

FAB-FORM

Sustainable Foundations



INVESTOR



HELIX

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Investor Overview

FAB-FORM
MD&A
3rd Quarter 2016

MD&A TO OUR SHAREHOLDERS

The cover is a screen shot of the overview page of our new investor section, showing a building structure and plaza designed for a green and sustainable future. As our green products are obtaining more traction in a world more and more concerned with global warming and increasing levels of CO₂, our financials are reflecting the construction industries' desire for sustainable construction.

To be more transparent with our shareholders, our website now provides an overview of our company, a stock chart, links to all financials statements, governance and press releases.

If you wish to participate in our private placement, please contact one of our Board members.

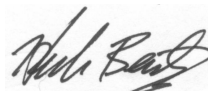
As always, thank you Board Members, Shareholders, and progressive Dealers and Contractors for your continued support and commitment.

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

Sincerely



Richard Fearn
President and CEO
25 November 2016



Herb Bentz
Chief Financial Officer
25 November 2016

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 third quarter of 2016 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.

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 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 currently sells 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 nine-month period ended 30 June 2016 and our consolidated financial statements for the year ended 31 December 2015 while reading this discussion. The reader should also refer to the MD&A in our 2015 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

3rd QUARTER OPERATING RESULTS

1. Sales and Cost of Goods Sold

	Jul - Sep 16	Jul - Sep 15	Change	% Change
Ordinary Income/Expense				
Income				
Sales				
Fastfoot	53,859	39,025	14,834	38.0%
Fast-Tube	2,811	2,534	277	10.9%
Fastbag	733	2,084	-1,351	-64.8%
Monopour	19,861	10,225	9,636	94.2%
Helix	48,265	44,112	4,153	9.4%
Nudura	264,365	139,042	125,322	90.1%
ICF Accessories	23,046	11,154	11,892	106.6%
Bracing	115,246	115,684	-437	-0.4%
Sundry Income	290	1,023	-733	-71.6%
Total Sales	528,475	364,883	163,592	44.8%
Total Income	528,475	364,883	163,592	44.8%
Cost of Goods Sold				
Total Direct Product COGS	353,318	218,412	134,905	61.8%
<i>Gross margins before indirect costs</i>	33.1%	40.1%		
Indirect Product COGS				
Brokerage	2,097	0	2,097	100.0%
Amortization production equip.	1,866	2,975	-1,109	-37.3%
Production tools	14	437	-423	-96.8%
Production rental	7,259	7,298	-39	-0.5%
Variable Overhead	1,192	9,994	-8,802	-88.1%
Wages not allocated	2,712	0	2,712	100.0%
Customer Delivery FBF	2,415	3,937	-1,522	-38.7%
Customer Delivery VanICF	893	0	893	100.0%
Packing Materials	710	747	-36	-4.9%
Total Indirect Product COGS	19,159	25,388	-6,229	-24.5%
Total Cost of Goods Sold	372,477	243,801	128,676	52.8%
<i>Gross margins after indirect costs</i>	29.5%	33.2%		
Total COGS	372,477	243,801	128,676	52.8%
Gross Profit	155,998	121,082	34,916	28.8%

In the third quarter of 2016 sales continued their upward trend with gross sales 44.8% higher than the previous year's quarter. Sales of Monopour, Nudura and ICF accessories all close to doubled the previous year's figures. Fastfoot® showed a 38% increase while bracing sales were flat.

Gross margins decreased to 33.1% from 40.1%, due entirely to lower margins of the Nudura sales. Indirect product costs decreased 24.5% due to lower amortization costs and variable overheads.

Gross profit increased 28.8% to \$155,998 from \$121,082 the previous year's quarter, lower than the sales increase of 44.8%.

FAB-FORM INDUSTRIES LTD.
MANAGEMENT DISCUSSION & ANALYSIS

2. Administration expenses

	<u>Jul - Sep 16</u>	<u>Jul - Sep 15</u>	<u>\$ Change</u>	<u>% Change</u>
Amortization & Depreciation	2,451	3,763	-1,312	-34.9%
Occupancy	2,706	2,710	-5	-0.2%
Patent & TM Maintenance Fees	205	205	0	0.0%
Professional Fees	6,217	3,274	2,942	89.9%
Pubco	3,095	3,380	-285	-8.4%
General expenses	15,825	16,253	-429	-2.6%
Management Fees	320	2,821	-2,501	-88.6%
Telecommunications	1,732	1,765	-32	-1.8%
Total Administrative Expenses	32,551	34,172	-1,621	-4.7%

Professional fees increased due to ligation charges with respect to duties paid to US Customs. It is the company's lawyers' opinion that the products qualify as duty free. Management fees are now allocated by product to get a better view of each products gross margin.

3. Selling and Marketing Expenses

	<u>Jul - Sep 16</u>	<u>Jul - Sep 15</u>	<u>Change</u>	<u>% Change</u>
Selling & Marketing	35,799	11,986	23,813	198.7%

In the second and third quarters of 2016 all sales and marketing expenses were allocated to each product line. Thus, it is not possible to compare with the previous year. Selling and marketing expenses increased by 198.7% over the previous year's quarter.

