PRESS RELEASE

ADF GROUP INC. ANNONCES THE RESULTS FOR THE FISCAL YEAR ENDED JANUARY 31, 2019

HIGHLIGHTS

- Revenues of $135.1 million, down compared with the previous year as a results of the uncertainty surrounding customs tariffs.
- Cash flow from operations up by $8.0 million, reaching $11.7 million.
- Net loss of $0.4 million, compared with a net loss of $7.2 million a year ago
- The Corporation's order backlog totalled $219.5 million as at January 31, 2019, up by $134 million compared with January 31, 2018.

Terrebonne, Quebec, April 11, 2019

ADF GROUP INC. ("ADF" or the "Corporation") (TSX/DRX) recorded revenues of $135.1 million during the fiscal year ended January 31, 2019, compared with $180.5 million the previous fiscal year. This decrease in revenues results for the most part from the loss of three major contracts at the beginning of the fiscal year following the implementation of new U.S. tariffs on steel imports. Although the Corporation was able to secure new contracts since the tariffs took effect, the impact from the loss of these contracts on fabrication activities could not be recovered.

Gross margin, as a percentage of revenues went from 8.9% in the fiscal year ended January 31, 2018, to 7.1% during the fiscal year ended January 31, 2019. This drop in gross margin is largely explained by the impact of above-mentioned fabrication volume decrease on the absorption of fixed costs.

ADF recorded a net loss of $0.4 million (-$0.01 basic and diluted per share) during the fiscal year ended January 31, 2019, compared with a net loss of $7.2 million (-$0.22 basic and diluted per share) a year ago. It is important to highlight that during the fourth quarter of the fiscal year ended January 31, 2018, the Corporation recorded a $9.2 million non-recurrent and non-cash income tax expense, following the change made to the U.S. federal tax rates for the Corporation's U.S. subsidiaries, and the non-recognition of deferred U.S. subsidiaries income tax assets following a tax settlement.

On January 31, 2019, the Corporation had $31.8 million in working capital, whilst its cash and cash equivalents position, net of the credit facilities, increased by $4.7 million from the same date a year ago.

The Corporation remains in a sound position to support its ongoing operations and pursue its development projects.

During the fiscal year ended January 31, 2019, the Corporation was able to secure new contracts valued at close to $200 million, bringing its order backlog to $219.5 million on that date, and that is excluding the new contracts worth $73 million announced on February 12, 2019, compared with a backlog of $85.5 million as at January 31, 2018. Most contracts will be progressively completed by the end of the fiscal year ending January 31, 2021.

Financial Highlights

Fiscal Years Ended January 31,	**2019**	2018
(In thousands of CA$, and dollars per share)	**$**	$
Revenues	**135,073**	180,474
EBITDA	**1,945**	8,436
Income (loss) before income tax expense	**(2,393)**	2,172
Net loss for the year	**(374)**	(7,213)
— Basic per share	**(0.01)**	(0.22)
— Diluted per share	**(0.01)**	(0.22)
Average number of outstanding shares (basic, in thousands)	**32,635**	32,633
Average number of outstanding shares (diluted, in thousands)	**32,635**	32,633

Outlook

"We can draw some still positive conclusions from this past fiscal year, even though it started with uncertainties about the free-trade treaty negotiations and the introduction of new tariffs on steel imports" indicated **Mr. Jean Paschini**, Co-Chairman of the Board of Directors and Chief Executive Officer.

"We have announced close to $200 million worth in new contract during the fiscal year ended January 31, 2019, and we have secured an additional $73 million in new contracts since that date. We have also improved our liquidities, which in turn improved our cash position, net of credit facilities, by almost $5.0 million", concluded Mr. Paschini.

Dividend

On April 10, 2019, ADF Group's Board of Directors approved the payment of a semi-annual dividend of $0.01 per share, which will be paid on May 15, 2019 to shareholders of record as at April 30, 2019.

Conference Call with Investors

A conference call with investors is scheduled for April 11, 2019 at 10 a.m. (Eastern time) to discuss the results of Corporation fiscal year ended January 31, 2019.

To take part in the conference call, dial 1-888-390-0549, a few minutes prior to the conference call scheduled start time. A replay of this conference call will be available from Thursday, April 11, 2019 at 1:00 p.m. until 11:59 p.m., Thursday, April 18, 2019, by dialing 1-888-259-6562, followed by the access code 158733 #.

The conference call (audio) will also be available at www.adfgroup.com. Members of the media are invited to listen in.

Annual Meeting of Shareholders

ADF Group Inc. Annual Meeting of Shareholders will be held on:

Date:	Wednesday, June 12, 2019
Time:	11:00 a.m.
Place:	Imperia Hotel & Suites 2935 de la Pinière Boulevard, Terrebonne, Québec, Canada

Financial results for the first quarter ending April 30, 2019, will also be disclosed at the Corporation's shareholders meeting.

About ADF Group Inc.

