VELAN

LEVERAGING OUR STRENGTHS

Q4-FY2026 Investor Presentation

May 15, 2026

Disclaimer

The following presentation provides an analysis of the consolidated operating results and financial position of Velan Inc. ("the Company") for the quarter and fiscal year ended February 28, 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 May 14, 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.

James A. Mannebach

Chairman of the Board and Chief Executive Officer

A Look Back at Fiscal 2026

Sound financial results despite a challenging environment

- Annual sales improved to $296.4M
- Gross profit margin held steady at 27.4%
- Order backlog grew 3.1% to $283.3M
- Very strong cash position of more than $53M

Ongoing initiatives to create shareholder value

- Sale of French subsidiaries and divestiture of asbestos-related liabilities early in the year
  - Unlocked value, partially returned through a special dividend
- Proposed sale of Velan Holdings’ controlling interest to Birch Hill
  - Requires completion of remaining regulatory approvals

Leading Position in a Diversified Range of Industrial Markets

Nuclear is a key growth driver

- Mounting pressure on electrical grids
- Soaring demand for clean energy sources

Velan is the leading valve supplier for all reactor technologies

- Substantial installed footprint
- Unsurpassed technical expertise

Preferred Vendor Agreement with AtkinsRealis

- Helping to accelerate refurbishment and new builds of CANDU® reactors

Valve order from OPG for reactors being restored in Pickering

- Order of more than CA$20M; deliveries beginning in January 2027

Darlington SMR project fast tracked by Canadian government

- Main Services Agreement with GE Hitachi on this project

Securing service contracts to refurbish existing infrastructure

Leading Position in a Diversified Range of Industrial Markets (cont'd)

Firmly entrenched in the defense market

- Leading valve supplier of choice for nuclear propulsion of surface and sub-surface vessels
- Heightened geopolitical tensions worldwide may lead to higher defense spending

Opportunities in the oil & gas market

- Meaningful investment may be required to restart idled projects and restore damaged infrastructure
- Velan services a significant share of North American refineries and has a growing presence overseas

Leading valve provider in traditional power for decades

- Active around the world supporting aftermarket needs of existing plants and new builds
- Expanding our sales channel and working on new product introductions

In Summary

Pleased with our performance in FY 2026

- Considering heightened trade and geopolitical tensions

Well positioned to build on our leadership position in key industrial markets

Expect to deliver improved operating performance in FY 2027

- Supported by sharper focus and cost discipline

The transaction with Birch Hill is advancing as planned, and we expect approvals to be received in the near term

- Birch Hill communicated a long-term investment horizon
- Prepared to supply necessary support to deliver growth

Focused on generating lasting value for shareholders

Rishi Sharma

Chief Financial and Administrative Officer

Backlog[1] and Bookings[1]

Backlog of $283.3M as at February 28, 2026

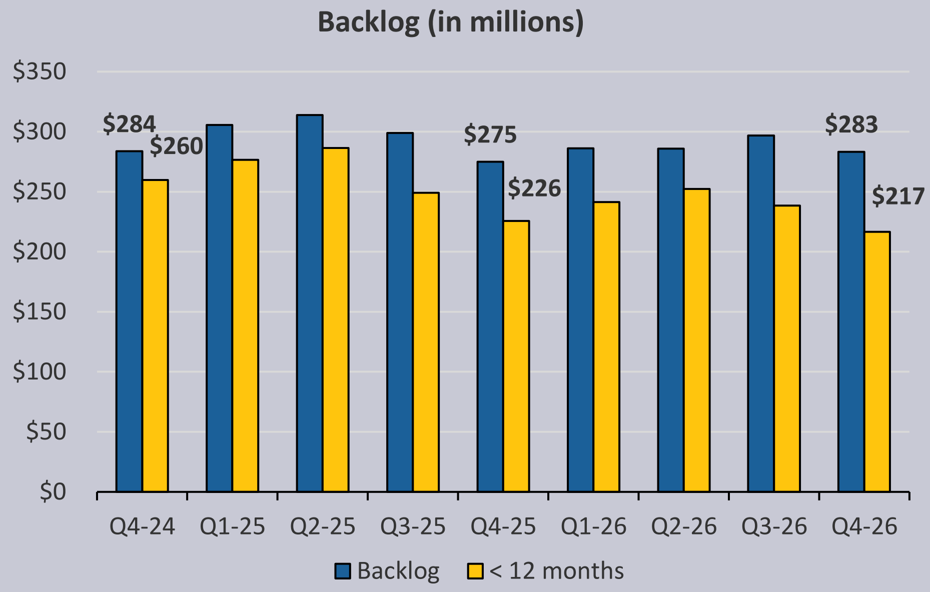
- Up 3.1% from a year ago
- $216.7M deliverable within next 12 months (76.5% of backlog)

