FAB-FORM

Financial Statements
1st Quarter 2019

REPORT TO OUR SHAREHOLDERS

The cover is a photo of a Nudura foundation located in the fast growing city of Pemberton, just north of Whistler BC. The contractor Dustin Winstanley, owner of Current Construction, has three homes under construction. The entire development will be using our forming technology. As of today, we have twelve projects using the Nudura block, Zont bracing and Fastfoot forms in the Pemberton area. For a more detailed discussion of changes to the buidling code and how our products intermesh with the new BC STEP code, please read the MD&A.

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

30 May 2019

Don Russell

Chief Financial Officer

30 May 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unudited

	Notes	**31 Mar 2019**	31 Dec 2018
ASSETS			
Current			
Cash		**$ 744,869**	$ 500,968
Accounts receivable		**128,796**	344,718
Prepaid expenses and advances		**61,716**	67,274
Inventory		**482,080**	424,269
Total current assets		**1,417,461**	1,337,229
Property and equipment		**66,700**	60,721
Capitalization of leases	2	**158,886**	-
Deferred development		**7,088**	6,840
Patents		**5,035**	5,119
		237,709	72,680
		$ 1,655,170	$ 1,409,909
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**$ 221,600**	$ 65,366
Accounts payable – related		**93,673**	102,082
Total current liabilities		**315,273**	167,448
Long term lease liability	2	**90,792**	-
SHAREHOLDERS' EQUITY			
Share capital		**1,120,875**	1,120,875
Surplus		**128,230**	121,586
		1,249,105	1,242,461
		$ 1,655,170	$ 1,409,909

Approved and authorized by the Board 30 May 2019

"Richard Fearn"
____________________, Director

"Don Russell"
____________________, Director

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

1st Quarter 2019 and 2018, unaudited

	Jan - Mar 19	Jan - Mar 18
Ordinary Income/Expense		
Total Income	**371,379**	509,541
Cost of Goods Sold		
Direct Product COGS	**266,621**	343,324
Indirect Product COGS	**14,614**	22,750
Total COGS	**281,235**	366,074
Gross Profit	**90,144**	143,467
Expense		
Admin Expenses	**49,900**	50,679
Interest Expense	**2,939**	783
Selling & Marketing	**29,252**	43,465
Total Expense	**82,091**	94,927
Net Ordinary Income	**8,053**	48,540
Other Income/Expense		
Other Expense		
Forex (gain) loss	**-991**	-2,331
Inventory Write-off	**0**	1,053
Provision for corporate tax	**2,400**	16,093
Total Other Expense	**1,409**	14,815
Net Other Income	**-1,409**	-14,815
Net Income	**6,644**	33,725

The accompanying notes are an integral part of these unaudited consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

First quarter 2019 and 2018

	Shares		*Share capital*		*Deficit*		*Shareholders' equity*
Balance, 1 January 2018	8,119,355	$	769,520	$	(213,706)	$	555,814
Private placement	702,710	$	351,355		-		351,355
Comprehensive income	-		-		31,931		31,931
Balance, 31 March 2018	8,822,065	$	1,120,875	$	(181,775)	$	939,100
Balance, 1 January 2019	8,822,065	$	1,120,875	$	121,586	$	1,242,461
Comprehensive income	-		-		6,644		6,644
Balance, 31 March 2018	8,822,065	$	1,120,875	$	128,230	$	1,249,105

The accompanying notes are an integral part of these unaudited consolidated financial statements

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods ended 31 March, unaudited

	Jan - Mar 19	Jan - Mar 18
Operations		
Net Income	**6,644**	31,931
Amortization	**3,903**	4,043
	10,547	35,974
Changes in non-cash working capital items		
Accounts Receivable	**215,922**	-83,519
Inventory	**-57,811**	-10,135
Prepaid Expenses & Advances	**5,557**	-3,813
Accounts Payable	**158,572**	55,238
Accounts Payable - related	**-10,747**	-13,791
Current part of long term debt	**-**	-1,466
	311,494	-56,020
Cash provided by operating activities	**322,041**	-20,046
Investing		
Property and equipment	**-10,046**	-10,794
Capitalization of leases	**-68,094**	-
Patents	**-**	-249
	-78,140	-11,043
Financing		
Private placement	**-**	351,355
Increase in cash	**243,900**	135,381
Cash at beginning of period	**500,968**	352,312
Cash at end of period	**744,869**	487,693

The accompanying notes are an integral part of these consolidated financial statements

1. Reporting Entity

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 of BC market. The Company has traded on the TSX Venture Exchange ("TSX-V" under the symbol FBF) since 2000.

2. Significant Accounting Policies, Key Assumptions and Significant Judgements

These unaudited interim condensed consolidated financial statements (Interim Statements) of Fab-Form Industries Ltd. (the Company) have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standard Board (IASB). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) have been omitted or condensed, and therefore these Interim Statements should be read in conjunction with the 31 December 2018 audited annual consolidated financial statements and the notes to said statements.