FAB-FORM INDUSTRIES LTD.
MANAGEMENT DISCUSSION & ANALYSIS

9 MONTH OPERATING RESULTS

1. Sales and Cost of Goods Sold

	<u>Jan - Sep 16</u>	<u>Jan - Sep 15</u>	<u>Change</u>	<u>% Change</u>
Sales				
Fastfoot	135,873	101,630	34,243	33.7%
Fast-Tube	10,385	7,657	2,728	35.6%
Fastbag	8,165	6,807	1,358	20.0%
Monopour	37,255	47,070	-9,815	-20.9%
Helix	139,507	79,367	60,140	75.8%
Nudura	709,828	273,094	436,734	159.9%
ICF Accessories	41,770	0	41,770	100.0%
Bracing	274,636	269,687	4,949	1.8%
Sundry Income	7,641	1,426	6,215	435.8%
Total Sales	<u>1,365,060</u>	<u>786,738</u>	<u>578,321</u>	<u>73.5%</u>
Total Direct Product COGS	939,378	462,716	476,661	103.0%
<i>Direct product gross margin</i>	31.2%	41.2%		
Indirect Product COGS				
Brokerage	2,097	0	2,097	100.0%
Amortization production equip.	7,175	10,883	-3,709	-34.1%
Production tools	118	1,375	-1,256	-91.4%
Production rental	21,785	21,894	-108	-0.5%
Variable Overhead	2,852	11,820	-8,968	-75.9%
Wages not allocated	4,059	0	4,059	100.0%
Customer Delivery FBF	7,014	5,123	1,891	36.9%
Customer Delivery VanICF	893	0	893	100.0%
Packing Materials	1,068	1,502	-434	-28.9%
Total Indirect Product COGS	<u>47,061</u>	<u>52,597</u>	<u>-5,537</u>	<u>-10.5%</u>
Total Cost of Goods Sold	986,438	515,314	471,125	91.4%
<i>Indirect product gross margin</i>	27.7%	34.5%		
Gross Profit	378,621	271,425	107,196	39.5%

In the first nine months of 2016, sales continued their upward trend with gross sales 73.5% higher than the previous year. Sales of Nudura and ICF accessories all increased by triple digits, Helix by 75.8% and with Fastfoot, Fast-Tube increasing by 33.7% and 35.6% respectively. Bracing sales were flat compared with the previous year.

Direct product gross margins dropped from 41.2% to 31.2% due to higher sales of Nudura and Helix which contributed lower margins. Indirect product cost of goods decreased 10.5% from the previous year.

Gross profit increased 39.5% to \$378,621 from \$271,425 the previous year, however lower than the sales increase of 73.5% due to shrinking margins of Helix and Nudura.

MANAGEMENT DISCUSSION & ANALYSIS

2. Administration expenses

	Jan - Sep 16	Jan - Sep 15	Change	% Change
Amortization & Depreciation	6,278	9,326	-3,048	-32.7%
Occupancy	8,652	7,836	815	10.4%
Patent & TM Maintenance Fees	616	616	0	0.0%
Professional Fees	17,807	10,234	7,572	74.0%
Pubco	7,856	8,628	-772	-8.9%
General expenses	37,943	36,159	1,784	4.9%
Management Fees	10,961	11,454	-493	-4.3%
Telecommunications	5,543	5,501	42	0.8%
Total Admin Expenses	95,654	89,754	5,900	6.6%

Administrative expenses as % of sales 7.0% 11.4%

Professional fees increased due to ligation charges with respect to duties paid to US Customs. It is the company's lawyers' opinion that the products qualify as duty free. Total administrative expenses dropped as a percent of gross sales, from 11.4% in 2015 to 7.0% in 2016.

3. Selling and Marketing Expenses

	Apr - Jun 16	Apr - Jun 15	Change	% Change
Selling & Marketing	75,435	23,266	52,168	224.2%

In the nine months of 2016 all sales and marketing expenses were allocated to each product line. It is not possible to compare details with the previous year. Selling and marketing expenses increased by 224.2% over the previous year.

LIQUIDITY, FINANCIAL POSITION and CAPITAL RESOURCES

Operations generated approximately \$21,000 cash flow per month in the first nine months of the year, with the cash financing higher levels of receivables. Long term debt was paid off at the rate of approximately \$2,600 per month.

Working capital at the end of the third quarter improved to \$321,161 from \$164,327 at the end of the third quarter of 2015.

NEW PRODUCT DEVELOPMENT and PRIVATE PLACEMENT

It is the Company's intention to announce the introduction of two new products in the fourth quarter of 2016. To raise capital for the development and marketing of these products, the Company will complete a non-brokered private placement.

SUBSEQUENT EVENTS

On the 10th of October 2016, one of the Directors provided a loan of \$103,000.00 to pay off the Business Development loans as well as a collateral mortgage on one of the vehicles. This loan is at 4% annually with no monthly principal payment. This will reduce interest costs as well as improve cash flow.

FAB-FORM INDUSTRIES LTD.
 MANAGEMENT DISCUSSION & ANALYSIS

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.

	2016			2015			2014	
	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr
Revenues	462,199	374,385	322,619	364,883	297,723	124,133	295,968	470,993
Net Income (loss)	57,472	41,772	(18,917)	61,238	35,920	20,536	(23,614)	33,991
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	0.007	0.005	(0.002)	0.008	0.005	0.003	(0.003)	0.004

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

Approved
 "Board of Directors"
 25 November 2016

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".

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