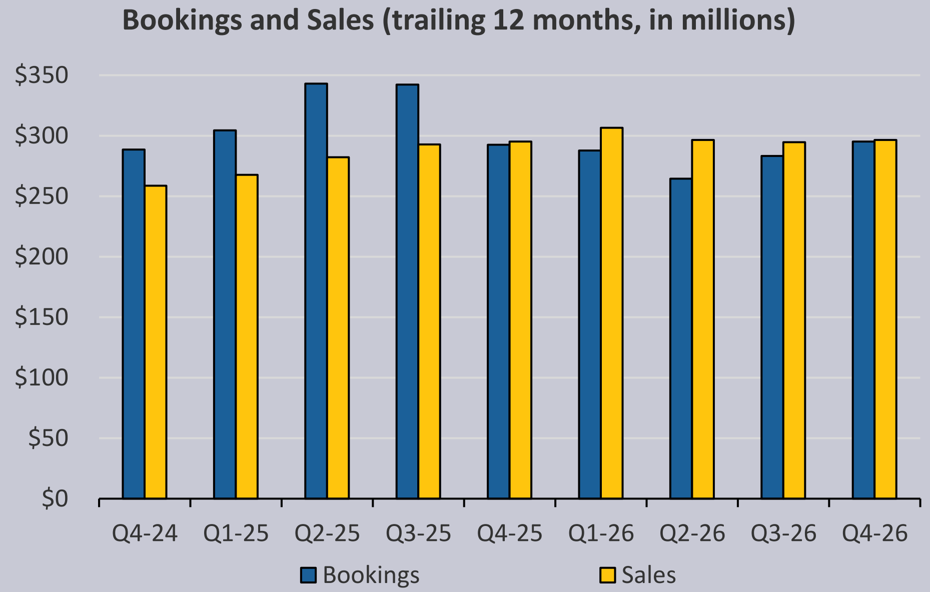
Bookings of $73.7M in Q4-FY26 compared to $62.0M in Q4-FY25

- Higher nuclear bookings in North America
- Increased bookings from Indian operations
- Partially offset by lower bookings in Germany

Bookings of $295.0M in FY 2026 compared to $292.5M in FY 2025

- Higher bookings from Italian operations
- Lower bookings in Germany and China
  - Strong order flow in the prior year





