



***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	<b>30 Sep 2018</b>	31 Dec 2017
<b>ASSETS</b>			
<b>Current</b>			
Cash	\$	<b>582,632</b>	\$ 352,312
Accounts receivable		<b>399,383</b>	270,447
Prepaid expenses and advances		<b>41,945</b>	44,879
Inventory		<b>421,083</b>	362,315
<b>Total current assets</b>		<b>1,445,043</b>	1,029,953
<b>Property and equipment</b>		<b>94,750</b>	47,472
<b>Deferred development</b>		<b>5,458</b>	2,213
<b>Patents</b>		<b>5,621</b>	5,450
		<b>105,829</b>	55,135
		<b>\$ 1,550,872</b>	\$ 1,085,088
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$	<b>273,126</b>	\$ 162,520
Accounts payable – related		<b>100,701</b>	128,900
Income tax payable		-	55,000
Private placement in process		-	184,885
<b>Total current liabilities</b>		<b>373,827</b>	531,305
<b>SHAREHOLDERS' EQUITY</b>			
<b>Share capital</b>		<b>1,120,875</b>	769,520
<b>Surplus (deficit)</b>		<b>56,170</b>	(215,737)
		<b>1,177,045</b>	553,783
		<b>\$ 1,550,872</b>	\$ 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 <sup>rd</sup> Quarter		Three quarters	
		2018	2017	2018	2017
<b>Sales</b>	3	\$ <b>780,554</b>	\$ 650,546	\$ <b>2,211,361</b>	\$ 1,792,697
<b>Cost of sales</b>	4	<b>551,156</b>	418,758	<b>1,595,577</b>	1,252,444
<b>Gross profit</b>		\$ <b>229,398</b>	\$ 231,788	\$ <b>615,620</b>	\$ 540,253
(Percent Gross Profit)		<b>29.4%</b>	34.5%	<b>27.8%</b>	27.7%
<b>Administrative &amp; selling expenses</b>					
General and administrative expenses	5	<b>42,715</b>	36,788	<b>120,762</b>	101,100
Selling and marketing expenses	6	<b>37,243</b>	36,099	<b>129,741</b>	107,676
Interest expense		<b>4,846</b>	5,022	<b>12,574</b>	13,540
Wages and benefits		<b>15,440</b>	19,911	<b>45,158</b>	38,090
		<b>100,244</b>	97,820	<b>308,235</b>	260,406
<b>Net ordinary income</b>		\$ <b>129,153</b>	\$ 133,968	\$ <b>307,549</b>	\$ 279,847
<b>Other expense</b>					
Foreign exchange (gain) loss		<b>1,712</b>	3,368	<b>(3,425)</b>	5,731
Provision for corporate tax		<b>27,464</b>	-	<b>53,157</b>	-
Inventory write-off (recapture)		<b>(15,144)</b>	-	<b>(14,091)</b>	-
		<b>14,032</b>	3,368	<b>35,641</b>	5,731
<b>Comprehensive income</b>		\$ <b>115,122</b>	\$ 130,600	\$ <b>271,908</b>	\$ 274,116
<b>Average shares outstanding</b>					
Basic		<b>8,500,698</b>	7,797,988	<b>8,500,698</b>	7,797,988
Diluted					
<b>Income (loss) per share</b>					
Basic		<b>0.014</b>	0.016	<b>0.032</b>	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 <sup>rd</sup> Quarter		Three Quarters	
		2018	2017	2018	2017
<b>Operations</b>					
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
		<b>122,548</b>	127,918	<b>284,317</b>	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)
		<b>\$ (66,835)</b>	(79,832)	<b>(342,284)</b>	(222,160)
<b>Investing</b>					
Property and equipment		(7,645)	(2,552)	(63,067)	(7,274)
Patents		-	-	-	(230)
		<b>\$ (7,645)</b>	\$ (2,552)	<b>(63,067)</b>	\$ (7,504)
<b>Financing</b>					
Private placement		-	-	351,355	-
		<b>\$ -</b>	\$ -	<b>351,355</b>	\$ -
<b>Increase in cash</b>		<b>48,068</b>	45,185	<b>230,320</b>	49,262
<b>Cash beginning of period</b>		<b>534,564</b>	180,928	<b>352,312</b>	176,852
<b>Cash end of period</b>		<b>\$ 582,632</b>	\$ 226,114	<b>582,632</b>	\$ 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 (3<sup>rd</sup> Quarter)**

