

VELCAN Holdings

CONTRACTUAL BUYBACK TENDER OFFER

FOR 500,000 SHARES (ISIN Code FR0010245803)

IN VIEW OF A SHARE CAPITAL REDUCTION

Offer price: Eur 14.5 per share
Offer duration: 33 calendar days
Offer period: 10th of June 2024 - 12th of July 2024

Financial Advisor: TP ICAP

Centralizing Agent: ABN AMRO Bank N.V.

On the Luxembourg EURO MTF Market

Opened on the 10th of June 2024

This document presents the Contractual Buyback Offer proposed by Velcan Holdings to all its Shareholders and is available on the website of the Company (www.velcan.lu) along with other documents that are referred to herein. It is not subject to the review of the Commission of Supervision of the Financial Sector in Luxembourg (CSSF) or any other financial regulator.

VELCAN HOLDINGS, S.A.

Société Anonyme with a capital of € 5 552 320

RCS Luxembourg, B 145.006

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L-1651 Luxembourg

PRELIMINARY REGULATORY NOTICE TO READERS

This offer (the "**Offer**") provides information in relation to the **shares buyback offered by Velcan Holdings, S.A.** (the "**Company**") for the exclusive purpose of cancelling such shares in view of the Company's share capital reduction. The shares buyback is proposed on the EURO MTF stock market (the "**EURO MTF**") of the Luxembourg Stock Exchange (the "**Luxembourg Stock Exchange**"), on which the Company's shares are listed, and which constitutes a **non-regulated market** for the purposes of the Directive 2014/65/UE (the "**MiFID II**"), the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") the Directive 2003/71/EC (the "**Prospectus Directive**") and the Directive 2004/25/EC (the "**Takeover Bids Directive**") of the European Parliament and of the Council on financial instruments markets, prospectuses and takeover bids. The Euro MTF also constitutes a non-regulated market as per the Luxembourg Law dated 10th July 2005 on public takeover. **This Offer does not constitute a prospectus under these regulations, which are not complied with by this Offer, and the rest of the Company's available documentation.**

This Offer is a voluntary contractual buyback offer proposed by the Company in compliance with Article 430-15 of the Luxembourg law of 10th August 1915 on commercial companies (as amended) and proposed exclusively in view of the share capital reduction of the Company. This Offer does not require an approval, neither by the Commission de Surveillance du Secteur Financier (the "**CSSF**"), the Luxembourg financial sector supervisory authority in its capacity as the competent authority in Luxembourg, nor by any national regulator. The Luxembourg Stock Exchange has been informed prior to the publication of this Offer.

This Offer does not constitute a public takeover bid. The Company does not make any share issue offering under this Offer or any other document. The Company has never conducted any public offering and has therefore never obtained any approval from any market regulator. The purpose of this document is not to solicit the purchase or sale of securities and this document shall in no way constitute a subscription offer.

The Offer is made to all shareholders of the Company located in the Grand Duchy of Luxembourg and outside the Grand Duchy of Luxembourg, provided that local law to which they are subject allows them to participate in the Offer without requiring the Company to carry out any additional formalities (the "Shareholders").

In particular, the Offer is not made, directly or indirectly, in the United States, to persons in the United States, whether by the means of the postal services or by any means of communications (including, without limitation, facsimile, telex, telephone and email communications) from the United States or through the services of a stock exchange in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities' regulatory authority of any state of the United States.

This Offer may contain prospective data related to the potential of ongoing projects or transactions. Such forward-looking statements, declarations and / or assessments are necessarily dependent on assumptions, information or valuation methods which may be inaccurate or imprecise and which may not be realized. Information may represent objective related to projects and should not be interpreted as direct or indirect profit forecasts. The realization of these objectives depends on future circumstances and could be affected and/or delayed by known or unknown risks, uncertainty and various factors of all kind, especially linked to the economic, commercial or regulatory context, and that, in case of occurrence, could have a negative impact on the activity and the future performances of the Velcan Holdings group of companies (the "**Group**").

TP ICAP, acting as Financial Advisor, and ABN AMRO, acting as Centralization Agent, shall not give any warranty or representation as to the adequacy of the information contained in this Offer or the suitability of the Company for divestment of investment purposes.

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	4
2. OFFER CALENDAR	6
3. IMPORTANT INFORMATION BEFORE CONSIDERING THE OFFER	7
4. BACKGROUND AND OBJECTIVES OF THE OFFER	11
5. CHARACTERISTICS AND TERMS OF THE OFFER	13
6. FINANCING OF THE OFFER, EXPENSES AND TAXES	22
7. FINANCIAL IMPACT OF THE OFFER	22
8. SHAREHOLDERS' INFORMATION	23
9. COMPANY'S CONDENSED FINANCIAL INFORMATION	24

LIST OF APPENDICES

- Appendix 1: Extract of the Resolutions of the Extraordinary General Meeting of the shareholders dated 29th June 2021 and of the Extraordinary General Meeting of the shareholders dated 29th July 2021

