



FAB-FORM
Financial Statements
3rd Quarter 2018

REPORT TO OUR SHAREHOLDERS

Our cover shows a photo of one of our training seminars held on the last Friday of each month. Typically we have 50 contractors, architects and engineers in attendance. This is an excellent way of creating awareness for all our products in the Greater Vancouver market. In addition we bring in excellent guest speakers that provide a new perspective on green construction and how we can improve housing.

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
27 November 2018



Don Russell
Director
27 November 2018

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited

	Notes	30 Sep 2018	31 Dec 2017
ASSETS			
Current			
Cash	\$	582,632	\$ 352,312
Accounts receivable		399,383	270,447
Prepaid expenses and advances		41,945	44,879
Inventory		421,083	362,315
Total current assets		1,445,043	1,029,953
Property and equipment		94,750	47,472
Deferred development		5,458	2,213
Patents		5,621	5,450
		105,829	55,135
		\$ 1,550,872	\$ 1,085,088
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$	273,126	\$ 162,520
Accounts payable – related		100,701	128,900
Income tax payable		-	55,000
Private placement in process		-	184,885
Total current liabilities		373,827	531,305
SHAREHOLDERS' EQUITY			
Share capital		1,120,875	769,520
Surplus (deficit)		56,170	(215,737)
		1,177,045	553,783
		\$ 1,550,872	\$ 1,085,088

Approved and authorized by the Board 27 November 2018

"Richard Fearn"

_____, Director

"Don Russell"

_____, Director

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Third Quarter & Three Quarters 2018 and 2017, unaudited

	Notes	3 rd Quarter		Three quarters	
		2018	2017	2018	2017
Sales	3	\$ 780,554	\$ 650,546	\$ 2,211,361	\$ 1,792,697
Cost of sales	4	551,156	418,758	1,595,577	1,252,444
Gross profit		\$ 229,398	\$ 231,788	\$ 615,620	\$ 540,253
(Percent Gross Profit)		29.4%	34.5%	27.8%	27.7%
Administrative & selling expenses					
General and administrative expenses	5	42,715	36,788	120,762	101,100
Selling and marketing expenses	6	37,243	36,099	129,741	107,676
Interest expense		4,846	5,022	12,574	13,540
Wages and benefits		15,440	19,911	45,158	38,090
		100,244	97,820	308,235	260,406
Net ordinary income		\$ 129,153	\$ 133,968	\$ 307,549	\$ 279,847
Other expense					
Foreign exchange (gain) loss		1,712	3,368	(3,425)	5,731
Provision for corporate tax		27,464	-	53,157	-
Inventory write-off (recapture)		(15,144)	-	(14,091)	-
		14,032	3,368	35,641	5,731
Comprehensive income		\$ 115,122	\$ 130,600	\$ 271,908	\$ 274,116
Average shares outstanding					
Basic		8,500,698	7,797,988	8,500,698	7,797,988
Diluted					
Income (loss) per share					
Basic		0.014	0.016	0.032	0.034

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Three Quarters 2018 and 2017

	<i>Shares</i>		<i>Share capital</i>		<i>Deficit</i>		<i>Shareholders' equity</i>
Balance, 1 January 2017	7,797,988	\$	769,520	\$	(427,653)	\$	341,867
Comprehensive income	-		-		266,074		266,074
Balance, 30 September 2017	7,797,988	\$	769,520	\$	(161,579)	\$	607,941
Balance, 1 January 2018	7,797,988	\$	769,520	\$	(215,738)	\$	553,782
Private placement	702,710	\$	351,355		-		351,355
Comprehensive income	-		-		271,908		271,908
Balance, 30 September 2018	8,500,698	\$	1,120,875	\$	56,170	\$	1,177,045

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Third Quarter and Three Quarters, 2018 and 2017, unaudited

