Development cost write-off	**182**	-	**182**	100%
	$ 3,817	$ 5,056	**$ (1,239)**	(24.5%)
Comprehensive loss for period	**$ (20,855)**	$ (21,597)	**$ 743**	3.4%

i) Product Sales

	2014	2013	$ change	% change
Fastfoot®	**18,959**	19,532	-573	-2.9%
Fastbag®	**1,057**	2,003	-946	-47.2%
Fast-tube™	**1,583**	1,781	-197	-11.1%
Helix®	**196,712**	30,524	166,188	544.5%
Zont™ bracing	**55,021**	30,259	24,763	81.8%
Nudura	**5,591**	879	4,712	536.3%
Monopour	**16,984**	56,696	-39,712	-70.0%
Miscellaneous	**61**	4,466	-4,405	-98.6%
Total	**295,968**	146,140	149,828	102.5%

Sales for the final quarter were $295,968, a 111.9% increase over 2013's $146,140. This increase was due primarily to increases in Helix®, 544%; Zont™ bracing, 81.4%; and Nudura®, 536%.

ii) Cost of goods sold

	2014	2013	$ change	% change
Direct material costs	**$ 222,692**	$ 105,169	$ 117,523	111.8%
Indirect COGS				
Amortization	**2,940**	4,562	-1,622	-35.6%
Occupancy	**8,235**	8,533	-298	-3.5%
Tools	**232**	359	-127	-35.3%
Variable overheads	**261**	-122	383	313.8%
Unrecovered delivery	**2,135**	1,581	554	35.1%
Total	**$ 236,495**	$ 120,082	$ 116,413	96.9%

Gross margins at 20.1% stayed in line with 2013's 20.5%.

iii) General and administrative expenses

	2014	2013	$ change	% change
Administrative	**$ 10,868**	$ 10,852	$ 16	0.1%
Amortization and depreciation	**5,469**	7,186	-1,717	-23.9%
Management fees	**20,320**	381	19,939	5,227.1%
Occupancy	**2,745**	6,030	-3,285	-54.5%
Patent maintenance fees	**(424)**	1,099	-1,523	-138.6%
Professional fees	**3,200**	3,261	-61	-1.9%
Pubco	**3,720**	2,927	793	27.1%
Telecommunications	**2,328**	1,956	372	19.0%
Total	**$ 48,224**	$ 29,130	$ 19,094	65.5%

General and administrative expenses increased by 43.1%, substantially due to an increase in management fees of 5,227% or $19,939.

iv) Marketing and selling expenses

	2014	2013	$ change	% change
Advertising	**$ 4,807**	$ 2,261	2,546	112.6%
Commissions	**17,504**	7,676	9,828	128.0%
Trade shows	**2,964**	0	2,964	100.0%
Promo materials	**505**	185	320	172.7%
Total marketing	**$ 25,780**	$ 10,122	15,658	154.7%

Marketing expenses increase overall by 154.7% due to increased advertising and commissions paid.

v) Period loss

The company's net loss for the period was reduced to $20,855 from $21,597 in the fourth quarter of 2013.

2. Full Year Analysis

	2014	2013	$ change	% change
Sales	**$ 1,100,315**	$ 462,053	**$ 638,262**	138%
Cost of sales	**833,294**	292,049	**541,245**	185%
Gross income	**$ 267,021**	$ 170,004	**$ 97,017**	57%
(Percent Gross Profit)	24.3%	36.8%		
Expenses				
General and administration	**132,175**	110,872	**21,303**	19%
Selling and marketing	**66,174**	28,999	**37,175**	128%
	198,349	139,871	**58,478**	42%
Operating income	**$ 68,672**	$ 30,133	**$ 38,539**	128%
Foreign exchange and interest				
Foreign exchange losses (gain)	**(90)**	(2,498)	**2,408**	(96%)
Interest expense	**23,056**	16,534	**6,520**	39%
	22,966	14,036	**8,930**	64%
Net income before other items	**$ 45,706**	$ 16,097	**$ 29,609**	184%
Other Items				
Inventory write-off	**6,160**	7,019	**(859)**	(12%)
Patent write-off	**-**	2,474	**(2,474)**	(100%)
Bad debt expense	**-**	5,056	**(5,056)**	(100%)
Development cost write-off	**2,644**	-	**2,644**	-%
	8,804	$ 14,549	**$ (5,745)**	(39%)
Comprehensive income	**$ 36,902**	$ 1,548	**$ 35,354**	2,285%

