

Fab-Form Announces \$500,000 Private Placement

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DELTA, BC - 31st October 2017 (NEWSFILE WIRE)

Fab-Form Industries Ltd. ("Fab-Form" or the "Company") (TSX-V: FBF) is pleased to announce its intention to complete a non-brokered private placement of up to 1,000,000 units of the Company (the "Units") at a subscription price of \$0.50 per Unit for aggregate gross proceeds of up to \$500,000 (the "Private Placement"). Each Unit will consist of one common share of the Company (each, a "Common Share").

All securities issued will be subject to a hold period that expires four months and a day from the closing date in accordance with the rules and policies of the TSX Venture Exchange (the "TSXV") and applicable Canadian securities laws.

The net proceeds of the Private Placement will be used for the following:

- **ZAT Bracket:** This patent pending bracket provides a rapid and cost-effective walkway for all ICF structures. Proceeds will be used for product development, OSHA testing and market development.
- **Monopour Prefab:** This patented system allows the foundation and footing to be pre-manufactured and delivered onsite for greater accuracy and cost effectiveness over site built foundations. Proceeds will be used to rationalize the production process as well as develop systems and documentation necessary to franchise Monopour Prefab to truss manufacturers across North America.
- **Fast-Tube Clear:** This product is used to form concrete columns using fabric. Fast-Tube folds flat and takes up only 1% of the



FAB-FORM
MD&A
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MD&A TO OUR SHAREHOLDERS

The cover shows an image of our recent announcement on the 31st October of a private placement of \$500,000 or 1,000,000 common shares. This announcement is exciting for us as it is the first time in nine years that we have gone to the public market for funding. Our website is undergoing a revision to show our customers and potential investors that we a public company with excellent potential and opportunity for growth and profitability. Indeed we are the only public company that allows investors to participate in this sector of the green construction market.

As always, thank you Board Members, Employees, Shareholders, and progressive Dealers and Contractors for your continued support and commitment to our sustainable products.

The Company's independent auditors have neither reviewed nor audited these Consolidated Financial Statements.

Sincerely



Richard Fearn
President and CEO
20 November 2017



Herb Bentz
Chief Financial Officer
20 November 2017

MANAGEMENT DISCUSSION & ANALYSIS

3rd Quarter 2017

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 consolidated audited financial statements for the year 2016 and accompanying notes. The results reported therein 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; they are not guarantees of 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. All 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 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 market. The Company has traded on the TSX Venture Exchange ("TSX-V" under the symbol FBF) since 2000.

INTERIM MD&A REPORTING

The reader should refer to our interim consolidated financial statements for the three-month period ended 30 September 2017 and our consolidated financial statements for the year ended 31 December 2016 while reading this discussion. The reader should also refer to the MD&A in our 2016 Annual Report as any MD&A information that has not changed materially since year end is not repeated here.

FAB-FORM INDUSTRIES LTD.
MANAGEMENT DISCUSSION & ANALYSIS
3^d Quarter 2017

OPERATING RESULTS

1. Profit & Loss, Third Quarter

	<u>Jul - Sep 17</u>	<u>Jul - Sep 16</u>	<u>Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
Sales	<u>650,546</u>	<u>528,475</u>	<u>122,071</u>	<u>23.1%</u>
Total Income	<u>650,546</u>	<u>528,475</u>	<u>122,071</u>	<u>23.1%</u>
Cost of Goods Sold				
Cost of Goods Sold	<u>426,270</u>	<u>372,477</u>	<u>53,793</u>	<u>14.4%</u>
Total COGS	<u>426,270</u>	<u>372,477</u>	<u>53,793</u>	<u>14.4%</u>
Gross Profit	<u>224,277</u>	<u>155,998</u>	<u>68,278</u>	<u>43.8%</u>
<i>Gross Margin</i>	<i>34.5%</i>	<i>29.5%</i>		
Expense				
Admin Expenses	<u>36,788</u>	<u>28,673</u>	<u>8,115</u>	<u>28.3%</u>
Marketing Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
Selling & Marketing	<u>36,099</u>	<u>35,799</u>	<u>300</u>	<u>0.8%</u>
Interest Expense	<u>5,022</u>	<u>5,836</u>	<u>-815</u>	<u>-14.0%</u>
Wages & Benefits	<u>19,911</u>	<u>6,396</u>	<u>13,515</u>	<u>211.3%</u>
Total Expense	<u>97,820</u>	<u>76,705</u>	<u>21,116</u>	<u>27.5%</u>
Net Ordinary Income	<u>126,456</u>	<u>79,294</u>	<u>47,163</u>	<u>59.5%</u>
Other Income/Expense				
Other Expense				
Forex (gain) loss	<u>3,367</u>	<u>-1,160</u>	<u>4,527</u>	<u>390.4%</u>
Total Other Expense	<u>3,367</u>	<u>-1,160</u>	<u>4,527</u>	<u>390.4%</u>
Net Other Income	<u>-3,367</u>	<u>1,160</u>	<u>-4,527</u>	<u>-390.4%</u>
Net Income	<u>123,089</u>	<u>80,453</u>	<u>42,636</u>	<u>53.0%</u>

Sales in the third quarter of 2017 increased 23.1% over the third quarter of 2016 due to increased sales in our local market as well as across North America. Gross profit increase to 34.5% from 29.5% due to higher proprietary product sales in 2017.

Comprehensive income for the third quarter of 2017 was \$123,089, an 53.0% increase over 2016's \$80,453. The increase was due to higher sales and higher gross margins.

