



Xebec and Fonds de solidarité FTQ launch an investment fund to increase renewable natural gas production in Québec

MONTREAL, (QC), June 1st, 2020 – [Xebec Adsorption Inc. \(TSXV: XBC\)](#) (“Xebec”), a global provider of clean energy solutions, and [Fonds de solidarité FTQ](#) (the “Fonds”) are proud to announce the creation of the GNR Québec Capital L.P. investment fund. With an initial capitalization of \$20 million, this new investment vehicle aims to increase renewable natural gas (RNG) production in Québec. Partners, particularly from the agricultural and municipal sectors, will have access to the capital and expertise needed to develop and operate efficient facilities to treat organic waste. The creation of a fund of this type for renewable natural gas projects is a first in Québec.

Xebec and the Fonds will each initially invest \$10 million into the partnership. Over time, Xebec and the Fonds expect that the partnership could receive an aggregate \$100 million in equity capital from Xebec, the Fonds and other investors. Xebec and the Fonds’ initiative could, with a 75:25 debt to equity ratio, fund 12 to 15 renewable natural gas projects in Québec with an aggregate investment of \$400 million over the next decade. The general partner, GNR Québec Capital Management Inc., overseen by a Board of Directors nominated by Xebec and the Fonds will be managing the partnership.

“We’re proud to once again partner with Xebec to increase the Fonds de solidarité FTQ’s impact in the fight against climate change. Renewable natural gas can accelerate the decarbonization of sectors such as transportation, home heating and industry, by supporting the circular economy through organic waste responsive management activities. This initiative also meets the Fonds’ objectives for a just energy transition by creating jobs and supporting local economies with additional revenue streams for farmers, municipalities, and industry. Xebec is a worldwide leader in renewable gases, and we are excited to have them as a partner in this project for the large-scale rollout of renewable natural gas facilities in Québec,” says *Dany Pelletier, Vice President for Investments - Structuring Capital, Energy and Environment, Fonds de solidarité FTQ.*

“Our partnership with the Fonds de solidarité FTQ is a great demonstration of how local players can work together to foster the development of the renewable natural gas industry. When we launched this initiative a few years ago, we realized the need for new and better adapted structures to co-invest, develop and operate these facilities in a professional manner. Quebec has become a leading RNG province in Canada and currently has several RNG facilities in operation. Considering that new government regulations, such as the Clean Fuels Standard, will soon come into force and that the need for a higher renewable natural gas content will increase over the next few years, particularly in the utilities sector, we are pleased to partner with the Fonds de solidarité FTQ to accelerate the deployment of renewable gas infrastructures. Going forward, Xebec will seek to create more of these valuable financial partnerships in the field of RNG waste-to-energy



conversion in Canada and will continue its mission to bring leading-edge technologies to the sector," said Kurt Sorschak, President and CEO of Xebec Adsorption Inc.

A first-of-its-kind investment vehicle for renewable natural gas projects in Canada

This partnership is an innovative initiative that brings together industry participants (waste management companies, gas utilities, farmers, municipalities) and major financial institutions with a clear mandate to invest in organic waste treatment facilities for the production of renewable natural gas. The market for renewable natural gas in Canada is still in its infancy. In this context, Xebec and the Fonds de solidarité FTQ view this partnership as an essential step to develop and promote the expertise and efforts needed to accelerate the replacement of fossil fuels while supporting sustainable and responsible long-term investment in a waste-to-renewable gas economy in Canada.

GNR Quebec Capital: in line with government objectives for GNR production and greenhouse gas emissions reduction

GNR Quebec Capital L.P. believes that it could play a significant catalyst role in helping to meet government objectives of reducing greenhouse gas emissions and increasing the use of renewable natural gas, while supporting existing developers.

Last March, the Quebec government's 2020-2021 budget allocated \$70 million to support RNG production and distribution up to 2022. This measure follows the passing, in March 2019, of regulations mandating the minimum quantity of RNG to be delivered by natural gas distributors at 1% in 2020, and 5% in 2025.

For its part, the Government of Canada announced on April 24, 2020 an updated [timeline for the introduction of the Clean Fuels Standard \(CFS\)](#). The objective of this standard is to achieve an annual reduction in greenhouse gas emissions of 30 million tons by 2030. It will do so by stimulating investment and innovation in low-carbon-intensity fuels while enabling cost effective compliance. Xebec expects that the implementation of the ASC will create significant opportunities for the Canadian renewable gas industry over the next decade.



Xebec to host Webinar on the Partnership

On June 2, at 11:00 a.m. EDT (8:00 a.m. PDT), Xebec management invites shareholders, analysts, investors, media representatives and other stakeholders to participate in a webinar on this innovative partnership. For the occasion, Kurt Sorschak, Xebec's President and CEO, will be joined by Louis Dufour, Xebec's Chief Financial Officer, and Prabhu Rao, Xebec's Chief Operating Officer. The presentation will be followed by a question period.

To Register: <https://app.livestorm.co/xebec-adsorption-inc/xebec-and-fonds-de-solidarite-ftq-quebec-rng-partnership-webinar>

- 30 -

Media inquiries:

Public Stratégies et Conseil

Harold Fortin, Corporate communications and Public affairs strategist

harold@publicsc.com

+418 572 4356

Fonds de solidarité FTQ

Patrick McQuilken, Media Relations

pmcquilken@fondsfq.com

+514 703 5587

Investor relations:

Xebec Adsorption Inc.

Brandon Chow, Investor Relations Manager

bchow@xebecinc.com

+450 979 8700 ext 5762

About the Fonds de solidarité FTQ

The Fonds de solidarité FTQ is a capital development fund that channels the savings of Quebecers into investments. With \$16.7 billion in net assets as at November 30, 2019, the Fonds has helped create and protect more than 215,000 jobs. The Fonds has over 3,100 partner companies and upwards of 700,000 shareholders-savers.

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 1500+ customers range from small to multi-national corporations, governments and municipalities looking to reduce their carbon footprints. Headquartered in Montréal, Quebec, 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.

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, 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 ability of Xebec and the Fonds to identify additional partners, the ability of the partnership to raise additional capital investment, the development of the renewable gas market in Canada, the capacity for the partnership to identify valuable renewable gas projects to invest in, the ability of the partnership to contribute to the reduction of greenhouse gas emissions, price of raw material, Xebec's capacity to meet all its other commitments and business plans, Xebec's limited number of customers, the potential loss of key employees, 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.