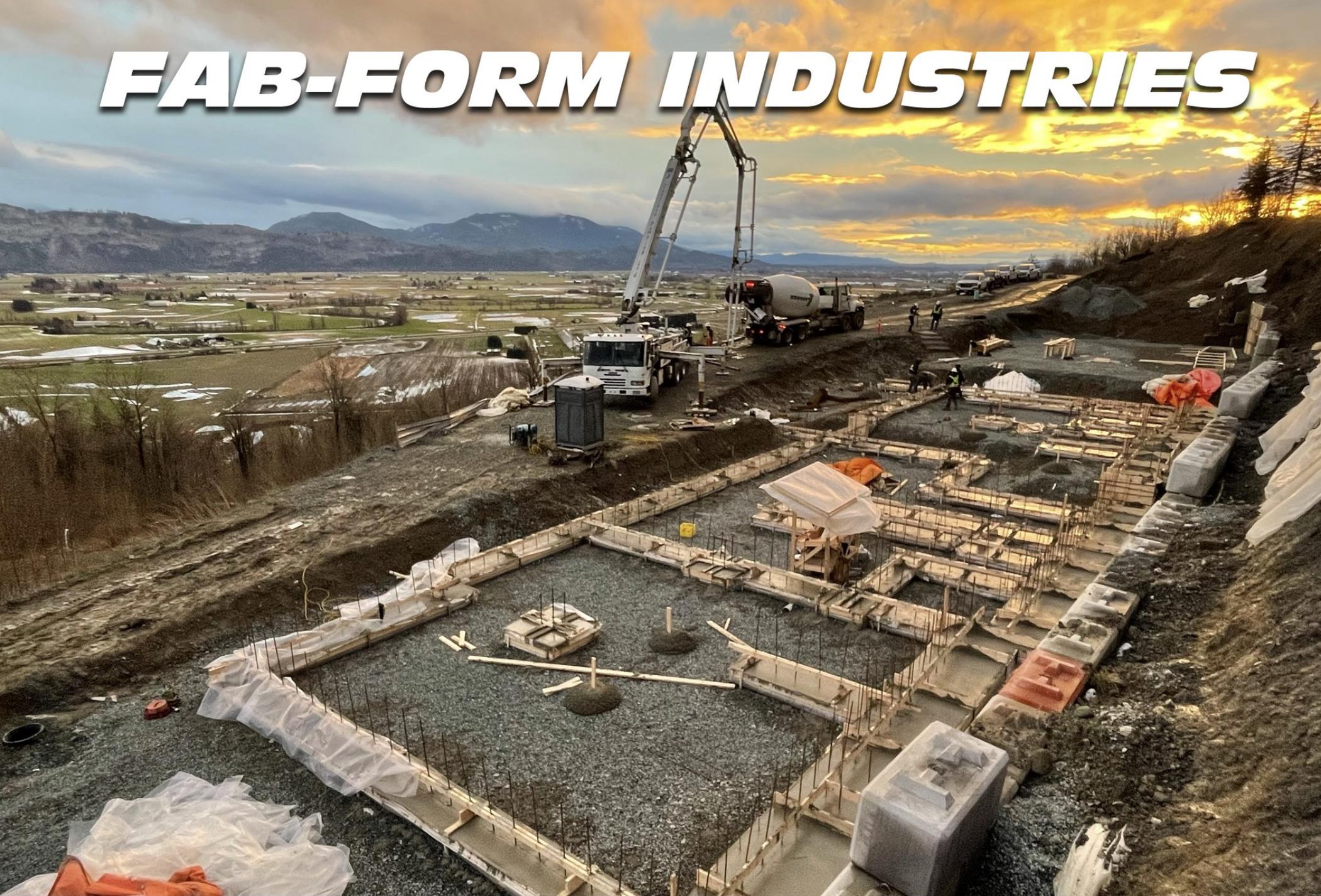


FAB-FORM INDUSTRIES



First quarter MD&A 2022

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended 31 March 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 right achieved by Fab-Form since its inception.

