



FAB-FORM
Financial Statements
2020 1st Quarter

REPORT TO OUR SHAREHOLDERS

The cover is a photo of an ICF building located in the state of Arizona USA which used our Zont bracing system. While there is nothing unusual about our bracing system being used on an ICF structure, what is unique is the use of the project in our social media marketing campaign. The builder "Handeeman" has 162,000 subscribers and 490 YouTube videos. To see his latest video pouring the second floor walls, go to:

https://www.youtube.com/watch?v=hTtarBq_krE

Typically a magazine such as "Concrete Construction" has around 25,000 subscribers and readers take a quick glance through the magazine before tossing it in the recycle bin. Cost for half a page is about \$6,000. When watching a video there is real engagement by the viewer. We now carefully measure the response and return we get from each and every marketing campaign.

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
20 May 2020



Don Russell
Chief Financial Officer
20 May 2020

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

31 March, Unaudited

	Notes	31 Mar 2020	31 Dec 2019
ASSETS			
Current			
Cash		\$ 933,408	\$ 878,154
Accounts receivable		219,462	252,801
Prepaid expenses and advances		61,056	44,292
Inventory		430,993	527,949
Total current assets		1,644,859	1,703,196
Right of use assets		129,944	153,818
Property and equipment		66,210	74,888
Deferred development		10,024	9,378
Patents		4,349	4,427
		210,527	242,511
		\$ 1,855,386	\$ 1,945,707
LIABILITIES			
Current			
Accounts payable		\$ 105,263	\$ 202,890
Lease liability		72,552	96,427
Total current liabilities		177,815	299,317
Lease liability		57,392	57,392
SHAREHOLDERS' EQUITY			
Share capital		1,120,875	1,120,875
Surplus		499,304	468,123
		1,620,179	1,588,998
		\$ 1,855,386	\$ 1,945,707

Approved and authorized by the Board 20 May 2020

"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, unaudited

	<u>Jan - Mar 20</u>	<u>Jan - Mar 19</u>	<u>Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
Sales	318,493	371,379	-52,886	-14.2%
Total Income	318,493	371,379	-52,886	-14.2%
Cost of Goods Sold				
Direct Product COGS	206,449	266,583	-60,134	-22.6%
Indirect Product COGS	15,493	14,614	879	6.0%
Total COGS	221,942	281,197	-59,255	-21.1%
Gross Profit	96,551	90,182	6,369	7.1%
Expense				
Admin Expenses	49,209	49,900	-691	-1.4%
Interest Expense	2,869	2,939	-70	-2.4%
Selling & Marketing	47,888	29,290	18,598	63.5%
Total Expense	99,966	82,129	17,837	21.7%
Net Ordinary Income	-3,415	8,053	-11,468	-142.4%
Other Income/Expense				
Other Expense				
Forex (gain) loss	-34,596	-991	-33,605	-3,390.8%
Provision for corporate tax	0	2,400	-2,400	-100.0%
Total Other Expense	-34,596	1,409	-36,005	-2,555.5%
Net Other Income	34,596	-1,409	36,005	2,555.5%
Net Income	31,181	6,644	24,537	369.3%

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

First quarter 2020 and 2019

	<i>Shares</i>		<i>Share capital</i>		<i>Surplus</i>		<i>Shareholders' equity</i>
Balance, 31 December 2018	8,822,065	\$	1,120,875	\$	121,586	\$	1,242,461
Comprehensive income	-		-		6,644		6,644
Balance, 31 March 2019	8,822,065	\$	1,120,875	\$	128,230	\$	1,249,105
Balance, 31 December 2019	8,822,055	\$	1,120,875	\$	468,123	\$	1,588,998
Comprehensive income	-		-		31,181		31,181
Balance, 31 March 2020	8,822,055	\$	1,120,875	\$	499,304	\$	1,620,179

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

First quarter, unaudited

	<u>Jan - Mar 20</u>	<u>Jan - Mar 19</u>
Operations		
Net Income	31,181	6,644
Amortization	(43,534)	3,903
	(12,353)	10,547
Changes in non-cash working capital items		
Accounts Receivable	33,340	215,922
Inventory	95,340	(57,811)
Prepaid Expenses & Advances	(16,765)	5,557
Accounts Payable	(95,994)	158,572
Accounts Payable - related	(194)	(10,747)
Lease liability, short term	(23,875)	-
	(7,911)	311,494
Cash provided by operating activities	(20,264)	322,041
Investing		
Property and equipment	52,778	(10,046)
Right of use assets	23,875	(68,094)
Product development	(1,135)	
	75,518	(78,140)
Increase in cash	55,254	243,900
Cash at beginning of period	878,154	500,968
Cash at end of period	933,408	744,869

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 March 2019 and 2018, 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. 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 2019 audited annual consolidated financial statements and the notes to said statements.

These Interim Statements are based on the IFRS issued and effective as of 20 May 2020, 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.

FAB-FORM INDUSTRIES LTD.

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:

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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.com