



FAB-FORM
Financials
2nd Quarter 2019

REPORT TO OUR SHAREHOLDERS

The cover is a photo from a commercial Fastfoot project located just south of Calgary Alberta. Our website features this project at www.fab-form.com/fastfootCom/corWorks.php. The contractor Cor-Works Concrete Construction Ltd. was very pleased with the performance of Fastfoot compared with cutting up ¾" plywood sheets and reinforcing them with 2x4 walers.

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
22 August 2019



Don Russell
Chief Financial Officer
22 August 2019

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited

	Notes	30 Jun 2019	31 Dec 2018
ASSETS			
Current			
Cash		\$ 892,152	\$ 500,968
Accounts receivable		370,263	344,718
Prepaid expenses and advances		57,044	67,274
Inventory		356,3337	424,269
Total current assets		1,675,796	1,337,229
Property and equipment		62,617	60,721
Capitalization of leases		141,863	-
Deferred development		8,185	6,840
Patents		4,951	5,119
		217,616	72,680
		\$ 1,893,412	\$ 1,409,909
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 379,616	\$ 65,366
Accounts payable – related		69,000	102,082
Total current liabilities		448,616	167,448 -
SHAREHOLDERS' EQUITY			
Share capital		1,120,875	1,120,875
Retained earnings		250,151	121,586
		1,371,026	1,242,461
		\$ 1,893,412	\$ 1,409,909

Approved and authorized by the Board 22 August 2019



Rick 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

2nd Quarter and 1st Half, 2019 and 2018, unaudited

	Notes	2 nd Quarter		1 st Half	
		2019	2018	2019	2018
Sales		\$ 1,020,627	\$ 921,266	\$ 1,392,006	\$ 1,430,807
Cost of sales		721,694	682,188	1,022,891	1,044,421
Gross profit		\$ 298,933	\$ 239,077	\$ 389,115	\$ 386,386
(Percent Gross Profit)		29.3%	19.6%	27.9%	25.3%
Administrative & selling expenses					
General and administrative expenses		66,433	40,367	116,333	78,047
Interest expense		5,314	5,424	8,253	7,727
Selling and marketing expenses		51,803	49,716	81,093	92,498
Wages and benefits		-	14,138	-	29,718
		123,550	109,645	205,679	207,991
Net ordinary income		\$ 175,383	\$ 129,432	\$ 183,436	\$ 178,395
Other expense					
Foreign exchange (gain) loss		(605)	(2,806)	(1,596)	(5,137)
Provision for corporate tax		50,718	9,600	53,118	25,693
Recovery of duties		(3,348)	-	(3,348)	-
Inventory write-off		-	-	1,053	1,053
		46,765	6,794	54,871	21,609
Comprehensive income		\$ 121,921	\$ 122,638	\$ 128,565	\$ 156,786
Average shares outstanding					
Basic		8,822,065	8,500,698	8,822,065	8,500,698
Income per share					
Basic		0.014	0.014	.015	.018

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

First Half 2019 and 2018

	<i>Shares</i>	<i>Share capital</i>	<i>Deficit</i>	<i>Shareholders' equity</i>
Balance, 1 January 2018	8,119,355	\$ 769,520	\$ (215,738)	\$ 553,782
Private placement	702,710	351,355		351,355
Comprehensive income	-	-	156,786	156,786
Balance, 30 June 2018	8,822,065	\$ 1,120,875	\$ (58,952)	\$ 1,061,923
Balance, 1 January 2019	8,822,065	\$ 1,120,875	\$ 121,586	\$ 1,242,461
Comprehensive income	-	-	128,565	128,565
Balance, 30 June 2019	8,822,065	\$ 1,120,875	\$ 250,151	\$ 1,371,026

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Periods ended 30 June, unaudited

