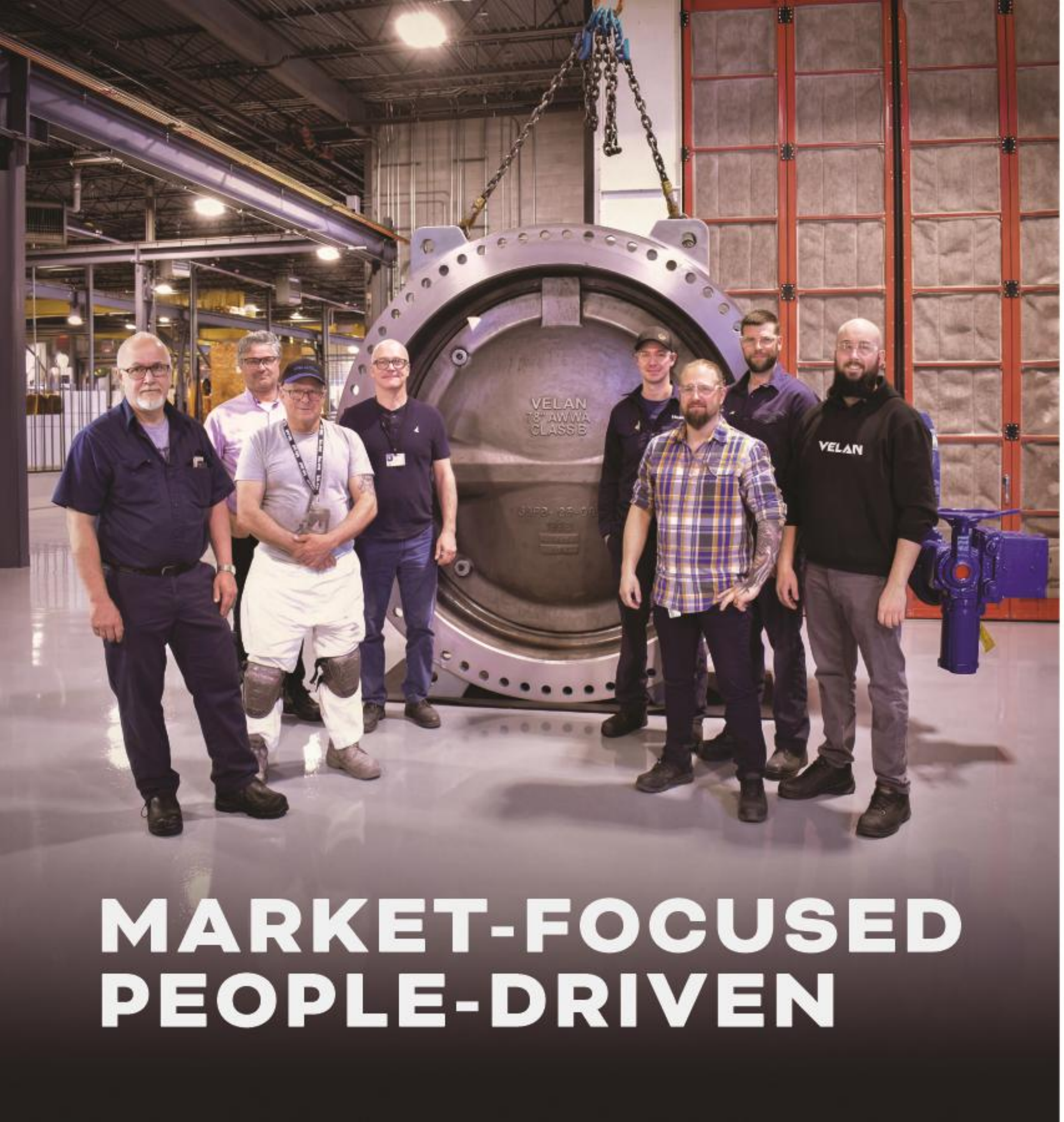


VELAN

Q1-FY2027 Investor Presentation

July 10, 2026

Disclaimer

The following presentation provides an analysis of the consolidated operating results and financial position of Velan Inc. ("the Company") for the quarter ended May 31, 2026. This presentation should be read in conjunction with the Company's audited consolidated financial statements for the years ended February 28, 2026, and February 28, 2025. The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The significant accounting policies upon which these consolidated financial statements have been prepared are detailed in Note 2 of the Company's audited consolidated financial statements. All foreign currency transactions, balances and overseas operations have been converted to U.S. dollars, the Company's reporting currency. This presentation was reviewed by the Board of Directors of the Company on July 9, 2026. Additional information relating to the Company, including the Annual Information Form and Proxy Information Circular, can be found on SEDAR+ at **www.sedarplus.ca**.