First quarter profitability increased by 164.71% leading to a 8.23% increase of net assets. Refer to operational results on page 3 for more details.

The research and development team put continuous effort in developing and optimizing existing products. The team is expecting to release the new **LEVELER** in the fall of 2022, and also to finalize the specification on an optimized **FAST-TUBE**.

As always, thank you, board members, shareholders, and progressive dealers and contractors for your continued support and commitment.

Sincerely

Richard Fearn
President and CEO
26 May 2022

Don Russell
Chief Financial Officer
26 May 2022

1986

Developed the fabric based **Fastfoot** footing form, which replaced bulky dimensional lumber with lightweight polyethylene.

2002

Fab-Form introduced the fabric-based **Fast-Tube**. The world's first column form manufactured entirely of lightweight polyethylene fabric. Placing 100' of column form behind the contractor's seat was revolutionary.

2011

Fab-Form introduced the **ICF Monopour System**. This made ICFs far more economic. As a single concrete pour greatly reduces costs, and time onsite.

2021

Fab-Form is developing the **Fab-Slab System** for insulated structural slabs. Initial design work is 50% completed.

Fast Tube - company was doing a major upgrade and optimization on the product. Work in progress and expected in late 2022, early 2023 subject to testing.

1999

Developed the fabric-based **Fast-Pad**, which was used to seismically upgrade schools and home damaged after the 1989 Loma Prieta earthquake in California.

2010

Fab-Form introduced the **Zont bracing system** for insulated concrete forms. Traditional ICF braces are heavy and cumbersome - the Zont brace weighs and costs about 10% of conventional systems.

2017

Introduced new products; **ZAT catwalk bracket**: an accessory to the Zont bracing system, this simplifies the construction of the walkway for foundations. **MP Components**: the manufacturing of the ICF monopour system is being rationalized. Fab-Form intends to franchise this to truss manufacturers.

2022

Introduction of new **Leveler**, an upgrade to "Fast Yoke" that was developed in 1990s. Upgraded to allow adjustment by electric drill and other features to improve useability. Product will be released in fall **2022**

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended 31 March 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 31 March 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

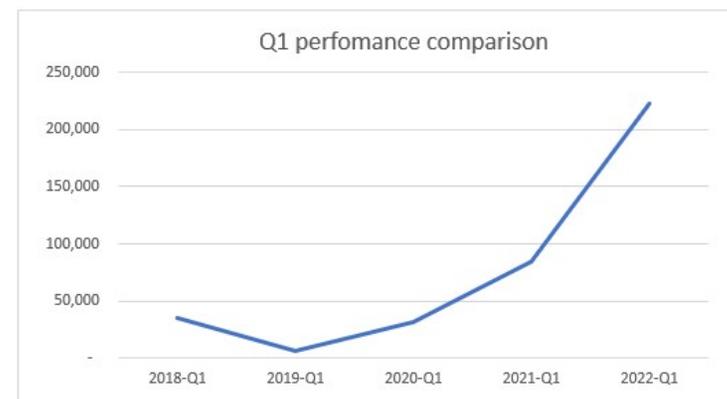
Some statements contained in this MD&A constitute "forward-looking statements" as is defined in applicable securities laws. These statements include, without limitation, the success of developing, manufacturing, and distributing new products and other similar statements concerning anticipated future 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.

