

**FORM 51-102F3
MATERIAL CHANGE REPORT**

Item 1 Name and Address of Company

Xebec Adsorption Inc. ("Xebec" or the "Company")
730 boul. Industriel
Blainville, Qc, J7C3V4

Item 2 Date of Material Change

July 6, 2021

Item 3 News Release

A news release announcing the material change referred to in this report was issued by Xebec on July 6, 2021, was disseminated on newswires in Canada, posted on the Xebec's website and filed on SEDAR.

Item 4 Summary of Material Change

Xebec announced master service agreement for BGX Biostream™ units with Leading U.S. RNG dairy farm developer.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Xebec announced on July 6, 2021 that it has signed a Master Service Agreement ("MSA") with a leading U.S.-based renewable natural gas ("RNG") dairy farm project developer for the purchase of BGX Biostream™ ("Biostream") units. The MSA will support the order of an initial 18 units, with the potential for additional orders under the same service agreement. This agreement represents the single largest unit order the company has received to date for Biostream and the largest in number of systems ever awarded in North America for dairy farm biogas upgrading projects.

As a result of the MSA and additional expected orders, Xebec has also started the production of 30 Biostream units for delivery over the next year. The company's increased manufacturing requirements are in part supported by the recently announced acquisition of Tennessee-based Nortec. Xebec's Canadian manufacturing facility is being modified and is expected to allow for the annual production of approximately 30 to 40 Biostream units. In addition, the company is exploring new capacity in the U.S. as more purchase orders are signed.

"This is fantastic validation of our new Biostream product that is focused on animal manure feedstocks. The team has worked hard over the last two years to develop this containerized system which offers many benefits to customers such as short delivery times, fast installation, modularity, ability to automatically handle fluctuating flow rates, low operating costs and equally important, a very competitive price. This MSA shows the strong value proposition developers and farmers see in our products, as they accelerate the development of carbon-negative renewable natural gas production. We are proud to be playing such an important role in this energy transition and look forward to ramping up our production capacity," stated Kurt Sorschak, Chairman, CEO and President of Xebec Adsorption Inc.

Starting at a list price of USD \$1.5 million, Biostream is an ideal solution for dairy farmers because of its containerized and fully automated design that offers easy and quick installation and commissioning, which combined, takes approximately 10 days. Customers will also enjoy the peace of mind knowing that Xebec's Cleantech Service Network (CSN) will support them locally throughout the entire setup process and for the lifetime of their renewable natural gas equipment.

Item 5.2 Disclosure of Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No material information has been omitted in respect of the material change described above.

Item 8 Executive Officer

The foregoing accurately discloses the material change referred to in this report and inquiries in respect of the material change referred to in this report may be made to:

Nathalie Théberge
Vice-President, Legal Affairs and Corporate Secretary
(450) 979-8700
ntheberge@xebecinc.com

Item 9 Date of Report

July 15, 2021