NON-IFRS AND SUPPLEMENTARY FINANCIAL MEASURES

In this presentation, the Company has presented measures of performance or financial condition which are not defined under IFRS ("non-IFRS measures") and are, therefore, unlikely to be comparable to similar measures presented by other companies. These measures are used by management in assessing the operating results and financial condition of the Company and are reconciled with the performance measures defined under IFRS. Reconciliations of these amounts can be found at the end of this presentation. The Company has also presented supplementary financial measures which are defined at the end of this presentation.

FORWARD-LOOKING INFORMATION

This presentation may include forward-looking statements, which generally contain words like "should", "believe", "anticipate", "plan", "may", "will", "expect", "intend", "continue" or "estimate" or the negatives of these terms or variations of them or similar expressions, all of which are subject to risks and uncertainties. These risks and uncertainties are disclosed in the Company's filings with the appropriate securities commissions. While these statements are based on management's assumptions regarding historical trends, current conditions and expected future developments, as well as other factors that it believes are reasonable and appropriate in the circumstances, no forward-looking statement can be guaranteed, and actual future results may differ materially from those expressed herein. The Company disclaims any intention or obligation to update or revise any forward-looking statements contained herein whether as a result of new information, future events or otherwise, except as required by the applicable securities laws. The forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

Entering a New Chapter in our History

- **Acquisition by Birch Hill of Velan Holding's majority interest**
  - Closing announced on June 15, 2026
- **Well positioned to strengthen our leadership across the markets we serve**
  - Strong balance sheet
  - Solid brand reputation
  - Product quality
  - Expertise in critical applications

Changes to the Board of Directors

- **Jim Mannebach retired as CEO and stepped down as Chair of the Board**
  - Remains Company Director as one of Birch Hill's nominees
- **Additional Birch Hill nominees**
  - Patrick Duncan, partner at Birch Hill, named Chair
  - Joshua Lundy
  - Shauna Gamble (independent)
- **Three current directors continue to serve as independent members**
  - Daniel Desjardins appointed Lead Director
- **Board consists of seven Directors, four of whom are independent**

General Overview and Outlook

- **Results below last year mainly due to external factors**
  - Geopolitical and regional conflicts affecting customer activity, order timing and shipment schedules
- **Focus on rightsizing our cost structure**
- **Advancing a transformation plan**
  - Optimize our operations
  - Leverage our global scale
  - Simplify the organizational structure
  - Modernize facilities in preparation for anticipated growth
- **Designed to improve execution, enhance performance, strengthen customer service and support profitable growth**

Key Markets Overview

- **Nuclear remains a major growth driver**
  - Growing demand for reliable, low-carbon energy
  - Increasing investment in reactor refurbishments, life-extension programs, SMRs, and new-build projects
- **Canada's Nuclear Energy Strategy recognizes its important role in meeting demand, energy security and economic growth**
  - Supports reactor refurbishment and new-builds, including SMRs
  - Promotes Canadian nuclear expertise on the global stage
- **We are a preferred supplier to the CANDU® ecosystem**
- **Funded projects to convert into bookings in the near term**
  - Execution largely within next 24 months

Key Markets Overview (cont'd)

- **Rising global security concerns driving investments in defense naval modernization programs**
  - Our leading position in nuclear propulsion valves could translate into orders over the next few years
- **Opportunities in Oil & Gas**
  - Bidding activity remains healthy despite geopolitical uncertainty affecting customer activity
  - Attractive opportunities:
    - Deferred maintenance activity in North American
    - Potential infrastructure investments in the Middle East