ADF Group Inc. is a North American leader in the design and engineering of connections, fabrication, including the application of industrial coatings, and installation of complex steel structures, heavy steel built-ups, as well as in miscellaneous and architectural metals for the non-residential infrastructure sector. ADF Group Inc. is one of the few players in the industry capable of handling highly technically complex mega projects on fast-track schedules in the commercial, institutional, industrial and public sectors. The Corporation operates two fabrication plants and two paint shops, in Canada and in the United States, and a Construction Division in the United States, which specializes in the installation of steel structures and other related products.

Forward-Looking Information

This press release contains forward-looking statements reflecting ADF objectives and expectations. These statements are identified by the use of verbs such as "expect" as well as by the use of future or conditional tenses. By their very nature these types of statements involve risks and uncertainty. Consequently, reality may differ from ADF's expectations.

Non-IFRS Measures

Earnings before interest, taxes, depreciation and amortization ("EBITDA") is not a performance measure recognized by IFRS standards, and is not likely to be comparable to similar measures presented by other issuers. Management, as well as investors, consider this to be useful information to assist them in assessing the Corporation's profitability and ability to generate funds to finance its operations. Refer to the section "Non-GAAP Measures" of the Corporation's Management's Discussion and Analysis for the definition of this metric and reconciliation to the most comparable IRFS measures.

All amounts are in Canadian dollars, unless otherwise indicated.

Source: **ADF Group Inc.**

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at January 31,	**2019**	2018
(In thousands of Canadian dollars)	**$**	$
ASSETS		
Current assets		
Cash and cash equivalents	**4,164**	4,905
Accounts receivable	**29,919**	33,099
Holdbacks on contracts	**6,227**	4,933
Current income tax assets	**859**	927
Contract assets	**17,952**	—
Work in progress	**—**	30,314
Inventories	**8,349**	5,150
Derivative financial instruments	**—**	300
Prepaid expenses and other current assets	**1,638**	2,428
Total current assets	**69,108**	82,056
Non-current assets		
Property, plant and equipment	**89,375**	88,378
Intangible assets	**3,312**	3,197
Other non-current assets	**1,417**	1,627
Total assets	**163,212**	175,258
LIABILITIES		
Current liabilities		
Bank overdraft	**—**	1,907
Credit facilities	**6,605**	10,150
Accounts payable and other current liabilities	**16,857**	29,308
Current income tax liability	**422**	422
Contract liabilities	**10,920**	—
Deferred revenues	**—**	3,435
Derivative financial instruments	**184**	—
Current portion of long-term debt	**2,272**	2,066
Total current liabilities	**37,260**	47,288
Non-current liabilities		
Long-term debt	**24,939**	26,135
Deferred income tax liabilities	**3,921**	6,053
Other non-current liabilities	**197**	—
Total liabilities	**66,317**	79,476
SHAREHOLDERS' EQUITY		
Capital stock	**68,120**	68,120
Contributed surplus	**6,432**	6,423
Accumulated other comprehensive income (loss)	**6,648**	4,706
Retained income	**15,695**	16,533
Total shareholders' equity	**96,895**	95,782
Total liabilities and shareholders' equity	**163,212**	175,258

CONSOLIDATED STATEMENTS OF INCOME (LOSS)

Fiscal Years Ended January 31,	**2019**	2018
(In thousands of Canadian dollars and in dollars per share)	**$**	$
Revenues	**135,073**	180,474
Cost of goods sold	**125,520**	164,352
Gross Margin	**9,553**	16,122
Selling and administrative expenses	**12,181**	12,109
Net financial expenses	**1,784**	1,608
Foreign exchange (gain) loss	**(2,019)**	233
	11,946	13,950
Income (loss) before income tax (recovery) expense	**(2,393)**	2,172
Income tax (recovery) expense	**(2,019)**	9,385
Net loss for the year	**(374)**	(7,213)
Earnings per share		
Basic and diluted per share	**(0.01)**	(0.22)
Average number of outstanding shares (in thousands)	**32,635**	32,633
Average number of outstanding diluted shares (in thousands)	**32,635**	32,633

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

Fiscal Years Ended January 31,	**2019**	2018
(In thousands of Canadian dollars)	**$**	$
Net loss for the year	**(374)**	(7,213)
Other comprehensive income (loss) [(a)] :		
Exchange differences on translation of foreign operations	**2,131**	(2,035)
Comprehensive income (loss) for the year	**1,757**	(9,248)

a) Will subsequently be reclassified to net income (loss).