1. EXECUTIVE SUMMARY

<p>Operation contemplated</p>	<p>Buyback of 500,000 (Five Hundred Thousand) shares of the Company for the purpose of their cancellation in view of a share capital reduction. The Offer size is extendable to 1,000,000 (One Million) shares in case of over acceptance (see infra).</p>
<p>Operation Background</p>	<p>Over the past years, the Company divested or stopped most of its hydro project’s operations and has become a financial investment holding. In the meantime, the Company has been conducting shares buyback programs with the aim of buying shares of the Company from Shareholders wishing to sell them, but not finding sufficient liquidity, mainly with a view to their cancellation.</p> <p>However, the Company has been informed that certain Shareholders are unable to sell their shares – within the framework of the buyback programs but as well in general on the EURO MTF market because some brokerage firms or online platforms do not process orders on the EURO MTF, on which the Company's shares are listed.</p> <p>In addition, buyback programs are limited in volume and price, and to allow all the owners of shares of the Company to benefit from the buybacks proposed by the Company, it is necessary to simultaneously offer to all Shareholders the possibility to sell some of their shares. Those who would like to sell their shares but are unable to do so via buyback programs in the market are thus enabled to carry out the desired disposals via this buyback Offer, which offers larger volumes and a price premium during a limited period of time. This buyback Offer takes place instead of the current program, which stands suspended.</p>
<p>Key Offer Information</p>	<ul style="list-style-type: none"> ▪ Offering entity: Velcan Holdings, S.A. (the “Company”). ▪ Shares targeted: 500,000 (representing 10.39% of the share capital net of treasury shares as of the date of the Offer). ▪ Offer Price: Eur 14.50 per share. ▪ Offer Addressees: All of Company’s Shareholders. ▪ Allocation rules: On closing the Offer in case more than 500,000 shares are tendered to the Offer, the number of shares to be purchased from each shareholder will be adjusted on a <i>pro rata</i> basis with the total number of shares proposed to be sold by all accepting Shareholders (example given under section 3.3). However, the board of directors reserves its right to increase the buyback Offer

	<p>size to the actual number of shares tendered by the Shareholders, up to a limit of 1,000,000 shares. In case the total number of shares tendered to the Offer is less than 500,000 (or 1,000,000 in case of size increase), each shareholder will be able to sell the number of shares he initially tendered to the Offer.</p> <ul style="list-style-type: none"> ▪ Offer Announcement date: 10th of June 2024. ▪ Offer acceptance period: From 10th of June 2024 to 12th of July 2024. ▪ Record date: 12th of July 2024 ▪ Settlement date: 16th of July 2024 ▪ Centralizing agent: ABN AMRO Bank N.V. (Amsterdam)
	<p>EURO MTF is NOT a regulated market. This Offer has not been approved by the CSSF, the Luxembourg financial sector supervisory authority and it is neither subject to the European regulations on financial instruments markets, prospectuses and takeover bids nor to the Luxembourg laws applicable to regulated markets.</p>
<p>ISIN Number</p>	<p>FR0010245803 deposited with central depository Euroclear France</p>

2. OFFER CALENDAR

7 th of June 2024	Board of Directors' decision to propose the buyback Offer to Shareholders.
10 th of June 2024	Press release launching the Offer, and availability to the Shareholders at the Company's registered office and on the Company's website of this document presenting the terms and conditions of the Contractual Buyback Offer (the " Offer Information Document ").
10 th of June 2024	Publication of the press release and the Offer Information Document by the Luxembourg Stock Exchange.
10 th of June 2024	Opening of the buyback Offer period.
12 th of July 2024	Record Date (5.40 pm CEST), being the date and time when participating Shareholders shall have their shares registered under their name in their custodian's account.
12 th of July 2024	Deadline for the participating Shareholders to send their sale Orders via their financial intermediaries / custodians to ABN AMRO. Please note that intermediaries may set an earlier deadline to timely communicate the tender result to ABN AMRO.
15 th of July 2024	Closing of the buyback Offer period.
15 th of July 2024	Publication of a Company's press release announcing the results of the Offer, including the allocation ratio, if any, in case more than 500,000 shares are tendered to the Offer, or the extension of the Offer size, if any.
16 th of July 2024	Settlement date: Payment against delivery of the shares tendered.
16 th of July 2024	Publication of the operation market notices announcing the results of the operation by the Luxembourg Stock Exchange and Euroclear France.
By 30 September 2024	Share capital reduction by cancellation of all the shares bought back by the Company under the Offer.

3. IMPORTANT INFORMATION BEFORE CONSIDERING THE OFFER

3.1 Basis for assessing and accepting the Offer

This Offer [Information] Document can be obtained by any Shareholder free of charge from ABN AMRO Bank NV as the Centralizing Agent by email: corporate.broking@nl.abnamro.com. An electronic version of this Information Document can be found on the website of the Company (www.velcan.lu).

Shareholders should rely exclusively on the information contained in this Offer Information Document, its appendices and any supplement to the Information Document. The Company has not authorized any person to disseminate to Shareholders information other than that contained in this Offer Information Document or in the other documents which are referred to by this Offer Information Document. The Offer Information Document shall be read jointly with the documents that are referred to herein and with its appendices. Any information contained on the Company's website (www.velcan.lu) and not specifically and expressly appended to, or referred to in, this Offer Information Document shall not be a part of such document.

In the event of an important event occurring during the Offer and requiring additional information, such additional information will be the subject of a supplement to the Offer Information Document which will be announced by press release and published on the Company's website.

The Company has applied due and reasonable diligence while preparing the Offer Information Document, but the accuracy and completeness of all information contained in this Offer Information Document cannot be guaranteed. Such information, to the best of its knowledge, does not contain any material omission likely to influence its scope or material errors or omissions which would change the scope of the information.

The Company makes no recommendation to the Shareholders towards accepting or not the Offer.

If a Shareholder has a question about any aspect of the Offer or the Offer Information Document, it is recommended that he consult a duly licensed professional adviser to provide him with appropriate advice. Shareholders are advised to base their decision in relation to the Offer, on their own individual analysis of the Offer parameters, including its opportunities and risks as well as tax consequences in case of acceptance of the Offer.

3.2 Territorial scope and foreign Shareholders

The Offer is made to all Shareholders, whichever country they are in, provided that the local law to which they are subject allows them to participate in the Offer without requiring the Company to perform any other additional formalities.

The distribution of this Offer Information Document, the Offer, the acceptance of the Offer, as well as the delivery of the Shares may, in certain countries, be subject to specific regulations or restrictions.