First Quarter Results

- **Geopolitical and regional conflicts impacted bookings, deliveries and profitability**
  - Bookings constrained by geopolitical uncertainty and reduced maintenance, repair and overhaul (MRO) activity
  - Shipments deferred to future periods with majority expected to be recaptured by the end of the fiscal year
- **Backlog of $275.1 million**
  - 70.7% deliverable over the next 12 months
  - Structure reflects growing share of longer-duration, large-scale contract
- **Financial position remains solid**
  - Nearly $35 million in cash and cash equivalents
  - New credit facility (subsequent to Q1) provides liquidity and flexibility

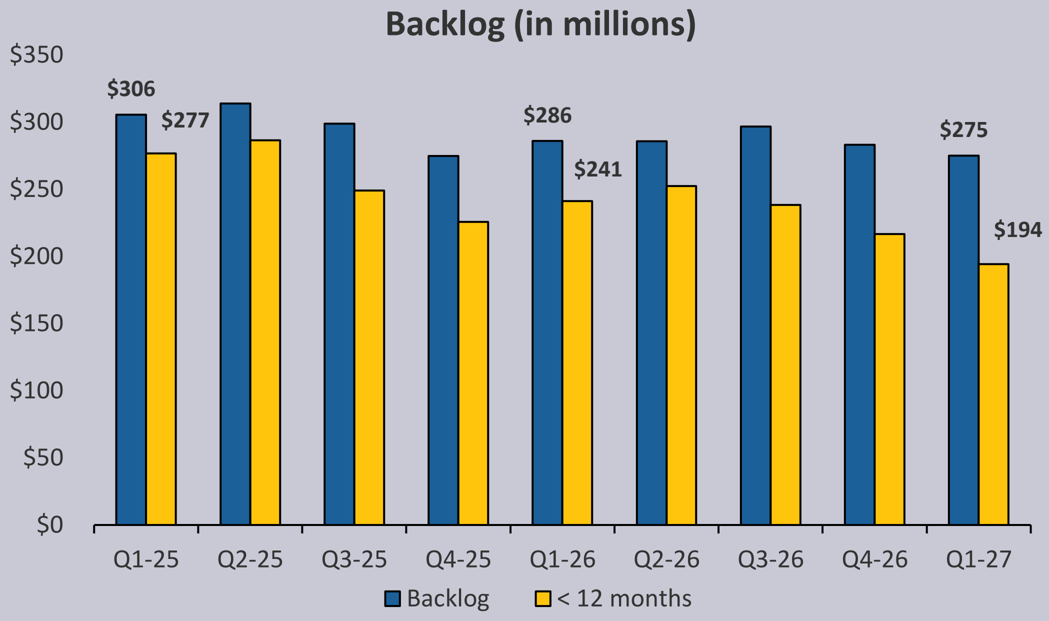
Backlog[1] and Bookings[1]