These Interim Statements are based on the IFRS issued and effective as of 30 May 2019, the date these Interim Statements were authorized for issuance by the Company's Board of Directors, and follow the same accounting policies and methods of computation as the most recent annual consolidated financial statements, except for the impact of the changes in accounting policies disclosed below:

a) New Accounting Standard: IFRS 16 (Leases)

Effective 1 January 2019, new requirements were introduced for the classification and measurement of leases. Under IFRS 16, a lessee no longer classifies leases as operating or financing and records all leases on the condensed consolidated statement of financial position. The adoption of IFRS 16 has resulted in higher non-current assets and current and non-current liabilities in the consolidated statement of financial position. The categories of assets most impacted were properties. Implementation of IFRS 16 results in lower selling, general, and administrative expense due to lower operating lease expense partially offset by higher depreciation expense and higher interest expense. Although total cash movement is unchanged, the presentation in the condensed consolidated statement of cash flows has been revised under the new standard. Cash flows used in operating activities are lower, offset by an increase in cash flows used in financing activities, as the principal component of lease payments previously accounted for as operating activities are now presented as financing activities.

The Company has applied IFRS 16 retrospectively and recognized the cumulative effect of initial application on 1 January 2019, on the condensed consolidated statement of financial position, subject to permitted and elected practical expedients. This method of application has not resulted in a restatement of amounts reported in periods prior to January 1, 2019. The Company measured the right-of-use asset at an amount equal to the lease liability on 1 January 2019 and applied a single discount rate to leases with a similar remaining lease term for similar classes of underlying assets. The weighted average borrowing rate applied to lease liabilities recognized in the statement of financial position is approximately 4%. The Company did not apply this standard to short-term leases and leases for which the underlying asset is of low value. The Company elected to rely on assessments of whether leases were onerous by applying IAS 37, Provisions, Contingent Liabilities, and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review.

Accounting for leases by lessors remains relatively unchanged under IFRS 16. The impact of IFRS 16 on the statement of financial position for 1 January 2019 is as follows:

Warehouse space, units 19 & 20, 1610 Derwent Way, Delta BC	$158,886
Accounts payable	68,094
Long term lease liability	90,792
Total Liabilities	$158,886

The Company's accounting policy for Leases is as follows:

At inception of a contract, the Company assesses whether the contract is or contains a lease.

The Company as Lessee

At the commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The right-of-use asset at inception includes the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation of right-of use assets is recorded in selling, general, and administrative expenses for all assets except leases of rental equipment, where depreciation is recorded in cost of sales in the consolidated statement of net income. Depreciation is recorded on a straight-line basis over the shorter of the term of the lease or the estimated useful life of the underlying asset, commencing when the asset becomes available for use.

Right-of-use assets are reviewed for indicators of impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. Where an impairment loss is recognized for a right-of-use asset, the asset is reviewed for possible reversal of the impairment at the end of each subsequent reporting period.

The lease liability is initially measured at the present value of the remaining lease payments that have not been paid at the commencement date, discounted by using the Company's incremental borrowing rate unless the rate implicit in the lease is readily determinable.

Lease payments over the estimated lease term included in the measurement of the lease liability comprise:

- Fixed lease payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and,
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term changes or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate,
- The lease payments change due to a change in an index, rate, or expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or,
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use asset is presented within property, plant, and equipment and the lease liability is presented within accrued liabilities (current portion) and other liabilities (non-current portion) on the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases that have a term of 12 months or less and leases of low-value assets. The Company recognizes these lease payments as an expense on a straight-line basis over the lease term.

b) **New Accounting Standard: IFRIC 23 (Uncertainty of Income Tax Treatments)**

Effective 1 January 2019 guidance is provided when there is uncertainty over income tax treatments including, but not limited to:

- Whether uncertain tax treatments should be considered separately;
- Assumptions made about the examination of tax treatments by tax authorities;
- Determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates;
- The impact of changes in facts and circumstances.

IFRIC 23 did not have an impact on the Company’s consolidated financial statements.

FURTHER INFORMATION

31 March 2019

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".

For additional information, please contact:

Joey Fearn
Chief Operating Officer
joey@fab-form.com

Bruce Clark
Secretary
bruce@fab-form.com

Rick Fearn
President, CEO
rick@fab-form.com

Don Russell
Chief Financial Officer
don@fab-form.com

FAB-FORM
INDUSTRIES LTD.
Unit 19, 1610 Derwent Way
Delta, BC V3W 6W1, Canada
(604)596-3278

Shareholders and interested investors should visit:
www.fab-form.com/investor/overview.php
www.vancouvericf.com
www.steelfiberswest.com
www.icf-expo.com