The Offer is not subject to the control or the authorization of any regulatory authority, neither in Luxembourg nor anywhere else, and no steps will be taken towards any such authorization. Neither this Offer Information Document nor any other document relating to the Offer constitutes an offer to sell or acquire financial securities or a solicitation for such an offer in any country where this type of offer or solicitation would be illegal, could not be validly made, or would require the publication of a prospectus and/or a regulatory approval and/or the completion of any other formality under local law.

Shareholders located outside the Grand Duchy of Luxembourg, France, Belgium or the Netherlands may participate in the Offer only to the extent that such participation is authorized by local law to which they are subject; the Offer is therefore not made to persons subject to any restrictions, directly or indirectly, and may in no way be accepted from a country in which it is subject to such restrictions.

Consequently, the persons in possession of this document are required to inform themselves of any local restrictions that may apply and to comply with them. Failure to comply with these restrictions may constitute a violation of applicable stock market laws and regulations in certain countries. The Company declines any responsibility in case of violation by any person of these restrictions.

In particular, the Offer is **not** made, directly or indirectly, in the United States, to persons in the United States, whether by the means of postal services or by any other means of communications (including, without limitation, facsimile, telex, telephone and email communications) from the United States or through the services of a stock exchange in the United States. Consequently, no copy of this Offer Information Document, and no other document relating to it or to the Offer, may be sent by mail, nor communicated, nor disseminated, by an intermediary or any other person, into the United States, in any way. No Shareholder may tender its Shares to the Offer if he is unable to declare (i) that he did not receive a copy of this Offer Information Document or any other document relating to the Offer in the United States, and that he did not send such documents to the United States, and (ii) that he has not used, directly or indirectly, the postal services, the means of telecommunications or other instruments or the services of a stock exchange of United States in connection with the Offer, and (iii) that he was not in the territory of the United States when he accepted the terms of the Offer or, transmitted his order to tender securities and (iv) that he is neither an agent nor an intermediary acting on behalf of a principal other than a principal who has instructed him outside the United States.

Authorized intermediaries, brokers and custodians will not be able to accept orders to tender securities that have not been made in accordance with the above provisions.

3.3 Risk factors

3.3.1. Participation to the Offer

Acceptance of the Offer implies blocking of the shares tendered for sale (the “**Tendered Shares**”) from the acceptance of the Offer until the settlement / delivery of the Offer.

There is no guarantee that all the shares tendered in for sale in response to the Offer by a given Shareholder will finally be sold to the Company under the Offer, as this will depend on the total number of Tendered Shares.

In case the total number of Tendered Shares is above 500,000 (or above 1,000,000 in case of Offer size increase) the quantum of shares to be sold by each Shareholder will be reduced on a prorated basis, based on the total number of shares tendered by all participating shareholders compared to the maximum Offer size.

Each Shareholders will be entitled to tender up to 100% per cent of the shares registered in their name on the 12th of July 2024 at 5:40 p.m. CEST (the “**Record Date**”) under the Offer.

In case the total number of Tendered Shares stands below the maximum Offer size, each Shareholder will be able to sell all his Tendered Shares.

In case the total number of Tendered Shares stands above the maximum Offer size, each Shareholder will be able to sell a percentage of his Tender equal to the maximum Offer size divided by the total of the Tendered Shares.

Example 1

Maximum Offer size:	500,000 shares.
Total Tendered Shares:	450,000 shares

- each shareholder will be able to sell all the shares he has tendered
- the Company buys a total number of 450,000 shares

Example 2

Maximum Offer size:	500,000 shares (No Offer size increase decided by the Board)
Total Tendered Shares:	700,000 shares

- each shareholder will be able to sell 71.4% of his Tendered Shares ($500,000/700,000 = 71.4\%$). The exact number of shares to be sold will be rounded down to the closest lower unit number of shares.
- the Company buys a total number of 500,000 shares

Example 3

Maximum Offer size:	500,000 shares
Total Tendered Shares:	700,000 shares
Maximum size increase:	1,000,000 shares (by decision of the Board)

- each shareholder will be able to sell all the shares he has tendered
- the Company buys a total number of 700,000 shares

3.3.2 Free Float and Shares liquidity

No guarantee can be given as to the result of the Offer, and the total number of shares that will finally be purchased by the Company and cancelled. As a result, the free float, the potential liquidity and the market price of the Company's shares after the Offer is completed and the trading resumes are unknown.

4. BACKGROUND AND OBJECTIVES OF THE OFFER

4.1 Background

4.1.1 Stock market considerations

For the past years the liquidity of the Company's shares has been very low. The long-term average daily volume is only around 1,000 shares. The annual volume of shares traded represented 4.7% (excluding shares sold to Company's shares buyback programs) of the share capital in 2023 and 4% in 2022 (excluding shares sold to Company's shares buyback programs). During the first five months of 2024, the volume traded represented 1.73% (excluding shares sold to Company's shares buyback programs). Since 2018, the Company has therefore conducted shares buyback programs to help the Shareholders willing to sell to find the necessary liquidity (see details of the programs conducted so far under section 5.1). However, such programs operate in the market and can only purchase volumes which are dependent on the low market daily liquidity. These programs are therefore limited by the low daily liquidity.

Furthermore, the Company was informed that certain Shareholders are unable to sell their shares – whether within the framework of the program or in general on the EURO MTF market. Some Shareholders have in fact indicated that their custodian or their brokerage firm does not process orders on the EURO MTF, on which the Company's shares are listed. Some large online trading platforms widely used in France for example do not deal with the EURO MTF market. On contrary the shares buybacks which will be made via this Centralized Offer, which is an offer communicated by the Centralizing Agent directly to all the Shareholders custodians, is expected to be processed by all concerned financial intermediaries, including those who do not process transactions in the EURO MTF market order book.

For the sake of improved equality and to allow all the owners of shares of the Company to benefit from the buybacks of shares proposed by the Company, it has been considered desirable to simultaneously offer to all the Shareholders of the Company the possibility of selling their shares or a part of their shares. The buyback Offer would therefore take place instead of the current program, which would therefore be suspended.

