

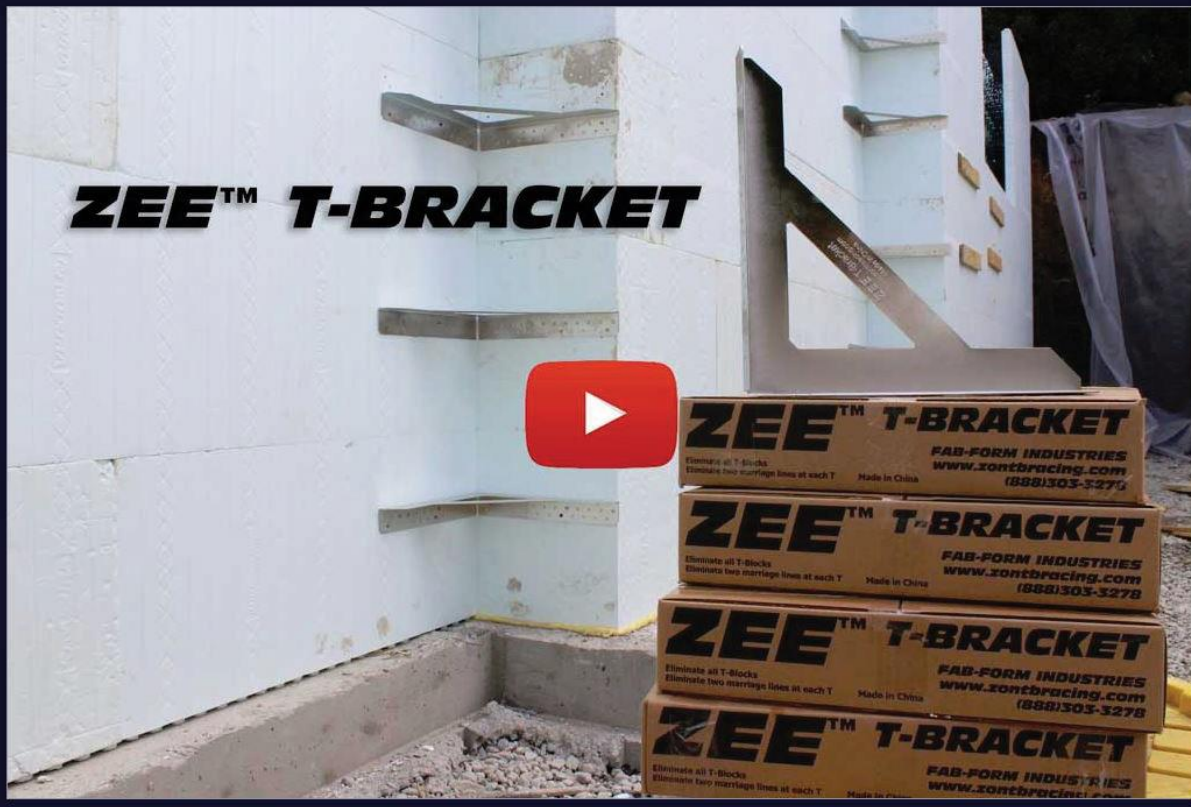
FAB-FORM
Sustainable Foundations



INVESTOR



HELIX



NEWS

FAB-FORM
MD&A
2nd Quarter 2018

MD&A TO OUR SHAREHOLDERS

The cover is a screen shot of our home page showing the new ZEE™ T-bracket. We received our first container in June, with July and August showing exponential growth. As the ZEE™ bracket benefits both the contractor and the dealer, we expect continued growth over the coming quarters.

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

The Company's independent auditors have neither reviewed nor audited these Consolidated Financial Statements.

Sincerely



Richard Fearn
President and CEO
29 August 2018

'Don Russell'

Don Russell
Chief Financial Officer
29 August 2018

MANAGEMENT DISCUSSION & ANALYSIS

2nd Quarter 2018

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 2017 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 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. 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.

INTERIM MD&A REPORTING

The reader should refer to our interim consolidated financial statements for the six-month period ended 30 June 2018 and our consolidated financial statements for the year ended 31 December 2017 while reading this discussion. The reader should also refer to the MD&A in our 2017 Annual Report as any MD&A information that has not changed materially since year end is not repeated here.

FAB-FORM INDUSTRIES LTD.
 MANAGEMENT DISCUSSION & ANALYSIS
 2nd Quarter 2018

OPERATING RESULTS

1. Profit & Loss, Second Quarter

	Apr - Jun 18	Apr - Jun 17	Change	% Change
Sales	921,266	758,441	162,825	21.5%
Cost of Goods Sold	682,188	558,517	123,687	22.2%
Gross Profit	239,077	199,924	39,138	19.6%
<i>(Percent gross profit)</i>	19.6%	26.4%		
Expense				
Admin expense	40,367	39,907	460	1.2%
Interest expense	5,424	5,883	(460)	-7.8%
Selling & marketing	49,716	35,702	14,014	39.3%
Wages & benefits	14,138	12,694	1,444	11.4%
Total Expense	109,432	94,187	15,548	16.4%
Net Ordinary Income	129,432	105,737	23,695	22.5%
Other Income/Expense				
Forex (gain) loss	(2,806)	1,718	(4,523)	-263.4%
Provision for corporate tax	9,600	-	9,600	100%
Net Income	122,638	104,019	18,603	17.9%

Sales in the second quarter of 2018 increased 21.5% over the second quarter of 2017 due to continued growth in our local market as well as solid sales across North America. Gross profit margin dropped 6.8% between the two years.