i) Product Sales

	2014	2013	$ change	% change
Fastfoot®	**$ 137,792**	$ 103,990	$ 33,803	32.5%
Fastbag®	**7,698**	7,536	162	2.2%
Fast-Tube™	**8,901**	8,433	467	5.5%
Helix®	**616,799**	70,843	545,955	770.7%
Zont™ bracing	**228,109**	130,112	97,998	75.3%
ICF sales	**28,045**	13,860	14,184	102.3%
Monopour	**70,938**	123,161	-52,223	-42.4%
Miscellaneous	**2,033**	4,117	-2,084	-50.6%
Total	**$ 1,100,315**	$ 462,053	$ 638,262	138.1%

Most product sales increased significantly in 2014 over the previous year. In particular Helix® and ICF sales increased 770.7% and 102.3% respectively. Zont™ bracing increased 75.3% over 2013. Monopour sales dropped 42.4% due to project timing in the local market.

ii) Cost of sales

	2014	2013	$ change	% change
Direct material costs	**$ 778,867**	$ 253,241	$ 525,625	207.6%
Indirect costs				
Amortization	**10,554**	10,740	-186	-1.7%
Occupancy	**31,630**	21,726	9,904	45.6%
Tools	**1,788**	2,178	-390	-17.9%
Variable overheads	**3,031**	2,079	951	45.8%
Unrecovered delivery	**7,425**	2,086	5,339	256.0%
Total	**$ 833,294**	$ 292,049	$ 541,245	185.3%

Gross margins decreased to 24.3% from 36.8% in 2013 due to the lower margins of Helix® which competes with conventional rebar, a mature market with low margins, as reflected in the 207.6% increase in direct material costs.

iii) General and administrative expenses

	2014	2013	$ change	% change
General	**$ 27,622**	$ 38,881	$ -11,259	-29.0%
Amortization	**20,926**	13,410	7,516	56.0%
Management fees	**36,465**	10,526	25,939	246.4%
Occupancy	**11,612**	12,087	-476	-3.9%
Patent maintenance fees	**821**	3,387	-2,566	-75.8%
Professional fees	**13,539**	12,861	678	5.3%
Pubco	**13,335**	12,307	1,028	8.4%
Telecommunications	**7,856**	7,413	443	6.0%
Total	**$ 132,175**	$ 110,872	$ 21,303	19.2%

General and administrative expenses for 2014 increased 19.2% to $132,805 from $110,872 in 2013, in line with expectations. This increase was substantially due to an increase in management fees of 246%.

iv) Selling and marketing expenses

	2014	2013	$ change	% change
Advertising	**$ 12,966**	$ 7,253	$ 5,713	78.8%
Selling commissions	**42,631**	12,331	30,300	245.7%
Trade shows	**6,643**	4,456	2,187	49.1%
Associations	**1,310**	0	1,310	100.0%
Promo materials	**2,624**	4,960	-2,336	-47.1%
Total	**$ 66,174**	$ 28,999	$ 37,175	128.2%

Selling and marketing expenses increased 128.2% to $66,174 from $28,999 in 2013, due to increased sales commissions and increased advertising.

v) Other items

The Company wrote off $6,160 of obsolete inventory in 2014, comparable to $7,019 in 2013. The development cost write-off was for a technology no longer used.

vi) Net income

The company's comprehensive income for 2014 was $36,902, a 446.8% increase over 2013’s income of $1,547.