4.1.2 Company related considerations

As of the date of this Offer Information Document, the Company does not intend to change its strategy upon the completion of the Offer. The Group will pursue the diversification and active management of its financial portfolio in order to maximize its returns.

As an investment firm, the Company is in principle not interested in reducing its treasury. But, as explained above, the Company is willing to offer a buyback of up to EUR 14.5 million with the view of enhancing stock liquidity for its Shareholders.

The completion of the Offer will not result in any change within the corporate bodies and management of the Company and the Group. The Offer does not involve any change in the board of directors.

As of date of this Offer Information Document, upon the completion of the Offer, the Company does not intend to apply for a delisting.

LHP SA, the Company’s reference shareholder and the holding company of the two founders, Mr Jean-Luc Rivoire and Mr Antoine Decitre, has declared it has no intention to implement a Squeeze-out, upon the Completion of the Offer.

The Company does not intend to modify its articles of association upon the completion of the Offer, except for the purpose of cancelling the Shares bought back under the Offer and accordingly reducing the Company’s share capital.

LHP SA, Mr Jean-Luc Rivoire and Mr Antoine Decitre, have declared they will not participate in the Offer, and they will not sell any of their shares by participating to the Offer (their participations are detailed under section 5.2.6).

4.2 Objectives of the Offer

	Shares	Total max price EUR
Initial Offer	500,000	7,250,000.00
Extended Offer in case of over acceptance	1,000,000	14,500,000.00

Considering the above-mentioned background, and the maximum of EUR 14.5 million potential allocated treasury to this operation, the Company offers to buy back up to 1,000,000 shares representing 39.22% of the float, at a price of EUR 14.5 per share representing a premium of 15.41% over the average stock market price of the past 12 months.

5. CHARACTERISTICS AND TERMS OF THE OFFER

5.1 Buyback authorization and legal framework

The purchase of Company's shares for the purpose of their cancellation has been authorized by resolutions of the Company's shareholders' meetings dated 29th of June 2021 (8th resolution) and 29th of July 2021 (2nd resolution), of which the main terms are summarized as follows (the "**Buyback Authorization**"):

The purposes of this share buyback authorization are the following:

- to allow the Company to cancel the bought back shares and to reduce the share capital accordingly;
- to allow the Company to allocate the bought back shares to holders of securities giving access to the capital of the Company when they will exercise the rights attached to these securities, and this in accordance with the applicable regulations;
- to allow the Company to grant employees and directors or independent consultants of the Company or of its direct and indirect subsidiaries the possibility to access the share capital, by allocation of stock purchase options, or by allocation of free shares;
- to be used within the framework of a liquidity contract concluded with an investment services provider;
- to allow the Company to keep the shares bought back and to exchange them later towards payment in the context of external growth operations.

The above-mentioned purposes can be pursued concurrently.

The number of shares the Company can acquire under the Buyback Authorization cannot exceed the limit of 2,500,000 shares (Two Million Five Hundred Thousand shares);

The minimum purchase price per share would be equal to the market price on the day of acquisition, to which a maximum discount of 15% (fifteen percent) could be applied;

The maximum purchase price per share would be equal to the market price on the day of acquisition, to which a maximum premium of 30% (thirty percent) could be applied;

The Buyback Authorization is valid for a period of 5 years starting from the 29 June 2021.

Copies of the concerned resolutions of the above-mentioned shareholders' general meetings are appended under appendix 1

Based on the above Buyback Authorization, the Board of Directors has decided to continue or initiate shares buyback programs under which a total of 460,871 shares have been bought back since the aforementioned shareholders' authorization.

		Average buyback price Eur	Buyback purpose
Maximum number of shares under the Buyback Authorization – from the 29 th of June 2021	2,500,000	na	na
Shares bought under the 4 th buyback program between the 29 th of June 2021 and the end of the program on the 31 st of May 2022.	267,744	9.64	Shares cancellation or to cover for free shares grants
Shares bought under the 5 th buyback program initiated on the 1 st of August 2022 and ended on the 31 st of December 2023	150,265	10.27	Shares cancellation or to cover for free shares grants
Shares bought under the 6 th buyback program initiated on the 18 th of January 2024, until the 31 st of May 2024	42,902	13.03	Shares cancellation or to cover for free shares grants
Total shares bought back under the Buyback Authorization	460,911	na	na
Balance shares buyable under the Buyback Authorization	2,039,089	na	na

As of the date of this Offer Information Document, the balance available under the Buyback Authorization is of 2,039,089 shares, out of which the Board of Directors has decided, on 7 June 2024, to launch the Offer to buy back and cancel 500,000 shares.

5.2 Share capital information

5.2.1 Issued share capital

Type of Shares	All ordinary Shares
Number of shares issued and listed	5,552,320
Nominal value per share	Eur 1 (one euro)
Coupon	Nil
Market	Euro MTF, Luxembourg
ISIN Number	FR0010245803
Mnemo	VLCN
Euroclear common code	023235790

Note: the Company holds 741,052 treasury shares representing 13.35% of the issued capital.

5.2.2 Authorized or unissued share capital

Authorized share capital	
Authorized share capital amount	Eur 30,000,000.00
Duration of authorization	5 years as from 13/08/2021
Corporate Body authorized to increase the share capital	Board of Directors
Articles of Association	Article 6

Unissued share capital – Equity warrants	
Number of equity warrants issued	20,000
Conversion ratio	1 share for 1 warrant
Price of equity warrants issued	Eur 10 for 12,000 warrants Eur 21.4 for 8 000 warrants
Type of holders	Group consultants
Issue date	23/04/2013
Expiry date	31/12/2025

The above-mentioned equity warrants are the only existing undertakings to increase the share capital. In case of exercise, the new shares to be issued would represent 0.36% of the share capital of the Company.

