FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Issuer

Xebec Adsorption Inc. ("**Xebec**")
730 Boul. Industriel
Blainville, Québec J7C 3V4

2. Date of Material Change

March 12, 2021

3. News Release

A news release pertaining to the material change being the subject of the present report were filed on SEDAR on March 12, 2021.

4. Summary of Material Change

As a result of extraordinary items in its Cleantech business segment and due to the impact of the Covid-19 pandemic, Xebec no longer expects to achieve its previous full year 2020 revenue guidance of $70 to $80 million. While the financial review remains ongoing, revenues for the full year are expected to be approximately $57 million. Full year 2020 gross margin is expected to be in the range of negative $1.0 million to positive $1.0 million. SG&A expenses in Q4 2020 are expected to be between $15 and $16 million. This increase is mainly due to transaction expenses, provision for bad debt, and an accelerated amortization amount of capitalized R&D expenses. Final figures are subject to completion of the Company's annual audit.

5.1 Full Description of Material Change

The difference in revenues is mainly due to the following extraordinary items, all of which occurred within Xebec's Cleantech business segment:

List of Extraordinary Items	Impact on Revenue
Xebec underwent a detailed review of its fixed price contracts for renewable natural gas (RNG) projects, where revenues are recognized based on the percentage of completion method. As a result of its review, Xebec determined that: i. Previously incurred expenses represented a lower percentage of total costs than previously estimated, and previously recognized revenue is required to be adjusted to reflect the revised percentage of completion for contracts that remain	$5.6 Million

profitable under Xebec's updated estimates. ii. Some of the contracts previously estimated to be profitable are now projected to result in losses. The percentage of completion method requires that the losses on such contracts be recognized immediately.	
Cancellation of the sale of two systems for which approximately 50% of the revenue was already recognized based on the percentage of completion method.	$5.4 Million
Reversal of revenue previously recognized based on the percentage of completion method due to the deteriorating financial position of a client where collection for payment became uncertain.	$1.9 Million

For more information, please refer to the press release filed on Xebec's SEDAR profile dated March 12, 2021.

5.2 Disclosure of Restructuring Transactions

Not applicable.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For any inquiries with respect to this material change report, please contact Nathalie Théberge, Vice-President, Legal Affairs and Corporate Secretary, at (450) 979-8700.

9. Date of Report

March 23, 2021.

Cautionary Statement

Neither Toronto Stock Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this report. This report 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, 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 relating to the loan, 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 report, 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.