DISCUSSION OF OTHER ITEMS

1. Investing activities

None

2. New product lines

On 14 August 2014 the Company signed an exclusive distribution agreement in the Lower Mainland market with Nudura Corporation which manufactures the Nudura ICF, a technically superior block. Nudura works well with the Monopour System as it is 8' long, 18" high, perfect for the manufacture of 8' panels. In addition it is fully reversible and locks together for a more robust concrete wall form.

The Company began the non-exclusive distribution of Gorilla Buck, an insulated foam buck for window and door openings in the prefabricated foundation panels in the third quarter of 2014.

3. New operating divisions

In order to keep the local marketing and distribution activities of Nudura®, Helix® and Gorilla® separate from the national distribution of Fab-Form proprietary products, the Company established two new operating divisions: Vancouver ICF (www.vancouvericf.com), operating in the Lower Mainland of BC and Helix West (www.helixwest.com) operating in the Province of BC.

4. Financing activities

None

OPERATING RISK AND UNCERTAINTIES

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business.

Production and distribution operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of developing and producing of products, there are risks that the products being produced overseas do not meet specifications. Risk of product failure on the jobsite must be considered. Although the Company maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

The operating risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

1. Early Stage

The Company has some history of profitable operations however its business is still at an early stage. As such, the Company is subject to many risks including under capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenue. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company currently uses its operations as the primary source of funding and expects to obtain financing in the future through equity and/or debt financing. While it has been successful in obtaining financing in the past, there is no guarantee that the Company will be successful in the future.

2. Product Development

Product development is a speculative business, characterized by significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover operating problems with a product, but also from poor acceptance in the market.

Upon discovery of a patentable product, several stages of development and assessment are required before its economic viability can be determined. Development of the product will follow only if favourable results are determined at each stage of assessment.

There is no assurance that the Company's current product development activities will result in commercially viable products. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its new product development programs.

The development of new products carries the risk of non-acceptance by the forming contractor and the distribution channel. High marketing costs of innovative products risk reducing profit levels even though gross margins for the product may exceed industry standards.

3. Commodity price risk

The manufacturing industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of products produced even if a viable market for the product is discovered. Factors beyond the control of the Company may affect the marketability of products. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns for concrete formwork. There is no assurance that the selling price of a product will have sufficient margin to contribute to the operating viability of the Company.

4. Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

5. Conflict of Interest

The Directors and Officers of the Company are not in conflict of interest with other Companies. While the Company is engaged in the business of product development, such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to uphold the best interest of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict must disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any product or opportunity, the directors, will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

6. Economic conditions risk

Current and future unfavourable economic conditions could negatively impact the Company's financial viability. Unfavourable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact any of the availability of credit facilities to the Company.

7. Currency risks

As the Company sells to the USA and purchases raw materials from other countries that price their goods in US dollars, the Company is exposed to considerable currency risk. The Company does not hedge any of this foreign currency exposure.

8. Environmental Regulations, Permits and Licenses

The Company's products are subject to various laws and building codes governing the protection of the environment, safety in construction, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation may provide restrictions and prohibitions on concrete spills which would result in environmental pollution. Fab-Form has taken out liability insurance which is normal for a manufacturer. The Company intends to fully comply with all environmental regulations.

CONTROLS AND PROCEDURES CERTIFICATION

1. Disclosure Controls and Procedures

Management is responsible for establishing and maintaining a system of controls and procedures over the public disclosure of financial and non-financial information regarding the Company. Such controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), on a timely basis so that appropriate decisions can be made regarding public disclosure.

The CEO and the CFO, together with other members of management, have designed the Company's disclosure controls and procedures in order to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries would have been known to them, and by others, within those entities.

The Company has a Disclosure Policy in place to mitigate risks associated with the disclosure of inaccurate or incomplete information, or failure to disclose required information. The Disclosure Policy sets out accountabilities, authorized spokespersons, and the Company's approach to the determination, preparation, and dissemination of material information. The policy also defines restrictions on insider trading and the handling of confidential information.

2. Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Management has designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. There has been no change in the design of the Company's internal control over financial reporting during the year ended 31 December 2014 that would materially affect, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

While the officers of the Company have designed the Company's disclosure controls and procedures and internal control over financial reporting, they are aware that these controls and procedures may not prevent all errors and fraud.