	<u>Jul - Sep 18</u>	<u>Jul - Sep 17</u>	<u>Change</u>	<u>% Change</u>
<b>Fastfoot</b>	<b>71,747</b>	70,017	1,729	2.5%
<b>Fastbag</b>	<b>2,860</b>	7,230	-4,371	-60.5%
<b>Fast-Tube</b>	<b>2,120</b>	4,952	-2,832	-57.2%
<b>Helix</b>	<b>89,784</b>	46,471	43,313	93.2%
<b>Sundry Income</b>	<b>27</b>	198	-171	-86.2%
<b>Shipping Recovery</b>	<b>0</b>	-91	91	100.0%
<b>Monopour</b>	<b>13,627</b>	24,066	-10,440	-43.4%
<b>Nudura</b>	<b>414,471</b>	354,948	59,523	16.8%
<b>Bracing</b>	<b>132,277</b>	103,428	28,849	27.9%
<b>Rentals</b>	<b>23,319</b>	5,316	18,002	338.6%
<b>ICF Accessories</b>	<b>30,324</b>	34,011	-3,687	-10.8%
<b>Total Sales</b>	<b>780,554</b>	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>
<b>Total Direct Product COGS</b>	<b>545,259</b>	403,642	141,617	35.1%
<b>Indirect Product COGS</b>				
<b>Customer Delivery VanICF</b>	<b>-7,725</b>	2,016	-9,741	-483.2%
<b>Customer Delivery FBF</b>	<b>2,135</b>	859	1,276	148.6%
<b>Brokerage</b>	<b>-1,937</b>	-188	-1,748	-928.9%
<b>Packing Materials</b>	<b>0</b>	140	-140	-100.0%
<b>Amortization production equip.</b>	<b>2,102</b>	1,900	202	10.6%
<b>Production tools</b>	<b>82</b>	829	-747	-90.1%
<b>Production rental</b>	<b>8,801</b>	7,322	1,479	20.2%
<b>Variable Overhead</b>	<b>2,414</b>	1,063	1,351	127.1%
<b>Wages not allocated</b>	<b>25</b>	1,177	-1,152	-97.9%
<b>Total Indirect Product COGS</b>	<b>5,897</b>	15,118	-9,221	-61.0%
<b>Total Cost of Goods Sold</b>	<b>551,156</b>	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>
<b>Amortization &amp; Depreciation</b>	<b>1,074</b>	2,162	-1,088	-50.3%
<b>Occupancy</b>	<b>4,587</b>	2,477	2,110	85.2%
<b>Order, invoice processing</b>	<b>1,737</b>	8	1,729	22,192.0%
<b>Patent &amp; TM Maintenance Fees</b>	<b>0</b>	205	-205	-100.0%
<b>Professional Fees</b>	<b>7,925</b>	4,304	3,621	84.1%
<b>Pubco</b>	<b>5,581</b>	3,312	2,269	68.5%
<b>General expenses</b>	<b>20,296</b>	22,757	-2,461	-10.8%
<b>Telecommunications</b>	<b>1,515</b>	1,562	-48	-3.1%
<b>Total Admin Expenses</b>	<b>42,715</b>	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>
<b>Total Selling &amp; Marketing</b>	<b>37,243</b>	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".*

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Shareholders and interested investors should visit:

[www.fab-form.com/investor/overview.php](http://www.fab-form.com/investor/overview.php)  
[www.vancouvericf.com](http://www.vancouvericf.com)  
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