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

Sales

Q4-FY26

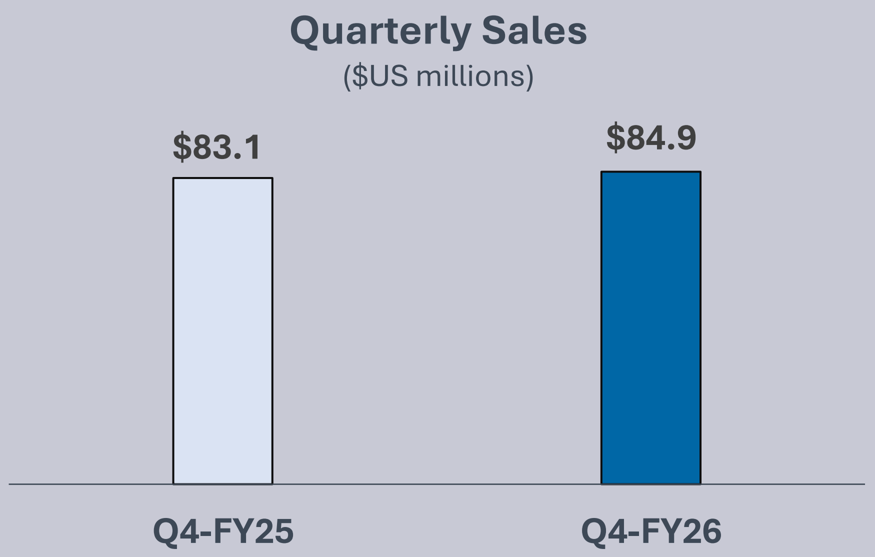
$84.9M **2.1% vs. prior year**

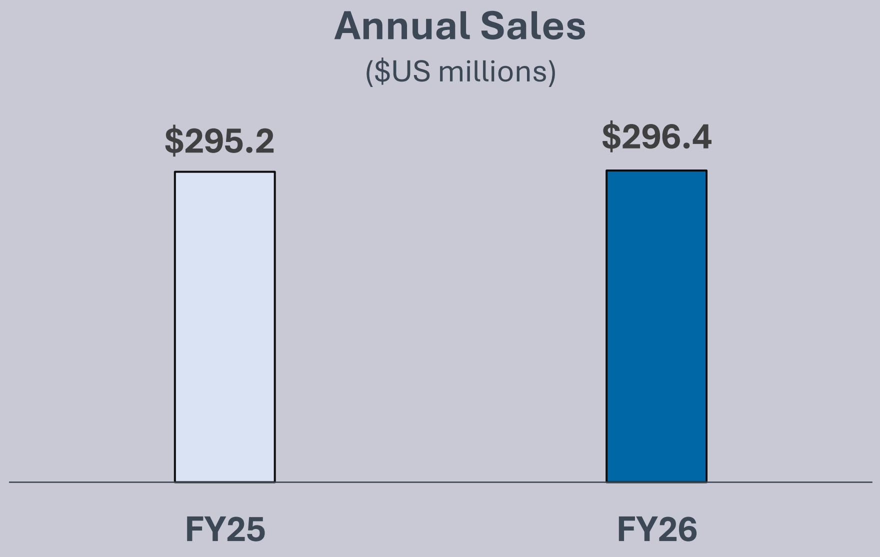
- Higher shipments from North American, Chinese and Indian operations
- Favourable FX effect
- Partially offset by lower shipments from Italian operations due to changes in customer delivery schedules
  - Revenue shifting to FY 2027

FY 2026

$296.4M **0.4% vs. prior year**

- Higher shipments from India, China and Korea
- Favourable FX effect
- Partially offset by non-recurring revenue of $5.2M in Germany in FY 2025





Gross Profit

Q4-FY26

$17.6M ↓ **$2.2M vs. prior year**

20.7% of sales ↓ **310 bps vs. prior year**

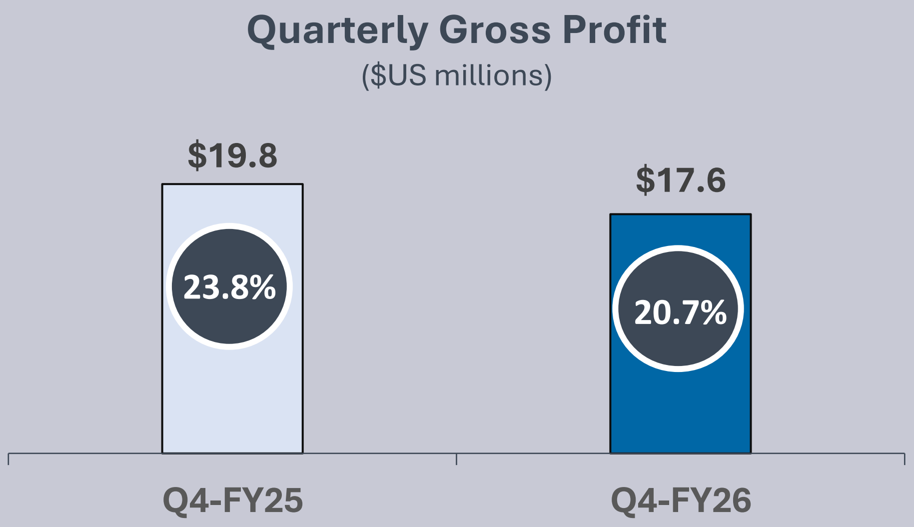
- Less favourable product mix compared to last year

