

Xebec Announces Upsize of Previously Announced Bought Deal Offering and Concurrent Private Placement with CDPQ to \$125 Million and \$55 Million Respectively

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MONTREAL, (QC), December 9, 2020 – Xebec Adsorption Inc. (TSXV: XBC) (“Xebec” or the “Corporation”), a global provider of clean energy solutions, is pleased to announce that in connection with its previously announced acquisition of Green Vision Holding B.V., the parent company of HyGear Technology and Services B.V. (“HyGear”) for consideration of €82.0 million (approximately \$127.3 million) and the assumption of €18.4 million (approximately \$28.6 million) in net debt (the “Acquisition”), bought deal public offering of subscription receipts (the “Public Offering”) and concurrent private placement to Caisse de dépôt et placement du Québec (“CDPQ”), the Corporation and a syndicate of underwriters co-led by Desjardins Capital Markets and TD Securities Inc. acting as joint bookrunners (collectively, the “Underwriters”) have agreed to increase the size of the Public Offering from \$100,050,000 to \$125,001,600. Pursuant to the amended terms, the Underwriters have agreed to purchase, on a bought deal basis, 21,552,000 subscription receipts of the Corporation (the “Subscription Receipts”) at a price of \$5.80 per Subscription Receipt (the “Offering Price”) for aggregate gross proceeds to Xebec of \$125,001,600 (the “Public Offering”).

The Corporation has granted the Underwriters an option (the “Over-Allotment Option”), exercisable, in whole or in part, at any time until and including 30 days following the closing of the Public Offering, to purchase up to an additional 15% of the Public Offering at the Offering Price to cover over-allotments, if any. If the Over-Allotment Option is exercised in full, the total gross proceeds of the Public Offering will be \$143,751,840.

In addition, the Corporation has also upsized the previously announced subscription agreement with CDPQ, pursuant to which Xebec and CDPQ have agreed that CDPQ will purchase on a “private placement” basis in Canada, Subscription Receipts at the Offering Price for gross proceeds to Xebec of approximately \$55 million (compared to approximately \$50 million previously) upon closing (the “Concurrent Private Placement”). Xebec has also granted CDPQ an option to purchase up to an additional 15% of Subscription Receipts in the event that the Underwriters exercise their over-allotment option under the Public Offering. If the additional subscription option is exercised in full by CDPQ, gross proceeds from the Concurrent Private Placement will be up to approximately \$63.3 million. The Subscription Receipts sold pursuant to the Concurrent Private Placement (and the underlying Common Shares) will be subject to a statutory four-

month hold period following the Closing of the Offering. Desjardins Capital Markets and TD Securities Inc. are acting as joint bookrunning agents on the Concurrent Private Placement.

Each Subscription Receipt will entitle the holder thereof, for no additional consideration and without further action on the part of the holder, to receive one Common Share of Xebec, upon the completion of the Acquisition. The proceeds of the Public Offering and the Concurrent Private Placement will be held in escrow pending the completion of the Acquisition. If the Acquisition is completed on or prior to February 28, 2021, the net proceeds of the Public Offering and the Concurrent Private Placement will be released and the Subscription Receipts will be exchanged on a one-for-one basis for Common Shares for no additional consideration or further action. The Acquisition is subject to, among other things, customary closing conditions, which include the approval from the TSX Venture Exchange, and the availability of the financing required to pay the applicable cash portion of the purchase price relating to the Acquisition. Closing is also subject to a condition for the benefit of the Corporation that there has been no material adverse effect on HyGear and its subsidiaries.

The net proceeds of the Offering will be used to fund the cash consideration payable pursuant to the Acquisition, to fund potential future acquisitions (which may include the acquisitions of a leading industrial gas generation technology and manufacturing business, as well as a specialty compressed air and air treatment services company, with respect of which the Corporation has entered into non-binding letters of intent) and for general corporate purposes. The Acquisition is expected to close on or about December 30, 2020. The Acquisition has been unanimously approved by the Board of Directors of Xebec and is subject to regulatory approval and other customary closing conditions, including those set forth above.

The Subscription Receipts under the Public Offering will be offered in all provinces of Canada pursuant to a short-form prospectus and in the United States by way of private placement to "qualified institutional buyers" in reliance upon the exemption from registration provided by Rule 144A under the U.S. Securities Act of 1933 (the "U.S. Securities Act"). The issuance of the Subscription Receipts and underlying Common Shares pursuant to the Public Offering and Concurrent Private Placement are subject to customary approvals of applicable securities regulatory authorities, including the approval of the TSX Venture Exchange. Completion of the Public Offering is subject to a number of conditions, including the concurrent closing of the Concurrent Private Placement and, similarly, completion of the Concurrent Private Placement is also subject to a number of conditions, including the concurrent closing of the Public Offering. Closing of each of the Public Offering and the Concurrent Private Placement is expected to occur on or about December 30, 2020.