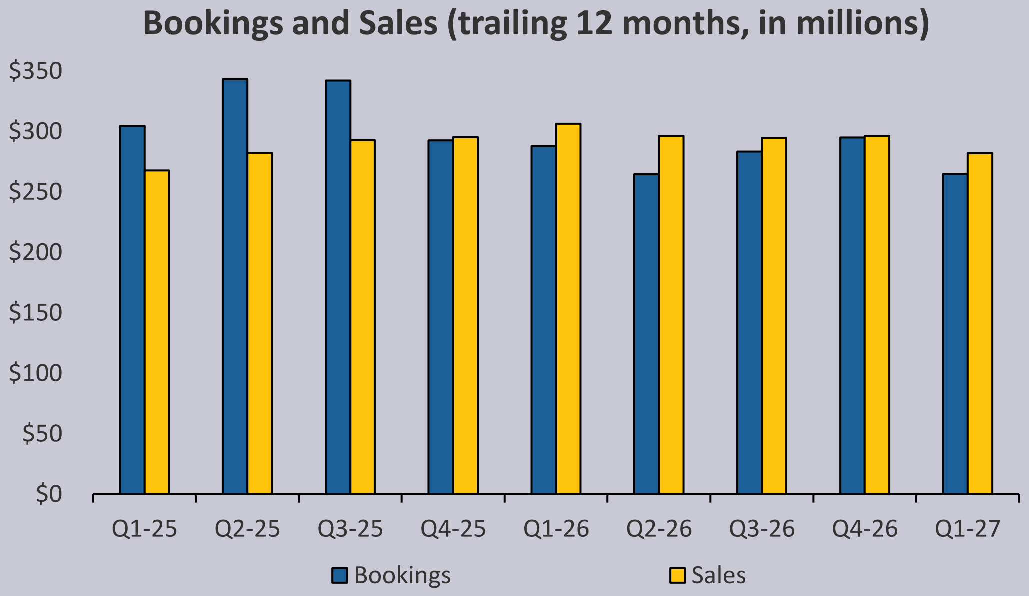
Backlog of $275.1M as at May 31, 2026

- Down slightly from $283.3M three months ago
- $194.4M deliverable within next 12 months (70.7%)
  - Higher proportion of longer-duration, large scale contracts increases backlog visibility

Bookings of $48.0M in Q1-FY27 compared to $78.2M in Q1-FY26

- Challenging market conditions caused by geopolitical and regional conflicts affected bookings
- Lower North American MRO bookings due to reduced refurbishment activity and strong prior-year performance
- Bidding activity remains solid, mainly for large-scale projects



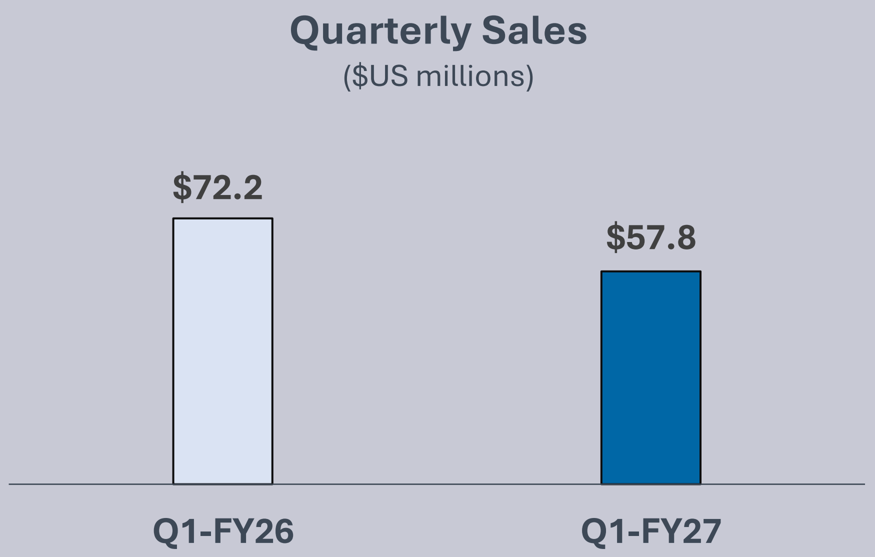


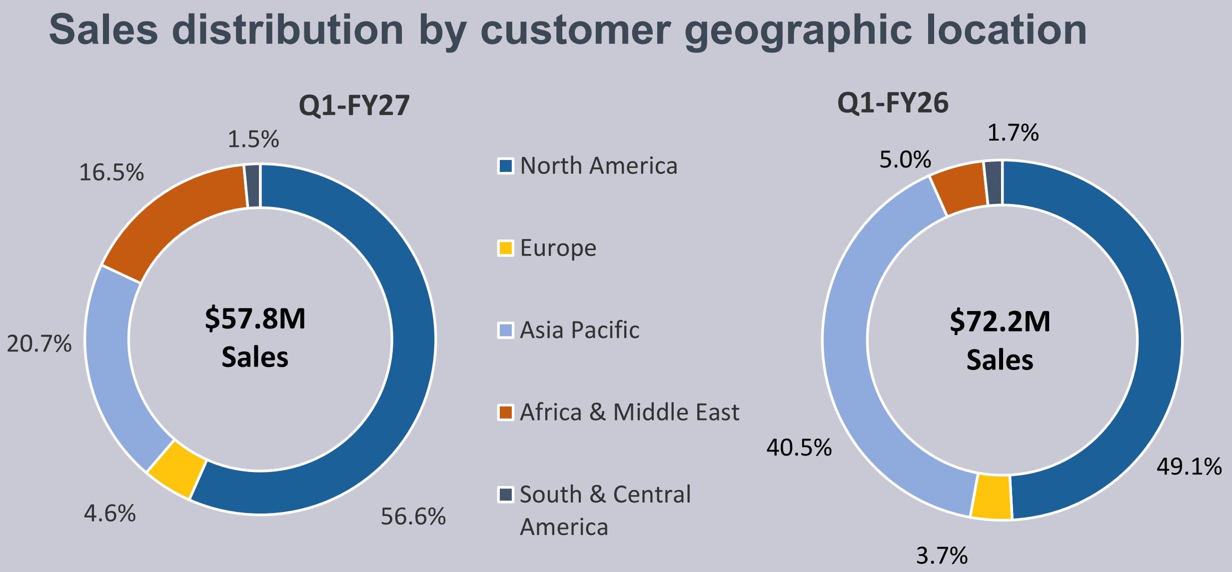
[1] *Non-IFRS measure – see Non-IFRS and Supplementary Financial Measures in the Appendix of this presentation.*