3. Evaluation of Effectiveness

As required by National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109) issued by the Canadian Securities regulatory authorities, an evaluation of the design and testing of the effectiveness of the operation of the Company's disclosure controls and procedures and internal control over financial reporting were conducted as of 31 December 2014, by and under the supervision of management, including the CEO and CFO. In making the assessment of the effectiveness of the Company's disclosure controls and procedures and internal control over financial reporting, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control – Integrated Framework. The evaluation included documentation review, enquiries, testing, and other procedures considered by management to be appropriate in the circumstances.

Based on that evaluation, the CEO and CFO have concluded that the Company's disclosure controls and procedures and internal control over financial reporting were effective as of 31 December 2014.

DISCUSSION OF NON FINANCIAL ITEMS

1. Off balance sheet arrangements

None

2. Subsequent events

On 13 March 2015, the Company received a second equipment loan from the Business Development Bank for $30,000, with principle payable $500 per month, floating rate of interest currently at 5.75%, maturing on 13 February 2020. This loan is secured by a shareholder guarantee and a general security agreement over the assets of the Company including a first charge on equipment.

SELECTED QUARTERLY FINANCIAL SUMMARY

The following table sets out selected quarterly financial information derived from the Company's financial statements, for each of the eight recently completed quarters.

	2014				*2013*			
	4th Qtr	*3rd Qtr*	*2nd Qtr*	*1st Qtr*	*4th Qtr*	*3rd Qtr*	*2nd Qtr*	*1st Qtr*
Revenues	**295,968**	470,993	269,283	64,071	146,140	136,148	163,528	47,098
Net Income (loss)	**(20,855)**	33,991	29,017	(5,251)	(22,116)	12,064	24,378	(13,242)
Shares outstanding (diluted)	**7,797,988**	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988
Income (loss) per diluted share	**(0.00)**	0.00	0.00	(0.00)	(0.00)	0.00	0.00	(0.00)

SELECTED ANNUAL FINANCIAL SUMMARY

The following table sets out selected annual financial information of Fab-Form. The Company's annual financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and are expressed in Canadian dollars.

Year ended		*2014*		*2013*		*2012*		*2011*
Revenues	$	1,100,315	$	462,052	$	383,645	$	348,592
Cost of sales	$	833,293	$	292,049	$	191,662	$	176,329
Gross profit	$	267,021	$	170,003	$	191,983	$	172,263
% gross profit		24.3%		36.8%		50%		49%
Expenses	$	198,349	$	139,871	$	165,506	$	160,303
Net income (loss) after other items	$	36,902	$	1,548	$	6,087	$	10,765
Shares outstanding (diluted)		7,797,988		7,797,988		7,797,988		7,797,988
Income (loss) per diluted share	$	0.01	$	0.00	$	0.00	$	0.00
Total assets	$	385,184	$	298,958	$	223,413	$	187,514
Long term debt (excluding current portion)	$	107,807	$	105,511	$	103,195	$	41,875
Cash dividends declared	$	None	$	None	$	None	$	None

2013 results have been reclassified, see note 4 of the financial statements.

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

Approved
"Board of Directors"
29 April 2015

FURTHER INFORMATION

FAB-FORM INDUSTRIES LTD. is a manufacturer and marketer of forming products using poly membranes to form and damp-proof concrete for the building industry. Fab-Form is the only company in the world commercializing this technology, and is headquartered in Delta, BC. Its common shares trade on the Toronto Venture Exchange under the symbol "FBF".

For additional information, please contact:

Herb Bentz
Chief Financial Officer
herb@fab-form.com

Bruce Clark
Secretary
bruce@fab-form.com

Richard Fearn
President, CEO, CFO
richard@fab-form.com

Chris Mattock
Chairman
chris@fab-form.com

FAB-FORM

Unit 19, 1610 Derwent Way
Delta, BC V3M 6W1, Canada
(604)596-3278

Shareholders and interested investors should visit:
www.fab-form.com