Cash provided by (used in)	Notes	3 rd Quarter		Three Quarters	
		2018	2017	2018	2017
Operations					
Income for period		\$ 115,112	\$ 123,089	\$ 271,908	\$ 266,074
Items not involving use of cash					
Amortization and depreciation		7,426	4,829	12,409	12,852
		122,548	127,918	284,317	278,926
Changes in non-cash working capital items					
Accounts receivable		41,123	206,927	(128,937)	(110,863)
Prepaid expenses and advances		9,687	9,625	2,934	(9,397)
Inventory		(52,063)	(181,219)	(58,803)	(43,140)
Accounts payable and accrued liabilities		(62,312)	(97,715)	(129,279)	(40,655)
Accounts payable - related		(3,272)	(15,816)	(28,200)	(13,748)
Current portion of long term debt		-	(1,634)	-	(4,357)
		\$ (66,835)	(79,832)	(342,284)	(222,160)
Investing					
Property and equipment		(7,645)	(2,552)	(63,067)	(7,274)
Patents		-	-	-	(230)
		\$ (7,645)	\$ (2,552)	(63,067)	\$ (7,504)
Financing					
Private placement		-	-	351,355	-
		\$ -	\$ -	351,355	\$ -
Increase in cash		48,068	45,185	230,320	49,262
Cash beginning of period		534,564	180,928	352,312	176,852
Cash end of period		\$ 582,632	\$ 226,114	582,632	\$ 226,114

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

30 September 2018 and 2017, unaudited

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. Basis of Presentation for Interim Period Reporting

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standard Board (IASB) and the interpretations issued by International Financial Reporting Interpretations Committee (IFRIC).

The same accounting policies and methods of computation were followed in the preparation of these interim consolidated financial statements as in the consolidated financial statements for the year ended 31 December 2017.

The disclosure contained in these interim consolidated financial statements is condensed and includes only selected explanatory notes and does not duplicate or repeat disclosure reported in the consolidated financial statements for the year ended 31 December 2017 that has not changed materially since their date of issue. Accordingly, these interim consolidated financial statements should only be read in conjunction with the consolidated financial statements of the company for the year ended 31 December 2017.

3. Product Sales (3rd Quarter)

	<u>Jul - Sep 18</u>	<u>Jul - Sep 17</u>	<u>Change</u>	<u>% Change</u>
Fastfoot	71,747	70,017	1,729	2.5%
Fastbag	2,860	7,230	-4,371	-60.5%
Fast-Tube	2,120	4,952	-2,832	-57.2%
Helix	89,784	46,471	43,313	93.2%
Sundry Income	27	198	-171	-86.2%
Shipping Recovery	0	-91	91	100.0%
Monopour	13,627	24,066	-10,440	-43.4%
Nudura	414,471	354,948	59,523	16.8%
Bracing	132,277	103,428	28,849	27.9%
Rentals	23,319	5,316	18,002	338.6%
ICF Accessories	30,324	34,011	-3,687	-10.8%
Total Sales	780,554	650,546	130,007	20.0%

FAB-FORM INDUSTRIES LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

30 September 2018 and 2017, unaudited

4. Cost of Sales (third quarter)

	<u>Jul - Sep 18</u>	<u>Jul - Sep 17</u>	<u>Change</u>	<u>% Change</u>
Total Direct Product COGS	545,259	403,642	141,617	35.1%
Indirect Product COGS				
Customer Delivery VanICF	-7,725	2,016	-9,741	-483.2%
Customer Delivery FBF	2,135	859	1,276	148.6%
Brokerage	-1,937	-188	-1,748	-928.9%
Packing Materials	0	140	-140	-100.0%
Amortization production equip.	2,102	1,900	202	10.6%
Production tools	82	829	-747	-90.1%
Production rental	8,801	7,322	1,479	20.2%
Variable Overhead	2,414	1,063	1,351	127.1%
Wages not allocated	25	1,177	-1,152	-97.9%
Total Indirect Product COGS	5,897	15,118	-9,221	-61.0%
Total Cost of Goods Sold	551,156	418,760	132,396	31.6%

5. General and administration

	<u>Jul - Sep 18</u>	<u>Jul - Sep 17</u>	<u>Change</u>	<u>% Change</u>
Amortization & Depreciation	1,074	2,162	-1,088	-50.3%
Occupancy	4,587	2,477	2,110	85.2%
Order, invoice processing	1,737	8	1,729	22,192.0%
Patent & TM Maintenance Fees	0	205	-205	-100.0%
Professional Fees	7,925	4,304	3,621	84.1%
Pubco	5,581	3,312	2,269	68.5%
General expenses	20,296	22,757	-2,461	-10.8%
Telecommunications	1,515	1,562	-48	-3.1%
Total Admin Expenses	42,715	36,788	5,927	16.1%

6. Selling and marketing

	<u>Jul - Sep 18</u>	<u>Jul - Sep 17</u>	<u>Change</u>	<u>% Change</u>
Total Selling & Marketing	37,243	36,099	1,144	3.2%

FAB-FORM INDUSTRIES LTD.

FURTHER INFORMATION

30 September 2018

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



Unit 19, 1610 Derwent Way
Delta, BC V3M 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.org