Sales

$57.8M ⬇ 19.9% vs. prior year

- Lower shipments from North American and Italian operations, mainly due to geopolitical and regional conflicts
- Certain shipments deferred to future periods expected to be recaptured by the end of the fiscal year





Profitability

Gross profit

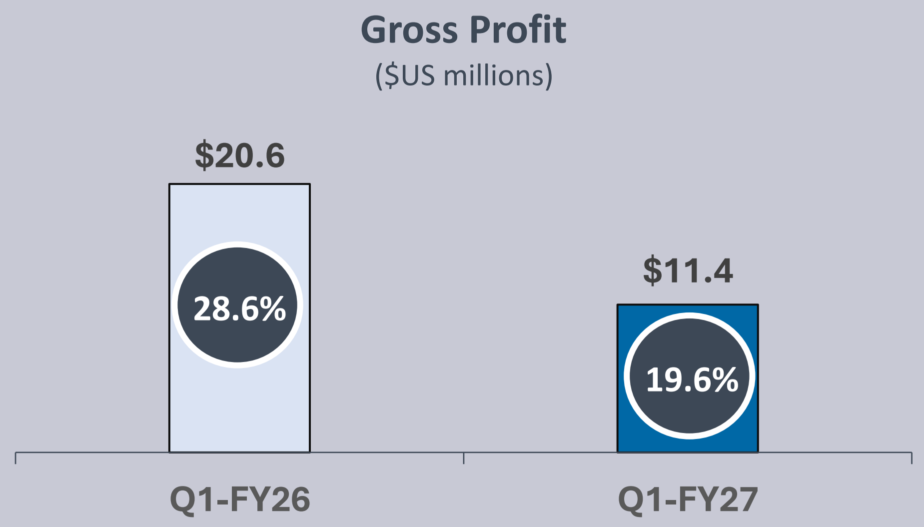
$11.4M ⬇ **9.3M$ vs. prior year**

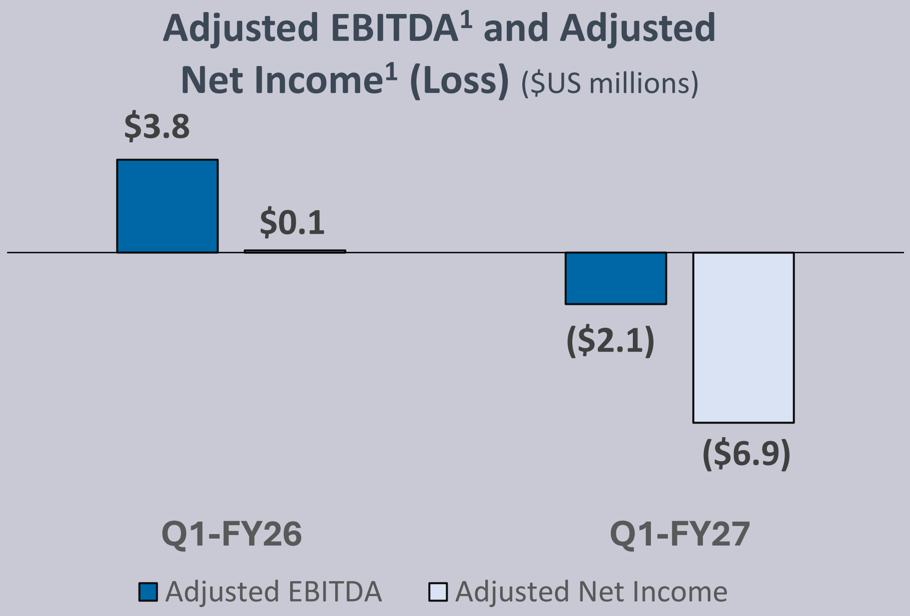
19.6% of sales ⬇ **900 bps vs. prior year**

