

**FAB-FORM**  
Fabric-Formed Concrete













**FASTFOOT®**  
*Forms largest solar farm in the USA*

**WORLD OF CONCRETE**

See us in booth **N1916**  
Tues Feb 2nd to Fri Feb 5th

NEWS

Largest solar farm uses Fastfoot®	<b>COST COMPARE</b> See video, cost analysis showing ICF, Helix and Zont	Nudura® used in Vancouver MP	Cirrus Homes ICF Monopour
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**FAB-FORM**  
**Financial Statements**  
**1st Quarter 2016**

# REPORT TO OUR SHAREHOLDERS

The cover is a screenprint of our current home page, showing the President of the United States discussing the importance of renewable energy. What he neglected to mention was that all foundations of the accumulator stations were formed with Fastfoot®. For more information on this interesting project, see:

<http://www.fab-form.com/fastfoot/solarFarm.php>

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  
26 May 2016



Herb Bentz  
Chief Financial Officer  
26 May 2016

## FAB-FORM INDUSTRIES LTD.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

*Unaudited*

	Notes	31 Mar 2016	31 Dec 2015
<b>ASSETS</b>			
<b>Current</b>			
Cash	\$	41,952	\$ 90,598
Accounts receivable		196,579	62,571
Prepaid expenses and advances		19,678	21,953
Inventory		144,556	156,300
<b>Total current assets</b>		<b>402,765</b>	331,422
<b>Property and equipment</b>		<b>65,717</b>	70,348
<b>Deferred development</b>		<b>3,285</b>	3,458
<b>Patents</b>		<b>4,189</b>	4,252
		<b>73,191</b>	78,058
		<b>\$ 475,956</b>	\$ 409,480
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$	120,518	\$ 83,189
Accounts payable – related		51,150	52,412
Current portion of long-term debt		44,709	44,654
<b>Total current liabilities</b>		<b>216,376</b>	180,255
<b>Long-term debt</b>		<b>76,306</b>	87,713
<b>SHAREHOLDERS' EQUITY</b>			
<b>Share capital</b>		<b>769,520</b>	769,520
<b>Deficit</b>		<b>(584,814)</b>	(628,008)
		<b>183,273</b>	141,512
		<b>\$ 475,956</b>	\$ 409,480

Approved and authorized by the Board 26 May 2015

**"Richard Fearn"**

\_\_\_\_\_, Director

**"Herb Bentz"**

\_\_\_\_\_, Director

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

1<sup>st</sup> Quarter, Unaudited

	Notes	2016	2015
<b>Sales</b>		<b>\$ 374,385</b>	\$ 124,133
<b>Cost of sales</b>	5	<b>271,846</b>	70,950
<b>Gross profit</b>		<b>102,539</b>	53,183
(Percent Gross Profit)		<b>27.4%</b>	42.8%
<b>General expenses</b>			
Administrative expenses	6	<b>31,844</b>	20,221
Interest expense		<b>3,353</b>	3,988
Selling and marketing expenses	7	<b>19,970</b>	13,469
Wages and benefits		<b>2,365</b>	413
		<b>57,532</b>	38,091
<b>Operating profit</b>		<b>45,007</b>	15,091
<b>Other income and expense</b>			
Foreign exchange loss (gain)		<b>3,265</b>	(5,444)
Inventory write-off (back)		<b>(30)</b>	-
		<b>3,235</b>	(5,444)
<b>Comprehensive income</b>		<b>\$ 41,772</b>	\$ 20,536
<b>Average shares outstanding</b>			
Basic		<b>7,797,988</b>	4,852,382
Diluted		-	7,797,988
<b>Income per share</b>			
Basic		<b>0.01</b>	0.00
Diluted		-	0.00

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

FAB-FORM INDUSTRIES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

*Unaudited*

	<i>Shares</i>		<i>Share capital</i>		<i>Deficit</i>		<i>Shareholders equity</i>
Balance, 1 January 2015	7,797,988	\$	769,520	\$	(726,031)	\$	43,489
Comprehensive income	-		-		20,536		20,536
Balance, 31 March 2015	7,797,988	\$	769,520	\$	(705,495)	\$	64,025
Balance, 1 January 2016	7,797,988	\$	769,520	\$	(628,018)	\$	141,502
Comprehensive income	-		-		41,772		41,772
Balance, 31 March 2016	7,797,988	\$	769,520	\$	(586,246)	\$	183,273

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

## FAB-FORM INDUSTRIES LTD.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

*Quarter ended 31 March, Unaudited*

<b>Cash provided by (used in)</b>	Notes	<b>2016</b>	2015
<b>Operations</b>			
Income (loss) for period (before interest paid)	\$	<b>45,125</b>	\$ 24,524
Interest paid		<b>(3,353)</b>	(3,988)
Income (loss) for period		<b>41,772</b>	20,536
Items not involving use of cash			
Amortization and depreciation		<b>4,867</b>	5,049
		<b>46,639</b>	25,585
Changes in non-cash working capital items			
Accounts receivable		<b>(134,009)</b>	55,206
Prepaid expenses and advances		<b>2,275</b>	(66,447)
Inventory		<b>11,744</b>	(101,252)
Accounts payable and accrued liabilities		<b>37,328</b>	31,464
Accounts payable - related		<b>(1,262)</b>	11,443
Current portion of long term debt		<b>55</b>	6,051
	\$	<b>(83,869)</b>	(42,970)
<b>Financing</b>			
Long term debt increase (decrease)	\$	<b>(11,407)</b>	13,597
<b>Investing</b>			
Property and equipment		-	-
Deferred development		-	-
Patents		-	-
	\$	-	\$ -
<b>Increase (decrease) in cash (bank indebtedness)</b>		<b>(48,637)</b>	(24,324)
<b>Cash (bank indebtedness) beginning of period</b>		<b>90,598</b>	61,781
<b>Cash (bank indebtedness) end of period</b>	\$	<b>41,952</b>	\$ 37,457

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*1<sup>st</sup> Quarter Notes, 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 has traded on the TSX Venture Exchange ("TSX-V" under the symbol FBF) since 2000.

