

New IFRS 15 Standard Causes Xebec to Update Guidance

Company expecting 2018 revenue to come in at CDN\$20.0M with an increase to 2019 revenue guidance of CDN\$45.5M

MONTREAL, (QC), April 11th, 2019 – Xebec Adsorption Inc. (TSXV: XBC) (OTC: XEBEF) (FRANKFURT: XB6) (“Xebec”), a global provider of clean energy solutions announced today that revenue and earnings guidance previously given for the 2018 and 2019 calendar years must be updated as a result of the application of new IFRS 15 accounting standard.

Under IFRS 15, revenue recognition as a percent of completion requires a cancellation clause that stipulates that the company is entitled to cost, margin and profit.

This clause is present in Xebec’s North American and European contracts but a recent audit review of seven (7) contracts in China revealed that the contract language did not meet the updated cancellation clause requirements of IFRS 15. While the underlying projects are progressing in line with expectations, the company will need to complete the projects before it recognizes revenue. Completion for all 7 projects will occur within the first three quarters of 2019.

On November 8th, 2018, consolidated revenue guidance for 2018 was in a range of CDN\$22 to \$25M. Xebec would have exceeded the higher end of the guidance but the revenue from these seven contracts worth approximately CDN\$5.5M will now shift to 2019. As a result, Xebec has adjusted its 2018 revenue guidance to CDN\$20M. Its earnings guidance of \$0.01 per share will change to a loss of \$0.07.

Xebec will increase 2019 revenue guidance from CDN\$40M to \$45.5M; earnings guidance will increase from a range of \$0.05 to \$0.07 to a range of \$0.10 to \$0.13 per share; gross margins will be in the range of 28% to 32%; and SG&A costs are expected to be between CDN\$9 to \$10 million.

Xebec will publish its full financial results for calendar year end 2018 on April 17th, 2019.

“While we have to revise our 2018 and 2019 estimates and numbers, the changes to the seven contracts will have no impact on our operations, cash flow and, most importantly, our continuing rapid growth.”

- *Kurt Sorschak, President and CEO of Xebec Adsorption Inc.*

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About Xebec Adsorption Inc.

Xebec Adsorption Inc. is a global provider of gas generation, purification and filtration solutions for the industrial, energy and renewables marketplace. Its customers range from small to multi-national corporations and governments looking to reduce their carbon footprints. Headquartered in Montreal (QC), Xebec designs, engineers and manufactures innovative and transformative products, and has more than 1,500 customers worldwide. With two manufacturing facilities in Montreal and Shanghai, as well as a sales and distribution network in North America, Europe, and Asia, Xebec trades on the TSX Venture Exchange under the symbol XBC. For additional information on the company, its products and services, visit Xebec at 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, 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, Xebec's capacity to generate revenue growth, limited number of customers, 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.

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