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of Canadian dollars)	Capital Stock $	Contributed Surplus $	Accumulated Other Comprehensive Income (Loss) $	Retained Income $	Total $
Balance, February 1, 2017	68,088	6,422	6,741	24,399	105,650
Net loss for the year	—	—	—	(7,213)	(7,213)
Other comprehensive income (loss)	—	—	(2,035)	—	(2,035)
Comprehensive income (loss) for the year	—	—	(2,035)	(7,213)	(9,248)
Share-based compensation	—	16	—	—	16
Options exercised	32	(15)	—	—	17
Dividends	—	—	—	(653)	(653)
Balance, January 31, 2018	68,120	6,423	4,706	16,533	95,782

(In thousands of Canadian dollars)	Capital Stock $	Contributed Surplus $	Accumulated Other Comprehensive Income (Loss) $	Retained Income $	Total $
Balance, February 1, 2018	**68,120**	**6,423**	**4,706**	**16,533**	**95,782**
Net loss for the year	**—**	**—**	**—**	**(374)**	**(374)**
Other comprehensive income (loss)	**—**	**—**	**2,131**	**—**	**2,131**
Comprehensive income (loss) for the year	**—**	**—**	**2,131**	**(374)**	**1,757**
New IFRS 9 adoption	**—**	**—**	**(189)**	**189**	**—**
Share-based compensation	**—**	**9**	**—**	**—**	**9**
Dividends	**—**	**—**	**—**	**(653)**	**(653)**
Balance, January 31, 2019	**68,120**	**6,432**	**6,648**	**15,695**	**96,895**

CONSOLIDATED STATEMENTS OF CASH FLOWS

Fiscal Years Ended January 31,	**2019**	2018
(In thousands of Canadian dollars)	**$**	$
OPERATING ACTIVITIES		
Net loss for the year	**(374)**	(7,213)
Non-cash items:		
Amortization of property, plant and equipment	**4,206**	4,029
Amortization of intangible assets	**367**	394
Unrealized loss on derivative financial instruments	**484**	396
Non-cash exchange (gain) loss	**(2,781)**	1,744
Share-based compensation	**(533)**	—
Income tax (recovery) expense	**(2,019)**	9,385
Inventories depreciation allowance	**352**	(55)
Net financial expenses	**1,784**	1,608
Others	**7**	(39)
Net income adjusted for non-cash items	**1,493**	10,249
Change in non-cash working capital items (1)	**10,182**	(7,243)
Income tax recovery	—	656
Cash flows from operating activities	**11,675**	3,662
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(3,273)**	(4,831)
Acquisition of intangible assets	**(482)**	(671)
Revenues from disposals of property, plant and equipment	**35**	175
Disposal of equity investments	**217**	—
Government grants	**210**	—
Others	**13**	9
Cash flows used in investing activities	**(3,280)**	(5,318)
FINANCING ACTIVITIES		
Variation in credit facilities	**(3,545)**	(3,159)
Issuance of long-term debt	**—**	10,702
Repayment of long-term debt	**(1,544)**	(945)
Issuance of subordinate voting shares	**—**	17
Dividends paid	**(653)**	(653)
Interest paid	**(1,774)**	(1,603)
Cash flows (used in) from financing activities	**(7,516)**	4,359
Impact of fluctuations in foreign exchange rate on cash flow	**287**	(39)
Net change in cash and cash equivalents during the year	**1,166**	2,664
Cash, and cash equivalents, beginning of year	**2,998**	334
Cash and cash equivalents, end of year	**4,164**	2,998

(1) The following table sets out in detail the components of the "Change in non-cash working capital items":

Fiscal Years Ended January 31,	**2019**	2018
(In thousands of CA$)	**$**	$
Accounts receivable	**5,601**	(11,514)
Holdbacks on contracts	**(936)**	(1,516)
Contract assets/ Work in progress	**13,477**	(10,121)
Inventories	**(3,413)**	1,760
Prepaid expenses and other current assets	**851**	(1,330)
Accounts payable and other current liabilities	**(12,553)**	13,203
Contract liabilities/Deferred revenues	**6,955**	2,275
Other non-current liabilities	**200**	—
Change in non-cash working capital items	**10,182**	(7,243)

SEGMENTED INFORMATION

The Corporation operates one operational sector, being, the non-residential construction industry, primarily in the United States and Canada. This sector includes the following areas of expertise: the design and engineering of connections, fabrication, including industrial coating, and installation of complex steel structures, heavy steel built-ups, as well as miscellaneous and architectural metalwork.

Fiscal Years Ended January 31,	**2019**	2018
(In thousands of CA$)	**$**	$
Revenues		
Canada	**3,518**	16,027
United States	**131,555**	164,447
	135,073	180,474

As at January 31,	**2019**	2018
(In thousands of CA$)	**$**	$
Non-current assets (1)		
Canada	**48,750**	49,508
United States	**45,355**	43,694
	94,105	93,202

(1) The non-current assets mainly include property, plant and equipment, intangible assets, investment tax credits and others non-current assets.

Revenues from external clients were allocated to each country on the basis of the project's location.

During the fiscal year ended January 31, 2019, 79% of the Corporation's revenues were realized with three (3) clients, each representing 10% and more of its revenues (85% with three (3) clients during the fiscal year ended January 31, 2018).

The following table, presents the breakdown of revenues for each these clients:

Fiscal Years Ended January 31,	**2019**	2018
	United States	United States
(In thousands of CA$)	**$**	$
Client A	**60,503**	81,120
Client B	**—**	43,106
Client C	**32,480**	—
Client D	**—**	29,375
Client E	**13,168**	—
	106,151	153,601