

VELAN INC.
FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Velan Inc.
7007 Côte de Liesse
Montréal (Québec)
H4T 1G2

Item 2 Date of Material Change

March 28, 2025

Item 3 News Release

The news release attached hereto as Schedule "A" was issued by the Company and disseminated via Globe Newswire on March 31, 2025 and is available on the Company's profile at www.sedarplus.ca.

Item 4 Summary of Material Change

On March 28, 2025, Velan Inc. completed the sale, by the Company's wholly-owned subsidiary, Velan Valves Limited, of 100% of the share capital and voting rights of its French subsidiaries, Segault SAS and Velan S.A.S., to Framatome SAS, for a purchase price of US\$184.1 million (€170 million), with the benefit of the transfer of an intercompany loan of US\$24.4 million (€22.5 million), for total consideration to the Company of US\$208.4 million (€192.5 million), which was previously announced by the Company on January 14, 2025.

Item 5 Full Description of Material Change

On March 28, 2025, Velan Inc. (the "**Company**") completed the sale, by the Company's wholly-owned subsidiary, Velan Valves Limited, of 100% of the share capital and voting rights of its French subsidiaries, Segault SAS and Velan S.A.S., to Framatome SAS, for a purchase price of US\$184.1 million (€170 million), with the benefit of the transfer of an intercompany loan of US\$24.4 million (€22.5 million), for total consideration to the Company of US\$208.4 million (€192.5 million) (the "**France Transaction**"), which was previously announced by the Company on January 14, 2025.

On April 2, 2025, the Company used a portion of the proceeds from the France Transaction to fund the permanent divestiture of its asbestos-related liabilities to an affiliate of Global Risk Capital at a cost to the Company of approximately US\$143 million (the "**Asbestos Divestiture Transaction**" and, together with the France Transaction, the "**Transactions**").

(a) a description of the transaction and its material terms:

See above.

(b) the purpose and business reasons for the transaction:

See above.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

See above.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Not applicable.

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Not applicable.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

Not applicable.

- (f) **a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) **disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction that has been made in the 24 months before the date of the material change report, and the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Not applicable.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

Item 7 Omitted Information

None.

Item 8 Executive Officer

For further information, please contact Rishi Sharma, Chief Financial and Administrative Officer, (438) 817-4430.

Item 9 Date of Report

April 8, 2025

Caution Regarding Forward-Looking Statements

This material change report includes forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements related to the expected benefits of the Transactions and other statements that are not material facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”,

“believe”, “estimate”, “plan”, “could”, “should”, “would”, “outlook”, “forecast”, “anticipate”, “foresee”, “continue” or the negative of these terms or variations of them or similar terminology.

Although the Company believes that the forward-looking statements in this material change report are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors that could cause actual results to differ materially from management’s expectations and plans as set forth in such forward-looking statements.

All forward-looking statements included in this material change report are based on information available to us on the date hereof, and we assume no obligation to update any forward-looking statement.

Schedule "A" – News Release

See attached.



Velan Inc.

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**PRESS RELEASE
FOR IMMEDIATE RELEASE**

March 31, 2025

VELAN ANNOUNCES THE CLOSING OF THE SALE OF ITS FRENCH SUBSIDIARIES TO FRAMATOME

MONTREAL, Québec, March 31, 2025 – Velan Inc. (TSX: VLN) (“Velan” or the “Company”), a world-leading manufacturer of industrial valves, announced today the closing of the sale, by the Company’s wholly-owned subsidiary, Velan Valves Limited, of 100% of the share capital and voting rights of its French subsidiaries, Segault SAS and Velan S.A.S., to Framatome SAS, a world leader in nuclear energy, for a purchase price of US\$184.1 million (€170 million), with the benefit of the transfer of an intercompany loan of US\$24.4 million (€22.5 million), for total consideration to the Company of US\$208.4 million (€192.5 million) (the “France Transaction”), which was previously announced by the Company on January 14, 2025.

Velan plans to use a portion of the proceeds from the France Transaction to fund the permanent divestiture of its asbestos-related liabilities to an affiliate of Global Risk Capital at a cost to the Company of US\$143 million (the “Asbestos Divestiture Transaction” and, together with the France Transaction, the “Transactions”). The closing of the Asbestos Divestiture Transaction is expected to occur next week.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this news release are forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements related to the use of the proceeds from the France Transaction, the timing of the Asbestos Divestiture Transaction, the expected benefit of the Transactions and other statements that are not material facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “believe”, “estimate”, “plan”, “could”, “should”, “would”, “outlook”, “forecast”, “anticipate”, “foresee”, “continue” or the negative of these terms or variations of them or similar terminology. Although the Company believes that the forward-looking statements in this news release are based on information and assumptions that are current, reasonable and complete, these statements are by their nature subject to a number of factors that could cause actual results to differ materially from management’s expectations and plans as set forth in such forward-looking statements, including, without limitation, the possibility that the Asbestos Divestiture Transaction will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all. Readers are cautioned not to place undue reliance on the forward-looking statements and information contained in this news release. Velan disclaims any obligation to update any forward-looking statements contained herein, whether as a result of new information, future events or otherwise, except as required by law.

CURRENCY

All dollar amounts set forth in this press release are in U.S. dollars, except where otherwise indicated. On March 28, 2025, the rate published by Bloomberg for the conversion of euros into U.S. dollars was €1.00 = US\$1.0828 and of U.S. dollars into euros was US\$1.00 = €0.9235.

Contact:

Rishi Sharma, Chief Financial and Administrative Officer
Velan Inc.
Tel: (438) 817-4430

Velan. Quality that lasts.