

**HELIX WEST**

OVERVIEW ADVANTAGES TECHNICAL MIXING FINISHING PROJECTS ABOUT CONTACT



**HANDS ON TRAINING**  
**Nudura ICF**  
**ICF Monopour**  
**Zont ICF Bracing**  
**Helix Micro Rebar**  
**Concrete Mix Design**

*Net proceeds to:*  
 **Habitat for Humanity**  
Greater Vancouver

**FAB-FORM**  
**2015 1st Quarter**  
**MD & A**

## MD&A TO OUR SHAREHOLDERS

The cover is a screenprint of our current home page for the Helix West website, highlighting our recent training seminar where over 100 people were in attendance. For more information on Helix®, please go to [www.helixwest.com](http://www.helixwest.com).

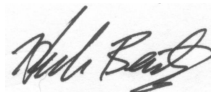
As always, thank you Board Members, Shareholders, and progressive Dealers and Contractors for your continued support and commitment.

Sincerely



Richard Fearn  
President and CEO

15 May 2015



Herb Bentz  
Chief Financial Officer

15 May 2015

## MANAGEMENT DISCUSSION & ANALYSIS

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 interim consolidated unaudited financial statements for the first quarter of 2015 and accompanying notes. The results reported herein 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](http://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 a number of 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 is a Canadian manufacturing company which develops, manufactures and distributes products for the concrete forming industry around the world. The Company's objective is to identify patentable technology in concrete forming, develop, manufacture products and distribute them to world markets. The Company is currently selling products in North America. The Company is a reporting issuer in Alberta and British Columbia, and trades on the TSX Venture Exchange under the symbol "FBF".

### INTERIM MD&A REPORTING

The reader should refer to our interim consolidated financial statements for the three month period ended 31 March 2015 and our consolidated financial statements for the year ended 31 December 2014 while reading this discussion. The reader should also refer to the MD&A in our 2014 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

OPERATING RESULTS

**1. Discussion of Operations and Financial Condition**

	<b>Jan - Mar 15</b>	<b>Jan - Mar 14</b>	<b>Change</b>	<b>% Change</b>
<b>Sales</b>	124,133	64,071	60,062	94%
<b>Direct Product COGS</b>	57,568	27,965	29,603	106%
<b>Indirect Product COGS</b>	13,382	14,802	-1,420	-10%
<b>Cost of Goods Sold</b>	70,950	42,768	28,183	66%
<b>Gross Profit</b>	53,183	21,303	31,879	150%
<b>Administrative Expenses</b>	20,634	20,745	-111	-1%
<b>Interest Expense</b>	3,988	3,889	99	2.55%
<b>Marketing Expenses</b>	13,469	4,176	9,294	223%
<b>Total Expense</b>	38,091	28,809	9,282	32.22%
<b>Net Ordinary Income</b>	15,091	-7,506	22,597	301%
<b>Forex (gain) loss</b>	-5,444	-2,255	-3,189	-141%
<b>Comprehensive Income</b>	<b>20,536</b>	<b>-5,251</b>	<b>25,786</b>	<b>491%</b>

In the first quarter of 2015 sales continued their upward trend with gross sales 94% higher than the previous year. As the first quarter of the year is traditionally a quiet one in the foundation industry, this increase bodes well for the balance of the year. Comprehensive income increased 491% to \$20,536 from a loss of \$5,251 the previous year.

Working capital at the end of the first quarter improved to \$76,245 from \$16,662 at the end of the first quarter of 2014. When shareholder loans are removed from payables, the values are \$130,637 and \$71,054 respectively.

**2. Product Sales**

	<b>Jan - Mar 15</b>	<b>Jan - Mar 14</b>	<b>Change</b>	<b>% Change</b>
<b>Fastbag®</b>	<b>951</b>	1,575	-625	-40%
<b>Fastfoot®</b>	<b>20,777</b>	24,932	-4,155	-17%
<b>Fast-Tube™</b>	<b>897</b>	1,025	-128	-12%
<b>Helix®</b>	<b>13,017</b>	3,004	10,013	333%
<b>Sundry Income</b>	<b>67</b>	198	-131	-66%
<b>Marketing Material</b>	<b>237</b>	0	237	100%
<b>Monopour</b>	<b>25,709</b>	996	24,714	2,482%
<b>ICF</b>	<b>5,288</b>	1,004	4,283	427%
<b>Zont™</b>	<b>37,303</b>	19,675	17,628	90%
<b>Zuckle™</b>	<b>19,886</b>	11,661	8,224	71%
<b>Total</b>	<b>124,133</b>	64,071	60,062	94%

In the first quarter of 2015 Helix®, Monopour and ICF products all showed triple digit growth over 2014.