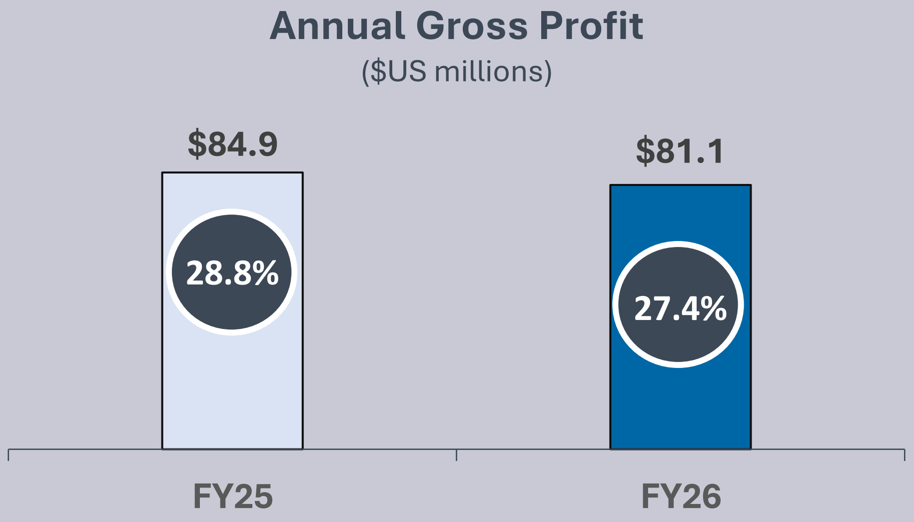
FY 2026

$81.1M ↓ **$3.8M vs. prior year**

27.4% of sales ↓ **140 bps vs. prior year**

- Less favourable product mix and the impact of tariffs compared to last year





Profitability

Quarterly Adjusted EBITDA

$4.0M ⬆ **$0.4M vs Prior Year**

- Increase in Other income (mainly FX)
- Lower administration costs
- Partially offset by lower gross profit