Neither the Subscription Receipts nor the underlying Common Shares offered have been, and they will not be, registered under the U.S. Securities Act of 1933 (the "U.S. Securities Act"), as amended, and such securities may not be offered or sold in the United States, absent registration or an applicable exemption from registration. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Subscription Receipts or the underlying Common Shares. The offering or sale of the Subscription

Receipts and the underlying Common Shares shall not be made in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Related links:

<https://www.xebecinc.com>

<https://hygear.com/>

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About HyGear

HyGear's mission is to establish local hydrogen sources globally. The company developed cutting-edge technologies for on-site generation of industrial gases and recycling of spent gases from the end-user's process. By combining these technologies with traditional supply methods, HyGear guarantees the most optimal hydrogen supply in terms of cost, reliability, and environmental impact. These services are provided in the existing industrial gases market as well as the upcoming market of hydrogen energy. HyGear has offices in The Netherlands and Singapore. For more information, www.hygear.com.

About Caisse de dépôt et placement du Québec (CDPQ)

Caisse de dépôt et placement du Québec (CDPQ) is a long-term institutional investor that manages funds primarily for public and parapublic pension and insurance plans. As at June 30, 2020, it held CA\$333.0 billion in net assets. As one of Canada's leading institutional fund managers, CDPQ invests globally in major financial markets, private equity, infrastructure, real estate and private debt. For more information, visit cdpq.com, follow us on Twitter [@LaCDPQ](https://twitter.com/LaCDPQ) or consult our [Facebook](#) or [LinkedIn](#) pages.

About Xebec Adsorption Inc.

Xebec is a global provider of gas generation, purification and filtration solutions for the industrial, energy and renewables marketplace. Well-positioned in the energy transition space with proprietary technologies that transform raw gases into clean sources of renewable energy, Xebec's 1,500+ customers range from small to multi-national corporations, governments and municipalities looking to reduce their carbon footprints. Headquartered in Montréal, Québec, Canada, Xebec has several Sales and Support offices in North America and Europe, as well as two manufacturing facilities in Montréal and Shanghai. Xebec trades on the TSX Venture Exchange under the symbol "XBC". For more information, www.xebecinc.com.

Cautionary Statement

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This news release contains forward-looking statements and forward-looking information (together, "forward-looking statements") within the meaning of applicable securities laws. All statements, other than statements of historical facts, are forward-looking statements, and subject to risks and uncertainties. Generally, forward-looking statements can be identified by the use of terminology such as "plans", "seeks", "expects", "estimates", "intends", "anticipates", "believes", "could", "might", "likely" or variations of such words, or statements that certain actions, events or results "may", "will", "could", "would", "might", "will be taken", "occur", "be achieved" or other similar expressions. Forward-looking statements also include, but are not limited to, the statements regarding Xebec's business objectives, expected growth, results of operation, performance and financial results, statements with respect to the Acquisition, the Public Offering and the Concurrent Private Placement, including to their expected timing and completion, statements with respect to the anticipated benefits of the Acquisition and Xebec's ability to successfully integrate the Acquisition and the expected financial performance and future revenues related thereto. Forward-looking statements, including statements concerning future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects as well as the expectations of management of Xebec with respect to information regarding the business and the expansion and growth of Xebec operations, involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are subject to business and economic factors and uncertainties, and other factors that could cause actual results to differ materially from these forward-looking statements, including the relevant assumptions and risks factors set out in Xebec's public documents, including in the most recent annual management discussion and analysis and annual information form, filed on SEDAR at www.sedar.com. Furthermore, should one or more of the risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements or information. These risks, uncertainties and other factors include, among others, the uncertain and unpredictable condition of global economy, notably as a consequence of the Covid-19 pandemic, Xebec's capacity to generate revenue growth, the availability to Xebec of financing and credit alternatives and access to capital, Xebec's capacity to meet all its other commitments and business plans, Xebec's limited number of customers, the potential loss of key employees, changes in the use of proceeds from the Public Offering and Concurrent Private Placement, failure to complete the Acquisition, the Public Offering or the Concurrent Private Placement, the possible failure to realize the anticipated benefits from the Acquisition, changes in the terms of the Acquisition, increased indebtedness, transitional risks, acquisition integration related risks, loss of certain key personnel from HyGear, potential undisclosed costs or liabilities associated with the Acquisition, the information provided by HyGear not being accurate or complete, changes in exchange rates, changes in general economic conditions, share price volatility, and other factors. Although Xebec believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed times frames or at all. Except where

required by applicable law, Xebec disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.