In accordance with Article 6bis of the articles of association of the Company, the Board of Directors is authorized to issue, without limitation of time, free shares to the Company’s employees. Free shares plans are the only undertakings concerning share acquisition rights as of date.

5.2.3 Share Capital based employee incentive plans

The Company is authorized to grant free shares to employees and management members of the Velcan Holdings Group pursuant to the Article 6bis of its articles of association (the “**Free Shares**”). As of the date of this Offer Document, a total of 26,667 Free Shares yet to be delivered have been granted to employees, with a vesting period ending on the 31st of December 2024. For the delivery of such Free Shares, the Company will use shares it already owns and has bought back in the past.

5.2.4 Beneficiary shares not representing the share capital

Shareholders can gain rights called beneficiary shares after being registered in the nominative register held by the Company of its agent for a certain period of time, as per the Article 7 .7 of the Articles of Association of the Company (the “**Beneficiary Shares**”), an extract of which is translated below:

“The Company may issue, in addition to shares, and in accordance with the law and the stipulations of the present articles of association, beneficiary shares which are not representative of a portion of the capital. A beneficiary share holding a voting right is granted to the holders of any fully paid-up share for which a nominative registration for at least four (4) years in the name of the same holder can be justified.

A second beneficiary share, also conferring a voting right, is granted to the holders of any fully paid-up share for which a nominative registration for at least four (6) years in the name of the same holder can be justified.

For the purposes of this section, only the shares registered under name of the same shareholder for more than four (4) or six (6) consecutive years, as the case may be, in the nominative register directly held by the authorized agent specially appointed by the Company for this purpose, to the exclusion of all other foreign or foreign account keepers / custodians, shall be considered to be eligible for the issuance of such beneficial shares [...]”

As of the date of the Offer, the Company has granted 4,213,425 Beneficiary Shares which are constitutive of 4,213,425 voting rights.

Beneficiary Shares are not constitutive of securities, they are not attached to the Shares and are not tradable. They are voting rights issued to the concerned shareholder and are lost automatically without formalities as soon as the concerned shareholder sells the corresponding Shares that were registered under his name in the nominative share registry.

5.2.5 Convertible or exchangeable debt securities

As of the date of this Offer Information Document, there are no debt instruments or debt related financial instruments convertible in Shares or giving access to the share capital of the Company. No debt securities have been issued.

5.2.6 Control of the Company (as of the date of this Offer)

The Company’s reference shareholder is LHP S.A.

	Shares	Voting rights
LHP S.A.	36.61%	62.43%
Jean-Luc Rivoire	2.03%	1.32%
Antoine Decitre	2.30%	2.45%
Treasury Shares ¹	13.35%	7.59%
Free Float	45.71%	26.20%
	100%	100%

¹ The treasury shares voting rights are suspended as per Law, hence voting rights mentioned for such shares are theoretical

Percentages of control net of the treasury shares

	Shares net of treasury shares	Voting rights net of treasury shares
LHP S.A.	42.25%	67.56%
Jean-Luc Rivoire	2.35%	1.43%
Antoine Decitre	2.66%	2.65%
Free float	52,75%	28.35%
TOTAL	100%	100%

LHP S.A is controlled entirely by the two founders of the Company, Jean-Luc Rivoire and Antoine Decitre. The above information is as of the 31st of May 2024 and neither the Company nor its management have been informed of any change.

5.3 Price of the Offer

The Company offers to buy back 500,000 shares – a number extendable up to 1,000,000 shares – at a price per share of 14.50 Euros that can be appreciated and compared to the stock price evolution as follows:

	Euros	Premium
Stock market as of the 31 st of May 2024	12.80	13.28%
Weighted average price over the past month (May 2024)	12.95	12.00%
Weighted average price over the 3 past months (March – May 2024)	12.99	11.61%
Weighted average price over the past 5 months (January – May 2024)	13.08	10.84%
Weighted average price over the past 12 months (31/05/23 – 31/05/24)	12.56	15.41%
Highest price over the past 12 months	14.00	3.57%
Lowest price over the past 12 months	11.20	19.46%

5.4 Projection of share capital information after the Offer

In a case the Offer results in the Company buying back and cancelling 500,000 shares, the share capital break-up immediately after the settlement of the Offer would be as follows:

	Shares	Shares %	Voting rights	Voting rights %
LHP S.A	2,032,780	40.23%	6,097,388	65.81%
Jean-Luc Rivoire	112,853	2.23%	129,123	1.39%
Antoine Decitre	127,808	2.53%	239,376	2.58%
Treasury shares ²	741,052	14.67%	741,052	8.00%
Free Float	2,037,827	40.33%	2,058,806	22.22%
Total	5,052,320	100%	9,265,745	100%

² The treasury shares voting rights are suspended as per Law, hence voting rights mentioned for such shares are theoretical

In a case the Offer results in the Company buying back and cancelling 1 million shares, the share capital break-up immediately after the settlement of the Offer would be as follows:

	Shares	Shares %	Voting rights	Voting rights %
LHP S.A	2,032,780	44.65%	6,097,388	69,56%
Jean-Luc Rivoire	112,853	2.48%	129,123	1,47%
Antoine Decitre	127,808	2.81%	239,376	2,73%
Treasury shares ³	741,052	16.28%	741,052	8.45%
Free Float	1,537,827	33.78%	1,558,806	17.78%
Total	4,552,320	100%	8,765,745	100%

The above 2 tables are based on information available as of the date of this Offer.

5.5 Offer procedure

5.5.1 Centralizing Agent

ABN AMRO is the centralizing Agent of the Offer.

ABN AMRO Bank N.V.

Gustav Mahlerlaan 10

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5.5.2 Transmission of the Offer to the Shareholders

The corporate action announcement of the Offer has been published by the Euro MTF stock market and by Euroclear France on the same date as the publication of the Offer Information document and thereby made available to all custodians of the Company's Shareholders.