OPERATING RESULTS

| | For the Quarter ended 31 March | | | |
|-----------------------------------|--------------------------------|------------------|-----------------|---------------|
| | 2022 | 2021 | Change | % |
| | \$ | \$ | \$ | |
| Revenue | 1,137,710 | 721,940 | 415,770 | 57.59 |
| Cost of sales | (670,014) | (488,886) | (181,128) | 37.05 |
| Gross profit | 467,696 | 233,054 | 234,642 | 100.68 |
| Other operating expenses | (9,310) | (5,159) | (4,151) | 80.46 |
| Expenses | | | | |
| General and administration | (96,089) | (68,478) | (27,611) | 40.32 |
| Selling and marketing | (53,235) | (40,867) | (12,368) | 30.26 |
| Total expenses | (149,324) | (109,345) | (39,978) | 36.56 |
| Earnings from operations | 309,061 | 118,550 | 190,512 | 160.70 |
| Finance cost | (3,304) | (311) | (2,993) | 962.38 |
| Earnings before taxation | 305,757 | 118,239 | 187,519 | 158.59 |
| Income tax expense | (82,755) | (33,995) | (48,760) | 143.43 |
| Earnings for the quarter | 223,002 | 84,244 | 138,759 | 164.71 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | 223,002 | 84,244 | 138,759 | 164.71 |



| Quarter | 2018-Q1 | 2019-Q1 | 2020-Q1 | 2021-Q1 | 2022-Q1 |
|--------------------------|---------|---------|---------|---------|---------|
| Earnings for the quarter | 34,573 | 6,644 | 31,181 | 84,244 | 223,002 |

Performance in the first quarter of 2022 increased the profitability by 165% as compared to quarter ended in 2021. Sales increased 58% as opposed to quarter ended in 2021 as a result of increases in demand of Nudura ICF and Bracing products.

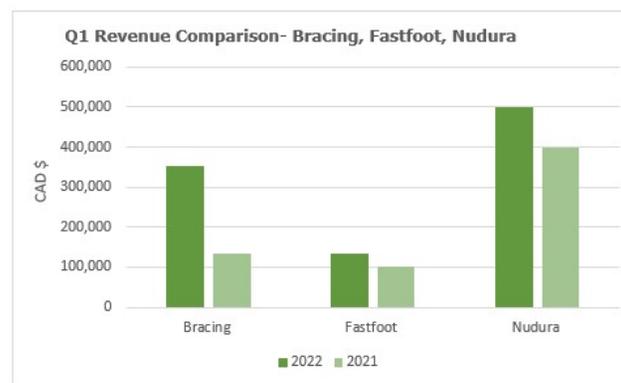
Annualized return on investment was 32.92%, as a result of an increase in net assets attributable to shareholders of only 8.23% at the end of the first quarter in 2022.

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended 31 March 2022

1. Analysis of Revenue by Product

| | For the quarter ended 31 March | | | |
|----------------------------|--------------------------------|----------------|----------------|--------------|
| | 2022 | 2021 | Change | % |
| | \$ | \$ | \$ | |
| Bracing | 351,183 | 134,413 | 216,770 | 161.27 |
| Fastfoot | 135,468 | 101,249 | 34,219 | 33.80 |
| Fast-Pad | 4,579 | 7,438 | (2,859) | (38.44) |
| Fast-Tube | 1,230 | 1,768 | (538) | (30.43) |
| Helix | 40,863 | 16,126 | 24,737 | 153.40 |
| ICF accessories | 34,170 | 24,448 | 9,722 | 39.77 |
| Monopour | 41,028 | 17,814 | 23,214 | 130.31 |
| Nudura | 500,904 | 398,721 | 102,183 | 25.63 |
| Rentals | 24,376 | 14,950 | 9,426 | 63.05 |
| Used bracing & accessories | 3,909 | 5,013 | (1,104) | (22.02) |
| | 1,137,710 | 721,940 | 415,770 | 57.59 |



Total sales in the first quarter increased 57% compared to 2021. Bracing sales increased 161%, Fastfoot 33% and Monopour 130%. Nudura increased by 26%. New customers entering the ICF market has increased demand for Zont bracing. Lead time for our shipping products was maintained at seven days. As our strategy on sales and marketing will remain same as last year, reasonable organic growth is expected in 2022 FY.

