PRESS RELEASE

ADF GROUP ANNOUNCES THE RESULTS FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JULY 31, 2020

HIGHLIGHTS

(All amounts are in Canadian dollars, unless otherwise indicated.)

- Net income and gross margin for the 3-month and 6-month periods ended July 31, 2020, up compared to the same periods in 2019.
- Revenues of $42.5 million and $88.3 million recorded during the 3-month and 6-month periods ended July 31, 2020, respectively.
- New contracts totalling $65.0 million signed during the period ended July 31, 2020.
- Order book totalling $314.5 million as at July 31, 2020.
- Limited impact of COVID-19 on ADF's operations during the first semester ended July 31, 2020.

Terrebonne, Quebec, September 10, 2020

ADF GROUP INC. ("ADF" or the "Corporation") (Ticker symbol: TSX/DRX), recorded revenues of $42.5 million during the second quarter ended July 31, 2020, compared with $54.1 million for the same period a year earlier. After the first six months of the fiscal year, revenues totaled $88.3 million, which is approximately $3.0 million lower than the same period a year earlier. These decreases are mainly explained by the schedules of the various projects during the periods analyzed.

Gross margin, as a percentage of revenues, went from 10.6% for the three-month period ended July 31, 2019, to 17.4% for the same period ended July 31, 2020. Gross margin, as a percentage of revenues, went from 12.6%, during the six-month period ended July 31, 2019, to 13.9% for the same period ended July 31, 2020. These increases are mainly explained by the mix of ongoing projects in our facilities during the periods analyzed, and by a better absorption of fixed costs resulting from internal efficiency gains achieved in our fabrication plants.

For the quarter ended July 31, 2020, ADF recorded a net income of $2.1 million ($0.06 per share, basic and diluted) compared with a net income of $0.4 million ($0.01 per share, basic and diluted) a year earlier. At the close of the first semester, being July 31, 2020, net income totaled $2.2 million ($ 0.07 per share, basic and diluted) compared to net income of $ 2.0 million (0.06 $ per share, basic and diluted) for the same period one year earlier.

The Corporation's backlog stood at $314.5 million as at July 31, 2020, compared with $328.7 million as at January 31, 2020. The current order backlog will extend until end of the fiscal year ending January 31, 2022.

As of July 31, 2020, the Corporation's working capital stood at $35.4 million. Operating activities generated $21.6 million in cash during the first six months ended July 31, 2020. As a result, as at July 31, 2020, the Corporation's net cash position improved by $23.8 million, compared with January 31, 2020. The Corporation remains in a good position to continue its current operations and carry out its development projects.

Financial Highlights

	3 Months		6 Months	
Periods ended July 31,	**2020**	2019	**2020**	2019
(In thousands of dollars, and dollars per share)	**$**	$	**$**	$
Revenues	**42,496**	54,119	**88,293**	91,265
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**4,577**	3,012	**7,544**	6,031
Net income	**2,112**	419	**2,180**	2,037
— Per share (basic and diluted)	**0.06**	0.01	**0.07**	0.06
Cash flows from operating activities	**9,575**	3,570	**21,622**	754
(In thousands)	**Number**	Number	**Number**	Number
Average number of outstanding shares (basic and diluted)	**32,635**	32,635	**32,635**	32,635

Outlook

“Like many others, we continue to be in uncharted territory during this pandemic. While our results for the quarter and first six-month ended July 31, 2020, are generally up from 2019, uncertainty remains for the coming months. As such, we are maintaining the tight approach we have adopted in terms of risk and liquidity management" said **Jean Paschin**i, Co-Chairman of the Board of Directors and Chief Executive Officer.

Dividend

On September 9, 2020, ADF Group announced the payment of a semi-annual dividend of $0.01 per subordinate voting share and per share with multiple voting rights, which will be paid on October 16, 2020 to shareholders of record as of September 30, 2020.

COVID-19

Since the beginning of this Coronavirus pandemic and at the date hereof, all of our facilities, including all of our job sites, remained open and operational. However, in order for our fabrication plant in Terrebonne, Quebec, to remain in operation, and in addition to the required sanitary and physical distancing measures, the Corporation had to limit the number of employees per work shift. While this has resulted in some operational limitations, the Corporation has nevertheless been able to maintain a sufficient level of fabrication in order to adequately serve its customers. However, as of the date hereof, the number of employees per shift has practically returned to the pre-pandemic levels. The Corporation introduced the telework program and implemented strategies to support appropriate physical distancing techniques for its staff who cannot work remotely. It should be noted that the various measures taken in response to the pandemic have also resulted in some additional costs.

This situation is evolving rapidly and the Corporation continues to monitor and mitigate developments affecting its staff, suppliers, customers and the general public as much as it can. Although the impact of COVID-19 on ADF’s operations is limited for the time being, the extent to which the virus can have an impact on our results will depend on future developments, which are very uncertain and cannot be predicted at this time, including new information that may emerge regarding the severity of COVID-19 and the measures taken to contain it or address its impact, among others.

Conference Call with Investors

*A conference call with investors is scheduled for this morning, September 10, 2020, at 10 a.m. (Montreal time) to discuss the results of periods ended July 31, 2020. To take part in the conference call, dial **1-888-390-0620**, a few minutes prior to the conference call scheduled start time.*

*A replay of this call will be available from 1:00 p.m. today, until midnight, September 17, 2020, by dialing **1-888-390-0541**, followed by the access code **277334 #**.*

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

About ADF

ADF Group Inc. is a North American leader in the design and engineering of connections, fabrication, including industrial coatings, and installation of complex steel structures, heavy steel built-ups, as well as in miscellaneous and architectural metals for the non-residential construction industry. 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.

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.

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.

Source: *ADF GROUP INC.* *Mr. Jean Paschini, Co-Chair of the Board of Directors and Chief Executive Officer*
Mr. Jean-François Boursier, CPA, CA, Chief Financial Officer
Telephone: (450) 965-1911 (#2283) / Website: www.adfgroup.com