5.5.3 Transmission sale tenders by the Shareholders

Shareholders who wish to tender their shares to the Offer under the proposed terms, must submit an order of contribution to the Offer, being a sales tender, to the financial intermediary with which their shares are registered and deposited on their account (the Sale Tender). Such Sale Tender must specify the total number of shares the Shareholder wants to sell in the Offer and must be sent by the Shareholders to their financial intermediary at the latest on the 12th of July 2024. Shareholders are warned that their financial intermediary may set an earlier deadline than the 12th of July 2024.

Holders of shares registered in pure nominative registered form in the Company's registers maintained by ABN AMRO Bank NV will receive, by letter, an instruction form and an explanatory letter relating to the Offer.

³ The treasury shares voting rights are suspended as per Law, hence voting rights mentioned for such shares are theoretical

Any fees owed to brokers and/or custodians by Shareholders bringing their shares to the Offer cannot and will not be borne by the Company. The Tendered Shares must be free from any pledge or restriction of any kind.

5.5.4 Adjustment mechanism

If the total number of Tendered Shares by all Shareholders participating to the Offer is greater than the number of shares initially covered by the Offer, i.e. a maximum of 500,000 shares, the Board of Directors will have 2 options:

- i) the number of shares to be effectively bought back from each shareholder and will be reduced so that the total number of Shares purchased by the Company equals to 500,000.

Each Shareholder will be able to sell a percentage of his Tendered Shares equal to the maximum Offer size divided by the total of the Tendered Shares.

Example 1

Maximum Offer size:	500,000 shares (No Offer size increase decided by the Board)
Total Tendered Shares:	700,000 shares

→ each shareholder will be able to sell 71.4% of his Tendered Shares ($500,000/700,000 = 71.4\%$). The exact number of shares to be sold will be rounded down to the closest lower unit number of shares.

→ the Company buys a total number of 500,000 shares.

OR

- ii) the maximum number of shares the Company can buyback under the Offer will be increased to 1,000,000 shares. In such case, if the total number of Tendered Shares is less than 1,000,000, each shareholder will be able to sell the number of shares he initially tendered to the Offer. If the total number of shares tendered to the Offer is more than 1,000,000, the same reduction mechanism will apply as stated under para i) above

Example 2

Maximum Offer size:	500,000 shares
Total Tendered Shares:	700,000 shares
Maximum size increase:	1,000,000 shares (by decision of the Board)

- each shareholder will be able to sell all the shares he has tendered
- the Company buys a total number of 700,000 shares

The shares which will not be acquired within the framework of the Offer because of this reduction mechanism will be returned to their holders.

For the purposes of the foregoing stipulations, the number of shares effectively tendered to the Offer and bought from each shareholder following the adjustment mechanism will be rounded down, if required, to the next whole number.

5.5.5 Centralization, settlement and cancellation.

Each financial intermediary custodian of the shares, must, at the latest on Settlement Date, transfer the shares of the Company for which they have received a Sale Tender to ABN AMRO. On payment date, ABN AMRO will pay the shares price to the participating Shareholders.

After receipt by ABN AMRO of all the shares corresponding to the Sale Tenders submitted to the Offer under the conditions described above, ABN AMRO will centralize all these shares, freeze the final number of shares received, apply the adjustment mechanism if required, and will determine the result of the Offer.

Payment of the price of the shares under the Offer, being € 14.50 per share bought back under the Offer, will be completed on Settlement Date (as defined under section 5.5.6 below), upon the centralization and publication of the results of the Offer, according to the delivery schedule of the Offer.

No interest will be due for the period starting from the Sale Tender, from which participating Shareholders' shares will be immobilized, until the Payment Date.

On the Payment Date, the shares tendered to the Offer, and all the rights attached to them will be transferred to the Company. ABN AMRO will make the cash settlement to the concerned intermediaries through which the shares were tendered into the Offer.

As indicated in section 5.2.3 above, any shareholder of the Company who would tender to the Offer all or part of its shares in the Company, to which Beneficiary Shares are linked, would automatically lose the said Beneficiary Shares, as the effective sale of shares under the Offer thereby entails the cancellation of the Beneficiary Shares. No financial compensation will be due for the loss of Beneficiary Shares.

The shares purchased under the Offer will be cancelled by the Company under the conditions provided for by articles 450-5 and 450-7 of the Luxembourg Company Law. In compliance with the current authorizations granted by the shareholders, the share capital reduction will be performed by decision of the Board of Directors.

5.5.6 Detailed calendar of the Offer

7th of June 2024	- Board of Directors' decision to propose the buyback offer to Shareholders.
10th of June 2024	- Press release announcing the Offer. - Availability to the public at the Company's registered office and on the Company's website of this Offer Information Document.
10th of June 2024	- Publication of the press release and the Offer Information Document by the Luxembourg Stock Exchange. - Publication of the corporate action notice by Euroclear France.
10th of June 2024	- Opening of the contractual buyback offer period. - Financial intermediaries / custodians to communicate the Offer to all shareholders.
12th of July 2024	- Record Date (5:40 pm CEST), being the date and time when participating Shareholders shall have their shares registered under their name in their custodian's account.
12th of July 2024	- Deadline for the participating shareholders to send the Orders to their financial intermediaries. Intermediaries may set an earlier deadline to timely communicate the tender result to ABN AMRO.
15th of July 2024	- Closing of the buyback offer tender period. - Computation of the number of shares to be bought from each shareholder, in case the adjustment mechanism is applicable as set out in sections 3.3. - Publication of a Company press release announcing the results of the Offer, including the allocation ratio, if any, in case more than 500,000 shares are tendered to the offer, or the extension of the Offer size, if any.
16th of July 2024	- Settlement Date, being the deadline for the financial intermediaries of participating shareholders to deliver the tendered shares to the centralizing agent ABN AMRO, delivery against which ABN AMRO will proceed with the payment.
16th of July 2024	- Publication of the operation market notices announcing the results of the operation by the Luxembourg Stock Exchange and Euroclear France.
By 30 September 2024	Share capital reduction by cancellation of all the shares bought back by the Company under the Offer

6. FINANCING OF THE OFFER, EXPENSES AND TAXES

6.1 Financing of the Offer

If a maximum number of 500,000 shares would be effectively tendered to and bought back under the Offer, the acquisition cost of the Company's shares would amount to 7.25 million euros. This amount will be financed exclusively by the treasury of the Company.