Cash provided by (used in)	Notes	2 nd Quarter		1 st Half	
		2019	2018	2019	2018
Operations					
Income for period		\$ 121,921	\$ 122,638	\$ 128,565	\$ 156,786
Items not involving use of cash					
Amortization and depreciation		4,515	4,267	7,806	7,567
		126,436	126,905	136,371	164,353
Changes in non-cash working capital items					
Accounts receivable		(241,467)	(89,825)	(25,545)	(170,060)
Prepaid expenses and advances		4,673	(2,940)	10,230	(6,753)
Inventory		125,743	(29,848)	67,932	(42,015)
Accounts payable and accrued liabilities		142,911	62,679	296,645	117,918
Accounts payable - related		(9,567)	(10,952)	(15,476)	(24,928)
		\$ 22,293	(70,886)	\$ 333,786	(125,839)
Financing					
Private placement in progress		-	-	-	(184,885)
Long term lease liability		(17,023)	-	73,769	-
Private placement		-	-	-	351,355
		\$ (17,023)	\$ -	\$ 73,769	\$ 166,470
Investing					
Property and equipment		(1,445)	(12,433)	(10,880)	(22,733)
Capitalization of leases		17,023	-	(141,863)	-
Patents		-	-	-	-
		\$ (15,578)	\$ (12,433)	\$ (152,743)	\$ (22,733)
Increase (decrease) in cash		147,283	46,870	391,183	182,252
Cash beginning of period		744,869	487,693	500,968	352,312
Cash end of period		\$ 892,152	\$ 534,564	\$ 892,152	\$ 534,564

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Second quarter 2019, 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. 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 2018.

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 2018 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 2018.

3. Product Sales

	Apr - Jun 19	Apr - Jun 18	Change	% Change
Fastfoot	91,687	77,737	13,950	17.9%
Fast-Tube	6,738	6,065	673	11.1%
Helix	86,004	77,013	8,992	11.7%
Sundry Income	336	198	138	69.6%
Monopour	20,013	14,530	5,483	37.7%
Nudura	571,197	545,802	25,395	4.7%
Rentals	25,297	19,017	6,280	33.0%
Bracing	173,259	120,866	52,393	43.3%
ICF Accessories	43,382	54,211	-10,829	-20.0%
Used bracing & accessories	2,714	5,826	-3,112	-53.4%
Total Sales	<u>1,020,627</u>	<u>921,266</u>	<u>99,361</u>	<u>10.8%</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*Second quarter 2019, unaudited***5. Cost of Sales**

	<u>Apr - Jun 19</u>	<u>Apr - Jun 18</u>	<u>Change</u>	<u>% Change</u>
Total Direct Product COGS	706,577	667,296	39,282	5.9%
Indirect Product COGS				
Packing materials	1,320	1,384	-64	-4.6%
Amortization production equip.	2,160	2,195	-35	-1.6%
Production tools	10	133	-122	-92.3%
Production rental	9,453	8,296	1,157	13.9%
Variable Overhead	2,173	3,315	-1,142	-34.4%
Product testing	0	-798	798	100.0%
Total Indirect Product COGS	<u>15,117</u>	<u>14,525</u>	<u>592</u>	<u>4.1%</u>
Total COGS	<u>721,694</u>	<u>681,821</u>	<u>39,874</u>	<u>5.8%</u>

6. General and administration

	<u>Apr - Jun 19</u>	<u>Apr - Jun 18</u>	<u>Change</u>	<u>% Change</u>
Amortization & Depreciation	771	2,192	-1,421	-64.8%
Occupancy	5,111	3,331	1,780	53.4%
Patent & TM Maintenance Fees	71	0	71	100.0%
Professional Fees	8,205	5,803	2,402	41.4%
Pubco	4,433	5,328	-896	-16.8%
General expenses	6,717	5,193	1,524	29.3%
Wages and benefits	36,420	27,074	9,346	34.5%
Telecommunications & computers	4,705	5,583	-878	-15.7%
Total Admin Expenses	<u>66,433</u>	<u>54,505</u>	<u>11,928</u>	<u>21.9%</u>

7. Selling and marketing

	<u>Apr - Jun 19</u>	<u>Apr - Jun 18</u>	<u>Change</u>	<u>% Change</u>
Fastfoot	5,075	8,585	-3,510	-40.9%
Monopour	616	1,523	-907	-59.5%
Bracing	11,822	11,589	232	2.0%
Helix	246	6,126	-5,880	-96.0%
Nudura	31,478	18,585	12,893	69.4%
Fast-Tube	1,915	2,582	-667	-25.8%
Other	650	835	-185	-22.1%
Total Selling & Marketing	<u>51,803</u>	<u>49,826</u>	<u>1,977</u>	<u>4.0%</u>

FAB-FORM INDUSTRIES LTD.

FURTHER INFORMATION

Unaudited statements

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