Quarterly Adjusted Net Income

($2.0M) ⬆ **$2.9M vs Prior Year**

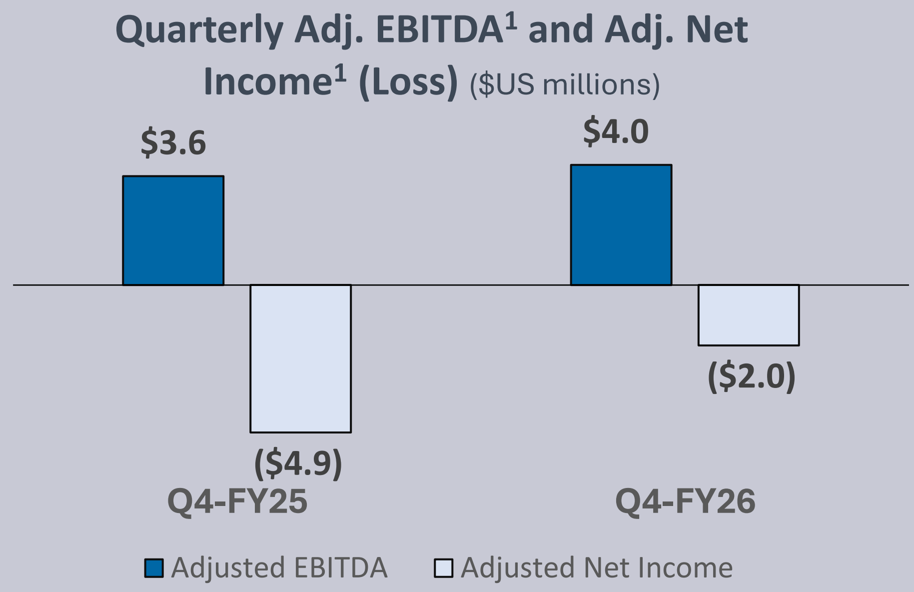
Annual Adjusted EBITDA

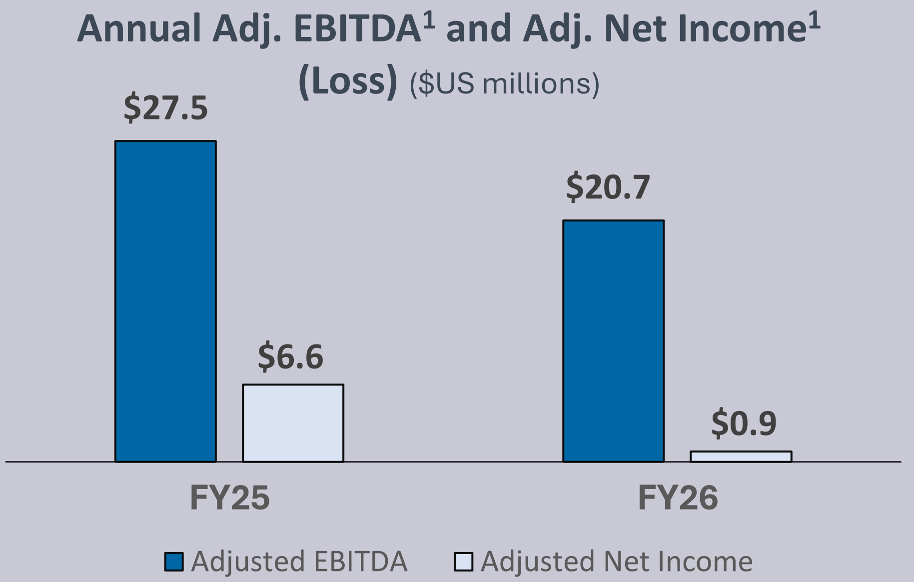
$20.7M ⬇ **$6.8M vs Prior Year**

- Lower gross profit

Annual Adjusted Net Income

$0.9M ⬇ **$5.7M vs Prior Year**





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

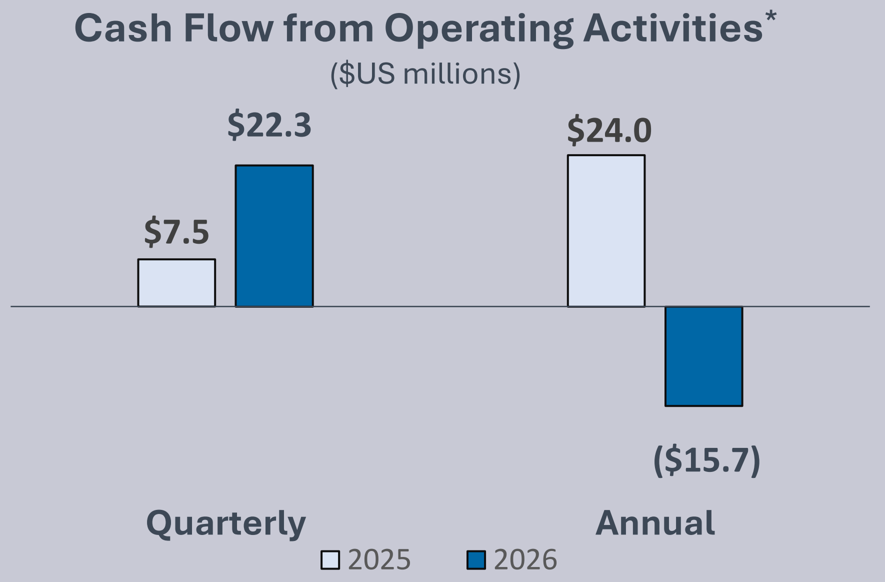
Cash Flow and Financial Position

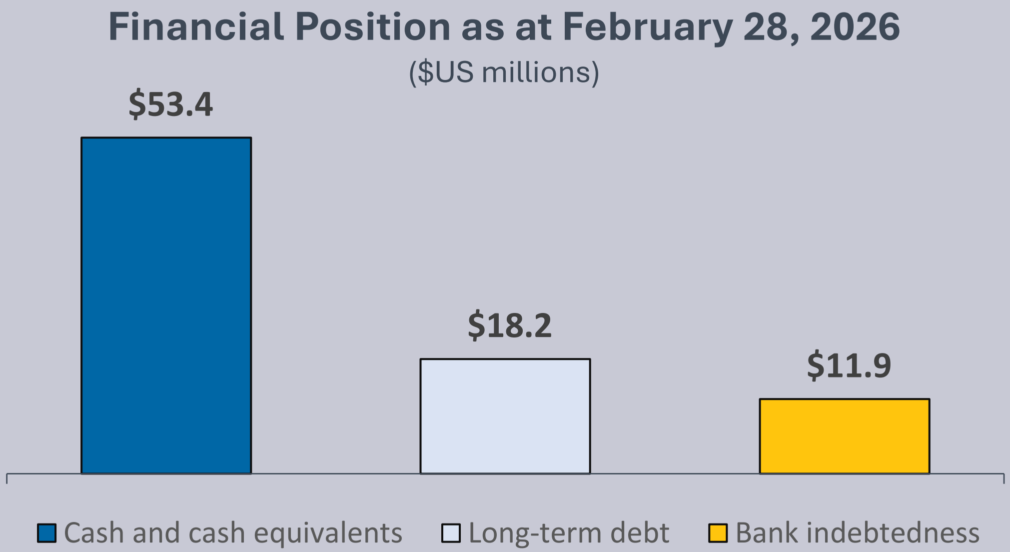
Cash Flow from Operating Activities

- Solid $22.3M generation in Q4-2026, before net change in provisions
  - Improved working capital
  - As anticipated, working capital normalized in Q4 following requirements earlier in the year

Solid Financial Position

- Cash and cash equivalents of $53.4M
- Long-term debt, including current portion, of $18.2M
- Bank indebtedness of $11.9M
- $102.6 million readily available to execute our strategy and finance our expansion





* Before net change in provisions.

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Thank you for attending our Q4-FY2026 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		Twelve-month periods ended	
(in thousands, except per share amounts; certain totals may not add up due to rounding)	February 28, 2026 $	February 28, 2025 $	February 28, 2026 $	February 28, 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	(3,852)	(16,056)	15,310	(67,246)
Adjustments for:				