2. Product Sales, Third Quarter

	<u>Jul - Sep 17</u>	<u>Jul - Sep 16</u>	<u>Change</u>	<u>% Change</u>
Fastbag	<u>7,230</u>	<u>733</u>	<u>6,498</u>	<u>886.9%</u>
Fastfoot	<u>70,017</u>	<u>53,859</u>	<u>16,159</u>	<u>30.0%</u>
Fast-Tube	<u>4,952</u>	<u>2,811</u>	<u>2,141</u>	<u>76.2%</u>
Helix	<u>46,471</u>	<u>48,265</u>	<u>-1,794</u>	<u>-3.7%</u>
Sundry	<u>107</u>	<u>290</u>	<u>-183</u>	<u>-63.1%</u>
Monopour	<u>24,114</u>	<u>19,861</u>	<u>4,253</u>	<u>21.4%</u>
Nudura	<u>354,948</u>	<u>264,365</u>	<u>90,583</u>	<u>34.3%</u>
Bracing	<u>108,697</u>	<u>115,246</u>	<u>-6,550</u>	<u>-5.7%</u>
Accessories	<u>34,011</u>	<u>23,046</u>	<u>10,964</u>	<u>47.6%</u>
Total Sales	<u>650,546</u>	<u>528,475</u>	<u>122,071</u>	<u>23.1%</u>

Fastfoot, Nudura and ICF accessories all achieved strong growth in the third quarter of 2017 over 2016. Overall sales increased 23.1% over the previous years quarter.

MANAGEMENT DISCUSSION & ANALYSIS

3^d Quarter 2017**3. Cost of Sales, Second Quarter**

	<u>Jul - Sep 17</u>	<u>Jul - Sep 16</u>	<u>Change</u>	<u>% Change</u>
Total Direct Product COGS	411,152	353,318	57,834	16.4%
Indirect Product COGS				
Packing Materials	140	710	-570	-80.2%
Customer Delivery VanICF	2,016	893	1,123	125.7%
Brokerage	-188	2,097	-2,285	-109.0%
Amortization production equipment	1,900	1,866	34	1.8%
Production tools	829	14	814	5,793.0%
Production rental	7,322	7,259	63	0.9%
Variable Overhead	1,063	1,192	-129	-10.8%
Wages not allocated	1,177	2,712	-1,535	-56.6%
Customer Delivery FBF	856	2,415	-1,559	-64.5%
Total Indirect Product COGS	15,115	19,159	-4,044	-21.1%
Total Cost of Goods Sold	426,270	372,477	53,793	14.4%

Total direct product cost of goods sold was lower than rate of sales (16.4% vs. 23.1%) resulting in higher gross margins. Indirect product cost of goods was in line with the level of sales increase (21.1% vs. 21.3%) showing control over production expenses.

4. General and Administration, Second Quarter

	<u>Jul - Sep 17</u>	<u>Jul - Sep 16</u>	<u>Change</u>	<u>% Change</u>
Amortization & Depreciation	2,162	2,451	-289	-11.8%
Occupancy	2,477	2,706	-228	-8.4%
Order processing	8	0	8	100.0%
Patent & TM Maintenance Fees	205	205	0	0.0%
Professional Fees	4,304	6,217	-1,913	-30.8%
Pubco	3,312	3,095	217	7.0%
General expenses	22,757	11,947	10,811	90.5%
Management Fees	0	320	-320	-100.0%
Telecommunications	1,562	1,732	-170	-9.8%
Total Admin Expenses	36,788	28,673	8,115	28.3%

General and administration expenses increased 28.3% in the third quarter of 2017 slightly higher than the level of sales growth.

5. Selling and Marketing

	<u>Jul - Sep 17</u>	<u>Jul - Sep 16</u>	<u>Change</u>	<u>% Change</u>
Total Selling & Marketing	36,099	35,799	300	0.8%

Selling and marketing expenses showed no increase over the same period in 2016.

6. Private Placement

On 31 October 2017 Fab-Form announced its private placement to raise funds for the following:

- Purchase of equipment for the manufacture of modular foundation components;
- Provision of marketing, sales materials for the new products;
- Provide shares for employees so that they can participate in our growth;
- Provide additional working capital to finance this rapid growth.

If you are interested in participating, please contact Rick Fearn, CEO, (604)596-3278, extension 101 or email rick@fab-form.com.

MANAGEMENT DISCUSSION & ANALYSIS

3^d Quarter 2017

i) SELECTED QUARTERLY FINANCIAL SUMMARY

The following table provides selected quarterly financial information derived from the Company's financial statements for each of the eight recently completed quarters.

	2017				2016		2015	
	<i>3rd Qtr</i>	<i>2nd Qtr</i>	<i>1st Qtr</i>	<i>4th Qtr</i>	<i>3rd Qtr</i>	<i>2nd Qtr</i>	<i>1st Qtr</i>	<i>4th Qtr</i>
Revenues	650,546	758,441	383,710	331,970	528,475	462,199	374,385	322,619
Net Income (loss)	123,089	104,019	39,485	30,885	80,453	61,285	41,772	(18917)
Shares outstanding (diluted)	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988
Income (loss) per diluted share	0.0158	0.0133	0.0051	0.0040	0.0103	0.0079	0.0054	(0.0024)

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

Approved

"Board of Directors"

20 November 2017

FAB-FORM INDUSTRIES LTD.
FURTHER 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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Shareholders and interested investors should visit:

www.fab-form.com/investor/overview.php
www.vancouvericf.com
www.helixwest.com
www.icf-expo.com