2. Analysis of Cost of Sales

| | For the quarter ended 31 March | | | |
|---|--------------------------------|----------------|----------------|--------------|
| | 2022 | 2021 | Change | % |
| | \$ | \$ | \$ | |
| Total direct product COGS | 652,105 | 473,218 | 178,887 | 37.80 |
| Indirect product COGS | | | | |
| Waste disposal | 341 | 325 | 16 | 4.92 |
| Packing materials | 801 | 493 | 308 | 62.47 |
| Depreciation - production equipment and tools | 512 | 619 | (107) | (17.29) |
| Warehouse lease rental | 10,787 | 9,793 | 994 | 10.15 |
| Variable overhead | 5,468 | 4,438 | 1,030 | 23.20 |
| Total indirect product COGS | 17,909 | 15,668 | 2,241 | 14.30 |
| | 670,014 | 488,886 | 181,128 | 37.05 |

The cost of sales increase of \$181,218 (37.8%) for this year’s quarter over 2021 was in line with the increase in sales of 57.6%. Total indirect costs was impacted minimally by the 14.3% increase in the cost of packaging and lease rental expenses.

MANAGEMENT DISCUSSION & ANALYSIS

For the quarter ended 31 March 2022

3. Analysis of Administration Expenses

| | For the quarter ended 31 March | | | |
|--------------------------------------|--------------------------------|---------------|---------------|--------------|
| | 2022 | 2021 | Change | % |
| | \$ | \$ | \$ | |
| Amortization & depreciation | 1,016 | 593 | 423 | 71.33 |
| Office rental amortisation | 5,711 | 5,213 | 498 | 9.55 |
| Patent & TM maintenance fees | - | 71 | (71) | (100.00) |
| Professional Fees | 6,429 | 6,664 | (235) | (3.53) |
| Pubco expenses | 3,385 | 2,728 | 657 | 24.08 |
| General expenses | 4,979 | 4,749 | 230 | 4.84 |
| Wages and benefits | 59,268 | 37,659 | 21,609 | 57.38 |
| Telecommunications & computers | 4,484 | 3,683 | 801 | 21.75 |
| Credit card processing fees | 10,719 | 6,529 | 4,190 | 64.18 |
| Provision for expected credit losses | 98 | 589 | (491) | (83.36) |
| Total administrative expenses | 96,089 | 68,478 | 27,611 | 40.32 |

Administration expenses were increased by 40% during the first quarter of this year compared to 2021. The increase was substantially due to the administrative wage increase given at the beginning of the year (performance increase and adjustment for inflation), and provision for employee bonus. Credit card processing fees increased by 64%, in line with the sales increase.

4. Analysis of Selling and Marketing Expenses

| | For the quarter ended 31 March | | | |
|--------------------------------------|--------------------------------|---------------|---------------|--------------|
| | 2022 | 2021 | Change | % |
| | \$ | \$ | \$ | |
| Bracing | 18,930 | 11,914 | 7,016 | 58.89 |
| Fastfoot | 11,853 | 8,234 | 3,619 | 43.96 |
| Fast-Pad | 711 | - | 711 | 100.00 |
| Fast-Tube | 339 | 163 | 176 | 107.98 |
| Helix | 317 | 1,148 | (831) | (72.39) |
| Monopolar | 3,306 | 2,058 | 1,248 | 60.64 |
| Nudura | 17,779 | 17,350 | 429 | 2.47 |
| Total selling & marketing | 53,235 | 40,867 | 12,368 | 30.26 |

Increase in selling and marketing cost is mainly attributable to increase in wages of sales and marketing department. Sales and Marketing strategy for all our products remained unchanged.

5. Liquidity, Cash Flow Position, and Going Concern

The Company generated \$415,442 from operating activities in the first quarter of 2022 compared with \$9,468 in 2021.

Cash and cash equivalents at the quarter end increased by \$349,164. Total cash and cash equivalents at the quarter end was \$1,864,951 compared to \$1,282,391 in 2021. The Company is 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.



BUILDING GREEN from the ground up

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

Approved

"Board of Directors"

26 May 2022

FAB-FORM INDUSTRIES LTD.
OTHER 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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www.steelfiberswest.com