Asbestos-related costs	754	2,466	-	76,211
Transaction costs	1,096	12,234	8,690	17,788
Other restructuring expenses	-	-	-	89
Deferred tax assets related to the transactions	-	(3,543)	-	(20,242)
Non-recurring tax recovery on France transaction	-	-	(23,110)	-
Adjusted net income (loss) from continuing operations	**(2,002)**	**(4,899)**	**890**	**6,600**
per share – basic and diluted	(0.09)	(0.23)	0.04	0.31
Reconciliation of net income (loss) from continuing operations to Adjusted EBITDA from continuing operations				
Net income (loss) from continuing operations	(3,852)	(16,056)	15,310	(67,246)
Adjustments for:				
Depreciation of property, plant and equipment	1,815	1,775	6,899	6,864
Amortization of intangible assets and financing costs	621	577	2,276	2,133
Financing expenses	734	(1,229)	1,627	(263)
Income taxes (recovery)	2,431	(558)	(15,052)	(14,551)
EBITDA	**1,749**	**(15,491)**	**11,060**	**(73,064)**
Adjustments for:				
Asbestos-related costs	754	2,466	-	76,211
Transaction-related costs	1,491	16,645	9,614	24,201
Other restructuring expenses	-	-	-	121
Adjusted EBITDA	**3,994**	**3,620**	**20,674**	**27,470**

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.

The term "book-to-bill ratio" is obtained by dividing bookings by sales. The measure provides an indication of the Company's performance and outlook for a given period.

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