If a maximum number of 1,000,000 shares would be effectively tendered to and bought back under the Offer, the acquisition cost of the Company's shares would amount to 14.5 million euros. This amount will be financed exclusively by the treasury of the Company.

6.2 Expenses related to the Offer

The total amount of all fees, costs and external expenses incurred in connection with the Offer, including the fees and expenses of its advisers and brokers, is estimated at a maximum amount of about 60,000 euros (excluding taxes).

6.3 Taxes

The acceptance of the Offer under the terms of this Offer Information Document results in a sale of Company's shares by the Shareholders accepting the Offer. The Company recommends that such Shareholders obtain tax advice which takes into account their personal circumstances regarding the tax consequences resulting from the acceptance of the Offer.

7. FINANCIAL IMPACT OF THE OFFER

7.1 Impact on the consolidated shareholders' funds

Calculations of the impact of the Offer on the consolidated equity of the Company, which appear in the table below, were made from the Company's annual unaudited consolidated accounts at the 31st of December 2023 and based on the following assumptions:

- Buyback of 500,000 shares (i.e. all of the shares covered by the Offer) at price of € 14.5 per share, for a total amount of € 7.31 million (including costs), and cancellation of all such shares;
- Number of shares outstanding before the Offer of 5,552,320 shares;

Consolidated financial information as of 31/12/2023	Before the Offer	After the Offer if 500k shares	After the Offer if 1m shares
Shareholders' funds, Group share	128 110 000	120 800 000	113 550 000
Number of shares	5 552 320	5 052 320	4 552 320

7.2 Impact on the Company's market capitalisation

Based on the closing price of the Company's share as of the 31st of May 2024, of 12.80 €, the stock market capitalization amounted to 71.069 million euros, the share capital of VELCAN HOLDINGS being represented by 5,552,320 shares.

Upon completion of the Offer, in the event that all of the 500,000 shares are bought back under the Offer and then cancelled, the number of shares making up Company's share capital would become 5,052,320 and the market capitalization would amount to € 64.669 million, based on the same closing price of € 12.80 per share of the Company.

Upon completion of the Offer, in the event that all of the 1,000,000 shares are bought back under the Offer and then cancelled, the number of shares making up Company's share capital would become 4,552,320 and the market capitalization would amount to € 58.269 million, based on the closing price on the same of € 12.80 per share of the Company.

8. SHAREHOLDERS' INFORMATION

The Company publishes on its website the following information:

- Every year at the latest on the 30th of April, a complete annual report of the previous financial year which includes audited statutory accounts, condensed and simplified consolidated accounts, management comments on the activity and the Group's financial position and various other regulated information. All reports published since FY 2010 are available on the Company's website.
- Every year before or on the 31st of October, an intermediate half year report including non-audited, condensed and simplified consolidated accounts and managements comments on the activity during the first semester. All reports published since FY 2011 are available on the Company's website.
- Before every shareholders' General Meeting, meeting notices, proposed resolutions, Board of Directors report and proxy vote forms. All these documents for shareholders' general meetings since 2014 are available on the Company's website.
- All shares buybacks are reported weekly online as per applicable regulations, whenever a buyback program is ongoing.
- Voting rights information.
- All Company's news, available online for the past 10 years.
- In case of financial operation, all related notices such as dividends notices, rights issues, capital increases notices, etc.....

The most recent information about the Company is the annual report 2023 published on the 29th of April 2024 and is available online at www.velcan.lu and on the website of the LuxSE at www.bourse.lu.

9. COMPANY'S CONDENSED CONSOLIDATED UNAUDITED FINANCIAL INFORMATION AS OF 31/12/2023
SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (unaudited)
Balance Sheet

ASSETS (EUR '000)	2023	2022
NON-CURRENT ASSETS	6 374	6 356
Intangible Assets	1 032	1 071
Tangible Assets ⁴	4 919	5 073
Non-Current Financial Assets	409	209
CURRENT ASSETS	125 344	131 308
Current Financial Assets	69 563	80 273
Cash and Cash Equivalents	55 495	50 574
Other Current Assets	286	461
TOTAL ASSETS	131 718	137 664

LIABILITIES (EUR '000)	2023	2022
TOTAL EQUITY	128 110	127 460
NON-CURRENT LIABILITIES	1 604	1 663
CURRENT LIABILITIES	2 004	8 541
Current financial liabilities	875	6 622
Other payable	1 130	1 919
TOTAL LIABILITIES	131 718	137 664

⁴ Almost exclusively constituted of the Rodeio Bonito Hydro Power Plant asset

Income Statement (EUR '000) - Unaudited

	2023	2022
Revenues	2 890	3 157
Operating expenses	(5 368)	(5 844)
Amortizations, depreciations and Provisions	(576)	(562)
Ordinary Operating Result	(3 054)	(3 249)
Other operating Income/expense	4 320	11
Operating Result	1 266	(3 238)
Net Financial Income (Loss)	65	12 102
Tax Income (Expense)	(798)	(638)
Net Income – Group Share	533	8 226
EBITDA	1 842	(2 677)

Appendix 1
BUYBACK AUTHORIZATION**Extract of the Company shareholders' meeting dated 29th June 2021: 8th resolution***HUITIEME RESOLUTION*