Comprehensive income for the second quarter of 2018 was \$122,638, an 17.9% increase over 2017's \$104,019. The increase was due to higher sales and containment of expenses below the rate of sales growth.

2. Product Sales, Second Quarter

	Apr - Jun 18	Apr - Jun 17	Change	% Change
Fastfoot	77,738	78,611	(873)	0.1%
Fast-Tube	6,065	3,149	2,916	92.6%
Helix	77,013	120,703	(43,690)	-36.2%
Sundry Income	198	198	0	0.0%
Monopour	14,530	22,069	(7,539)	-34.2%
Nudura	545,802	376,418	169,383	45.0%
Bracing	145,709	127,134	18,575	14.6%
ICF Accessories	54,211	30,159	24,052	79.8%
Sales	921,266	758,441	162,825	21.5%

Nudura and ICF accessories achieved solid growth in the second quarter of 2018 over 2017 of 45.0% and 79.8% respectively. Fastfoot sales matched the previous year. Helix dropped off a surprising \$43,690 or 34.2%, in spite of the Helix training seminar held on the 25th May 2018. However sales in August have rebounded 151% over 2017, so the sales drop could be a timing issue. Overall product sales increased 21.5% over the previous years quarter.

MANAGEMENT DISCUSSION & ANALYSIS

2nd Quarter 2018**Cost of Sales, Second Quarter**

	Apr - Jun 18	Apr - Jun 17	Change	% Change
Total Direct Product COGS	667,390	539,507	127,900	23.7%
Indirect Product COGS				
Packing materials	1,305	842	463	55%
Customer delivery VanICF	(3,786)	3,722	(7508)	201.7%
Brokerage	3,628	869	2,760	317.7%
Amortization production equip.	2,195	1,827	368	20.1%
Production tools	133	41	92	223.5%
Production rental	8,296	7,406	890	12%
Variable overhead	3,315	1,203	2,112	175.5%
Wages not allocated	-	2,960	(2960)	-100%
Customer delivery FBF	431	140	291	208.4%
Total Indirect Product COGS	14,719	19,010	(4,290)	-22.6
Total COGS	682,188	558,517	123,687	22.2%

Total direct product cost of goods sold was in line with the rate of sales (23.7% vs. 21.5%). Indirect product cost of goods was substantially lower than the level of sales increase (-22.6% vs.+21.5%) showing production efficiencies.

3. General and Administration, Second Quarter

	Apr - Jun 18	Apr - Jun 17	Change	% Change
Amortization & Depreciation	2,192	1,905	287	15.1%
General expenses	20,053	18,346	1,707	9.3%
Occupancy	3,079	5,197	(2,119)	-40.8%
Patent & TM Maintenance Fees	2,398	205		
Professional Fees	-	7,761	(205)	100%
Management Fees	5,803	0	(1,958)	-25.2%
Pubco	5,328	4,948	380	7.7%
Telecommunications	1,515	1,544	(29)	-1.9%
Total Admin Expenses	40,367	39,907	461	1.2%

General and administration expenses increased 1.2% in the second quarter of 2018, well below the sales increase of 21.5%. Occupancy expenses are lower due to the allocation of these costs by product line so that gross contribution can be determined for each product.

4. Selling and Marketing

	Apr - Jun 18	Apr - Jun 17	Change	% Change
Total Selling & Marketing	49,716	35,702	14,014	39.3%

Selling and marketing expenses increased significantly in the second quarter of 2018 due to higher efforts in our local market as well as an increase Google Adwords and other social media.

5. Change in Helix® trademark policy

Recently Helix Steel changed their trademark policy and has asked us to refrain from the use of the word "Helix" in the name of the distributor or in the name of the website as they do not wish any confusion in the marketplace. We have conformed with their request, closed down the website www.helixwest.com and opened a new website www.steelfiberswest.com. The content remains the same; we have linked the old site to the new so that business will not be disrupted.

MANAGEMENT DISCUSSION & ANALYSIS

2nd Quarter 2018

6. SELECTED QUARTERLY FINANCIAL SUMMARY

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

	2018			2017			2016	
	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr
Revenues	921,266	509,541	617,345	650,546	758,441	383,710	331,970	528,475
Net Income (loss)	122,638	31,931	(54,159)	123,089	104,019	41,772	30,885	80,453
Shares outstanding (diluted)	8,500,698	8,500,698	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988
Income (loss) per diluted share	0.0144	0.0038	(0.0069)	0.0158	0.0133	0.0054	0.0040	0.0103

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

Approved

"Board of Directors"

29 August 2018

FAB-FORM INDUSTRIES LTD.
FURTHER 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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Shareholders and interested investors should visit:

www.fab-form.com/investor/overview.php

www.vancouvericf.com

www.steelfiberswest.com

www.icf-expo.org