- Impact of lower business volume on the absorption of fixed production overhead costs
- $1.3M provision increase
  - Excluding this factor, gross profit was approx. 22% of sales

Adjusted EBITDA

- Lower gross profit
- Partially offset by lower administration costs





[1] Non-IFRS measure – see Non-IFRS and Supplementary Financial Measures in the Appendix of this presentation.

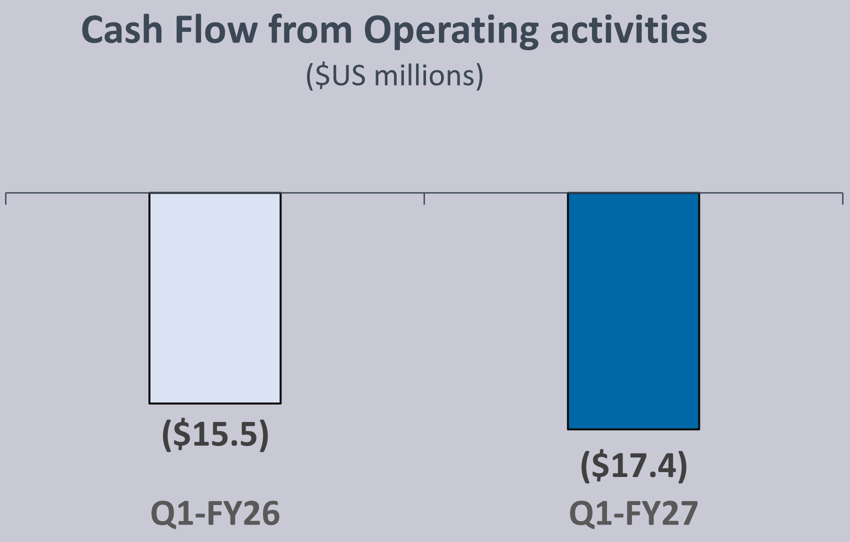
Cash Flow and Financial Position

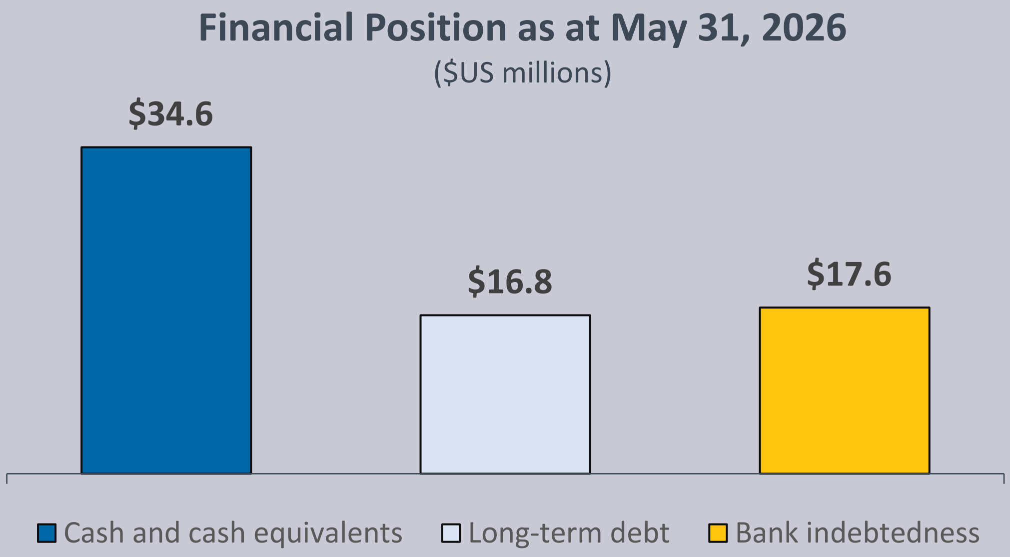
Cash Flow from Operating Activities

- Unfavourable variation reflects negative changes in non-cash working capital items
  - Decreases in accounts payable and accrued liabilities, as well as in short-term customer deposits
  - Partially offset by lower inventories
- Focus on improving working capital efficiency

Solid financial position

- New five-year $80M credit facility (subsequent to Q1)
  - Increases available liquidity and lowers cost of capital
  - Provides flexibility to execute our strategy and invest in our core capabilities





In Summary

- **Entering an exciting new chapter in our history**
  - Well positioned to execute our strategy and create long-term value
- **Attractive opportunities in our core markets supported by favourable long-term fundamentals**
  - Advancing through stages that provide visibility toward bookings and execution
- **Advancing our transformation plan**
  - Positioning Velan to better serve customers and capture future growth opportunities
- **Confident in our long-term outlook**

Thank you for attending our Q1-F2027 Financial Results Investor Call.

We are happy to answer any questions.

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Appendix

Additional Information

Non-IFRS and Supplementary Financial Measures

Adjusted net income (loss), Adjusted net income (loss) per share, Earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA

	Three-month periods ended	
(in thousands, except per share amounts; certain totals may not add up due to rounding)	May 31, 2026 $	May 31, 2025 $
Reconciliation of net income (loss) from continuing operations to adjusted net income (loss) from continuing operations and adjusted net income (loss) from continuing operations per share		
Net income (loss) from continuing operations	(9,436)	17,826
Adjustments for:		
Asbestos-related costs	-	(754)
Transaction-related costs	377	6,128
Non-recurring provision adjustments	2,132	-