These interim consolidated financial statements for the first quarter of 2016 were approved and authorized for issue by the board of directors on the 20<sup>th</sup> May 2016.

**2. Basis of Preparation and Interim Period Reporting**

3. 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 2015.

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 2015 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 2015.

**4. Product Sales**

	<b>Jan - Mar 16</b>	<b>Jan - Mar 15</b>	<b>Change</b>	<b>% Change</b>
<b>Fastbag®</b>	<b>3,329</b>	951	<b>2,378</b>	250%
<b>Fastfoot®</b>	<b>36,683</b>	20,777	<b>15,905</b>	77%
<b>Fast-Tube™</b>	<b>3,848</b>	897	<b>2,951</b>	329%
<b>Helix®</b>	<b>38,552</b>	13,017	<b>25,535</b>	196%
<b>Sundry</b>	<b>7,195</b>	67	<b>7,128</b>	10,607%
<b>Marketing Material</b>	<b>0</b>	237	<b>-237</b>	-100%
<b>Monopour</b>	<b>7,146</b>	25,709	<b>-18,564</b>	-72%
<b>Nudura</b>	<b>200,405</b>	5,288	<b>195,117</b>	3690%
<b>Gorilla Buck</b>	<b>4,474</b>	0	<b>4,474</b>	100%
<b>ICF Accessories</b>	<b>2,924</b>	0	<b>2,924</b>	100%
<b>Zont™</b>	<b>44,044</b>	37,303	<b>6,741</b>	18%
<b>Zuckle™</b>	<b>21,966</b>	19,886	<b>2,080</b>	10%
<b>Bracing rentals</b>	<b>3,820</b>	0	<b>3,820</b>	100%
<b>Total</b>	<b>374,385</b>	124,133	<b>250,252</b>	202%

In the first quarter of 2016 Fastbag, Fast-Tube, Helix, Nudura, Gorilla Buck and ICF Accessories all showed triple digit growth over 2015.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*1<sup>st</sup> Quarter Notes, Unaudited***5. Cost of Sales**

	<b>Jan - Mar 16</b>	<b>Jan - Mar 15</b>	<b>Change</b>	<b>% Change</b>
<b>Total Direct Product COGS</b>	259,575	57,568	202,007	351%
<i>Gross margins before indirect costs</i>	<i>31%</i>	<i>54%</i>		
<b>Indirect Product COGS</b>				
<b>Amortization Production Equip.</b>	3,482	4,933	-1,452	-29%
<b>Production tools</b>	64	531	-467	-88%
<b>Production rental</b>	7,259	7,298	-39	-1%
<b>Variable Overhead</b>	930	1,031	-101	-10%
<b>Wages not allocated</b>	264	0	264	100%
<b>Customer Delivery Costs</b>	272	-411	682	166%
<b>Total Indirect Product COGS</b>	12,270	13,382	-1,112	-8%
<b>Total Cost of Goods Sold</b>	271,846	70,950	200,895	283%
<i>Gross margins before indirect costs</i>	<i>27%</i>	<i>43%</i>		

Gross margins deteriorated in the first quarter of 2016 as a result of increased Nudura and Helix sales which have lower gross margins.

**6. Administrative Expenses**

	<b>Jan - Mar 16</b>	<b>Jan - Mar 15</b>	<b>Change</b>	<b>% Change</b>
<b>Amortization &amp; Depreciation</b>	1,386	1,786	-400	-22%
<b>Occupancy</b>	3,124	2,302	822	36%
<b>Patent &amp; TM Maintenance Fees</b>	205	205	0	0%
<b>Professional Fees</b>	3,143	3,200	-57	-2%
<b>Pubco</b>	2,094	2,045	49	2%
<b>Administrative</b>	9,593	7,512	2,081	28%
<b>Management Fees</b>	10,320	320	10,000	3,123%
<b>Telecommunications</b>	1,980	2,851	-871	-31%
<b>Total</b>	31,844	20,221	11,624	57%

Administrative expenses increased due to higher management fees.

**7. Selling and Marketing Expenses**

	<b>Jan - Mar 16</b>	<b>Jan - Mar 15</b>	<b>Change</b>	<b>% Change</b>
<b>Vancouver ICF promotion</b>	1,340	0	1,340	100%
<b>Advertising</b>	2,053	1,905	148	8%
<b>Google Adwords</b>	1,033	977	56	6%
<b>Selling Expenses</b>	14,267	1,758	12,509	711%
<b>Trade Shows</b>	1,057	3,905	-2,848	-73%
<b>Associations</b>	111	225	-114	-51%
<b>Postage &amp; courier</b>	124	16	108	674%
<b>Promo Materials</b>	-260	2,183	-2,444	-112%
<b>Website</b>	245	0	245	100%
<b>Commissions &amp; Fees</b>	0	2,500	-2,500	-100%
<b>Total</b>	19,970	13,469	6,500	48%

Selling and marketing expenses increased 48% over 2015 due to higher selling expenses.

FAB-FORM INDUSTRIES LTD.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*1<sup>st</sup> Quarter Notes, Unaudited*

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:

[www.fab-form.com](http://www.fab-form.com)