FAB-FORM INDUSTRIES LTD.  
MANAGEMENT DISCUSSION & ANALYSIS

### 3. Cost of Sales

	Jan - Mar 15	Jan - Mar 14	Change	% Change
<b>Total Direct Product COGS</b>	<b>57,568</b>	27,965	29,603	106%
<i>Gross margins before indirect costs</i>	<i>46%</i>	<i>44%</i>	<i>2%</i>	<i>5%</i>
<b>Indirect Product COGS</b>				
<b>Amortization Production Equipment</b>	<b>4,933</b>	5,415	2,479	101%
<b>Production tools</b>	<b>531</b>	64	467	731%
<b>Production rental</b>	<b>7,298</b>	7,941	-643	-8%
<b>Variable Overhead</b>	<b>1,031</b>	709	322	45%
<b>Customer Delivery Costs</b>	<b>-411</b>	674	-1,084	-161%
<b>Total Indirect Product COGS</b>	<b>13,382</b>	14,802	-1,402	-10%
<b>Total Cost of Goods Sold</b>	<b>70,950</b>	42,768	28,183	66%
<i>Gross margins after indirect costs</i>	<i>43%</i>	<i>33%</i>	<i>10%</i>	<i>30%</i>

Gross margins improved in the first quarter as a result of increased monopour and bracing sales which have higher gross margins.

### 4. General and Administrative Expenses

	Jan - Mar 15	Jan - Mar 14	Change	% Change
<b>Amortization &amp; Depreciation</b>	<b>1,514</b>	1,514	0	0%
<b>Occupancy</b>	<b>2,302</b>	2,542	-241	-9%
<b>Patent &amp; TM Maintenance Fees</b>	<b>205</b>	835	-630	-75%
<b>Professional Fees</b>	<b>3,200</b>	3,200	0	0%
<b>Public Company</b>	<b>2,045</b>	2,990	-945	-32%
<b>General expenses</b>	<b>7,925</b>	6,550	1,375	21%
<b>Management Fees</b>	<b>320</b>	381	-61	-16%
<b>Telecommunications</b>	<b>2,851</b>	2,274	577	25%
<b>Total General and Administrative</b>	<b>20,634</b>	20,745	-111	-1%

General and administrative expenses stayed in line the previous year.

### 5. Selling and Marketing Expenses

	Jan - Mar 15	Jan - Mar 14	Change	% Change
<b>Advertising</b>	<b>1,905</b>	0	1,905	100%
<b>Adwords</b>	<b>977</b>	742	235	32%
<b>Selling Expenses</b>	<b>1,758</b>	1,742	16	1%
<b>Trade Shows</b>	<b>3,905</b>	1,730	2,175	126%
<b>Associations</b>	<b>225</b>	0	225	100%
<b>Postage &amp; courier</b>	<b>16</b>	0	16	100%
<b>Promo Materials</b>	<b>2,183</b>	-316	2,499	792%
<b>Website</b>	<b>0</b>	131	-131	-100%
<b>Commissions &amp; Fees</b>	<b>2,500</b>	146	2,354	1,607%
<b>Total Selling and Marketing Expenses</b>	<b>13,469</b>	4,176	9,294	223%

Selling and marketing expenses were double the previous year's first quarter. This increase was due to the attendance at the World of Concrete and Buildex as well as higher commission fees.

FAB-FORM INDUSTRIES LTD.  
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SELECTED QUARTERLY FINANCIAL SUMMARY

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

	2015		2014		2013			
	<i>1st Qtr</i>	<i>4th Qtr</i>	<i>3rd Qtr</i>	<i>2nd Qtr</i>	<i>1st Qtr</i>	<i>4th Qtr</i>	<i>3rd Qtr</i>	<i>2nd Qtr</i>
Revenues	<b>124,133</b>	295,968	470,993	269,283	64,071	148,903	136,148	163,528
Net Income (loss)	<b>20,536</b>	(23,614)	33,991	29,017	(5,251)	(21,652)	12,064	24,378
Shares outstanding (diluted)	<b>7,797,988</b>	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988	7,797,988	7,797,987
Income (loss) per diluted share	<b>0.00</b>	(0.00)	0.00	0.00	(0.00)	(0.00)	0.00	0.00

Additional financial information on the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

Approved  
 "Board of Directors"  
 15 May 2015

FAB-FORM INDUSTRIES LTD.  
FURTHER INFORMATION

FAB-FORM INDUSTRIES LTD. is a manufacturer and marketer of forming products using poly membranes to form and damp-proof concrete for the building industry. Fab-Form is the only company in the world commercializing this technology, and is headquartered in Delta, BC. 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:

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