For Immediate Distribution

Xebec Obtains Interim Financing and Provides Update on its CCAA Process

- **Xebec entered into an $3 million interim financing (DIP) facility with National Bank of Canada and Export Development Canada**

MONTRÉAL, QC, October 21, 2022 – Xebec Adsorption Inc. and certain of its affiliates (collectively, "**Xebec**" or the "**Corporation**"), a global provider of sustainable gas solutions, provided an update today following its filing for creditor protection pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**") on September 29, 2022. The Corporation is pleased to announce it has entered into an interim financing facility (the **"DIP Facility**") with National Bank of Canada and Export Development Canada. The DIP Facility consists of a revolving multiple draw credit facility of up to a maximum principal amount of $3 million which will be used to fund the Corporation's operations as it continues its restructuring efforts under the CCAA. The DIP Facility was approved yesterday by the Superior Court of Québec (the "**Court**") pursuant to an Amended and Restated Initial Order.

Key Employee Retention Plan

The Court also approved yesterday Xebec's key employee retention plan ("**KERP**"), which permits Xebec to make retention payments to certain key members of Xebec's team deemed essential to ensuring the stability of Xebec's business, enhancing the effectiveness and success of the previously announced ongoing sale and investment solicitation process ("**SISP**") and supporting the Corporation's restructuring efforts. In addition, the Amended and Restated Initial Order extended the stay of proceedings against Xebec until November 28, 2022, subject to further extension. The stay extension will allow Xebec to continue operating as a going concern as it conducts the SISP and pursues its restructuring.

SISP

In order to participate in the SISP and obtain a copy of the confidential information memorandum and access to a virtual data room, all interested parties must comply with the terms and conditions set forth in the Bidding Procedures Order dated September 29, 2022, a copy of which is available on the website of Deloitte Restructuring Inc. (the "**Monitor**") at https://www.insolvencies.deloitte.ca/Xebec. Parties interested in participating in the SISP should contact National Bank Financial Inc., Xebec's financial advisor in connection with the SISP, at XebecSISP@bnc.ca or the Monitor at xebec_ccaa@deloitte.ca.

Parties interested in participating in the SISP are reminded that the deadline for submission of non-binding letters of intent is **5:00 p.m. (Eastern Time) on November 11, 2022** and the deadline for submission of binding bids is **5:00 p.m. (Eastern Time) on January 6, 2023.**

Xebec will provide further updates as developments warrant. A copy of the Amended and Restated Initial Order and other information regarding the CCAA proceedings are available on the Monitor's website at https://www.insolvencies.deloitte.ca/Xebec. Information regarding CCAA proceedings can also be obtained by calling the Monitor's hotline at 514-393-6722 or by email at xebec_ccaa@deloitte.ca.

Related link:
https://www.xebecinc.com

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About Xebec Adsorption Inc.
Xebec is a global provider of clean energy solutions for renewable and low carbon gases used in energy, mobility and industrial applications. The company specializes in deploying a portfolio of proprietary technologies for the distributed production of hydrogen, renewable natural gas, oxygen and nitrogen. By focusing on environmentally responsible gas generation, Xebec has helped thousands of customers around the world reduce their carbon footprints and operating costs. Headquartered in Québec, Canada, Xebec has a worldwide presence with nine manufacturing facilities, seventeen Cleantech Service Centers and four sales offices spanning over four continents. For more information, visit www.xebecinc.com.

Cautionary Statement
All statements, other than statements of historical fact, contained in this press release constitute "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable securities laws and are based on expectations and projections as of the date of this press release. Forward-looking statements typically contain words such as "believes", "expects", "anticipates", "continues", "could", "indicates", "plans", "will", "intends", "may", "projects", "schedules", "would" or similar expressions suggesting future outcomes or events, although not all forward-looking statements contain these identifying words.

Forward-looking statements contained in this press release include, without limitation, those related to the SISP; the Corporation's ability to solicit interested parties in connection with the SISP; the anticipated deadline for initial qualified non-binding letters of interest; the Corporation's plans with respect to the identification and consideration of potential restructuring transactions under the SISP; the effect of the KERP and the Corporation's ability to retain employees; and the effect of the CCAA protection and the stay of proceedings.

These statements are neither promises nor guarantees but involve known and unknown risks and uncertainties that may cause Xebec's actual results, level of activity or performance to be materially different from any future results, levels of activity or performance expressed in or implied by these forward-looking statements, including the ability for the Corporation to obtain financing during and following the

CCAA process, general economic conditions and other risks other factors which are discussed in greater details in the Corporation's Management's Discussion and Analysis for the period ended June 30, 2022, the Corporation's Annual Information Form as well as other filings made by the Corporation which are available under the Corporation's profile on SEDAR at www.sedar.com. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the time of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates and assumptions may prove to be incorrect. In addition, there is no assurance that there will be any residual value for shareholders under the CCAA process.

If these assumptions prove to be inaccurate, Xebec's actual results may differ materially from those expressed or implied in the forward-looking statements. In addition, there can be no assurance that the CCAA proceedings will result in the maximization of the return in respect of the Corporation's assets and those of its subsidiaries.

The forward-looking statements contained herein are made as of the date of this press release and are expressly qualified in their entirety by this cautionary statement. Except to the extent required by law, Xebec undertakes no obligation to publicly update or revise any forward-looking statements contained herein. Readers should not place undue reliance on forward-looking statements.