Non-recurring tax recovery on France transaction	-	(23,110)
Adjusted net income (loss) from continuing operations	**(6,927)**	**90**
per share – basic and diluted	(0.32)	0.00
Reconciliation of net income (loss) from continuing operations to Adjusted EBITDA from continuing operations		
Net income (loss) from continuing operations	(9,436)	17,826
Adjustments for:		
Depreciation of property, plant and equipment	1,698	1,629
Amortization of intangible assets and financing costs	456	519
Finance costs – net	84	390
Income tax expense (recovery)	1,687	(21,958)
EBITDA	**(5,511)**	**(1,594)**
Adjustments for:		
Asbestos-related costs	-	(754)
Transaction-related costs	513	6,128
Non-recurring provision adjustments	2,900	-
Adjusted EBITDA	**(2,098)**	**3,780**

Non-IFRS measures

The term “Adjusted net income (loss)” is defined as net income or loss attributable to Subordinate and Multiple Voting Shares plus adjustment, net of income taxes, for costs related to restructuring and to the proposed transaction. The terms “Adjusted net income (loss) per share” is obtained by dividing Adjusted net income (loss) by the total amount of subordinate and multiple voting shares. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement.

The term “EBITDA” is defined as adjusted net income plus depreciation of property, plant & equipment, plus amortization of intangible assets, plus net finance costs, plus income tax provision. The term “Adjusted EBITDA” is defined as EBITDA plus adjustment for costs related to restructuring and to the proposed transaction. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Supplementary financial measures

The term “Net new orders” or “bookings” is defined as firm orders, net of cancellations, recorded by the Company during a period. Bookings are impacted by the fluctuation of foreign exchange rates for a given period. The measure provides an indication of the Company’s sales operation performance for a given period, as well as well as an expectation of future sales and cash flows to be achieved on these orders.

The term “backlog” is defined as the buildup of all outstanding bookings to be delivered by the Company. The Company’s backlog is impacted by the fluctuation of foreign exchange rates for a given period. The measure provides an indication of the future operational challenges of the Company as well as an expectation of future sales and cash flows to be achieved on these orders.

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