Renouvellement et modification de l'autorisation accordée au Conseil d'Administration en vue du rachat d'actions propres (l'« Autorisation de Rachat d'Actions » visant l'autorisation telle que renouvelée et modifiée)

L'Assemblée Générale, après avoir pris connaissance du rapport du Conseil d'Administration concernant le descriptif de l'autorisation de rachat d'actions dont le renouvellement et la modification sont proposés, approuve ledit rapport et autorise le Conseil d'Administration à opérer un rachat des actions de la Société conformément à l'article 430-15 de la loi du 10 août 1915 concernant les sociétés commerciales, telle que modifiée, et ce, dans les conditions suivantes :

Cette Autorisation de Rachat d'Actions a pour finalité, dans la limite des dispositions légales applicables :

- *de permettre à la Société d'annuler les actions rachetées et de réduire en conséquence le capital, sous réserve de l'approbation par l'Assemblée Générale Extraordinaire des actionnaires de la Société de l'autorisation de réduction du capital de la Société ;*
- *de permettre à la Société d'attribuer les actions rachetées aux titulaires de valeurs mobilières donnant accès au capital de la Société lors de l'exercice qu'ils feront des droits attachés à ces titres, et ce conformément à la réglementation en vigueur ;*
- *de permettre à la Société d'attribuer aux salariés et mandataires sociaux, administrateurs ou consultants indépendants autorisés de la Société ou de ses filiales directes et indirectes la possibilité d'accéder aux actions rachetées, par attribution d'options d'achat d'actions, ou par attribution d'actions gratuites ;*
- *d'animer le cours dans le cadre d'un contrat de liquidité conclu avec un prestataire de services d'investissement ;*
- *de permettre à la Société de conserver les actions rachetées et de les remettre ultérieurement à l'échange ou en paiement dans le cadre d'opérations éventuelles de croissance externe.*

Les finalités mentionnées ci-dessus sont concurrentes et pourront être poursuivies alternativement ou simultanément par le Conseil d'Administration.

L'acquisition, la cession, le transfert ou l'échange des actions pourront être effectués par tous moyens, sur le marché ou de gré à gré, y compris par l'utilisation de tout instrument financier dérivé négocié sur le marché ou de gré à gré, à l'exclusion des ventes d'options de vente. La part maximale du capital, acquise ou transférée sous forme de blocs, pourra atteindre la totalité des actions rachetées.

Les plafonds suivants devront être respectés :

- *le nombre maximum d'actions dont la Société pourrait faire l'acquisition en vertu de l'Autorisation de Rachat d'Actions ne pourrait pas excéder la limite de 2 500 000 (deux millions cinq cent mille) actions de la Société; il est précisé que si les actions étaient rachetées pour animer le cours dans le cadre d'un contrat de liquidité, le nombre d'actions pris en compte pour le calcul de cette limite correspondrait au nombre d'actions rachetées, déduction faite du nombre d'actions revendues depuis lors;*
- *le prix minimum d'achat par action serait égal au cours de bourse au jour de l'acquisition, auquel pourrait être appliquée une décote maximale de 15% (quinze pour cent) ;*
- *le prix maximum d'achat par action serait égal au cours de bourse au jour de l'acquisition, auquel pourrait être appliquée une prime maximale de 30% (trente pour cent).*

En vue d'assurer l'exécution de la présente résolution, tous pouvoirs sont conférés au Conseil d'Administration, à l'effet :

- *d'assurer toutes formalités de publication de l'Autorisation de Rachat d'Actions, de procéder au lancement des opérations de rachat et d'effectuer toutes déclarations et formalités auprès de toute autorité réglementaire et boursière compétente ;*
- *de passer tous ordres de bourse, conclure tous accords en vue, notamment, de la tenue des registres des achats et ventes d'actions ;*
- *d'effectuer toutes déclarations et de remplir toutes autres formalités et, de manière générale, faire ce qui sera nécessaire.*

Cette autorisation est consentie pour une période de cinq (5) ans à compter de la date de la présente Assemblée Générale. Le Conseil d'Administration informera la prochaine Assemblée Générale Ordinaire annuelle des opérations réalisées en application de la présente autorisation.

Extract of the Company shareholders' meeting dated 29th July 2021 (2nd resolution)

DEUXIEME RESOLUTION

Renouvellement de l'autorisation statutaire accordée au Conseil d'Administration par l'article 7.5 des statuts en vue de la réduction du capital par voie d'annulation d'actions rachetées dans le cadre de l'Autorisation de Rachat d'Actions et modification de l'article 7.5 des statuts.

L'Assemblée Générale, après avoir pris connaissance du rapport du Conseil d'Administration et, dans le cadre de l'autorisation de rachat de ses propres actions par la Société portée à l'ordre du jour de l'Assemblée Générale Extraordinaire du 29 juin 2021 (8ème résolution) sous réserve d'adoption de la résolution correspondante :

- *autorise le Conseil d'Administration à annuler en une ou plusieurs fois, tout ou partie des actions de la Société que cette dernière détiendrait à la suite d'un rachat effectué au titre de l'Autorisation de Rachat d'Actions de la Société conférée au Conseil d'Administration, dans la limite de 2 500 000 (deux millions cinq cent mille) actions de la Société et à réduire corrélativement le capital social;*
- *autorise le Conseil d'Administration à imputer la différence entre le prix de rachat des actions annulées et leur valeur nominale sur les primes et réserves disponibles ;*
- *lui donne tous pouvoirs pour fixer les conditions et modalités, réaliser et constater la ou les réductions de capital consécutives aux opérations d'annulation autorisées par la présente résolution, régler le sort des éventuelles oppositions, passer les écritures comptables correspondantes, procéder à la modification corrélatrice des statuts, et d'une façon générale, pour accomplir toutes formalités nécessaires ;*

- décide que la présente autorisation est donnée pour une durée de cinq (5) ans à compter de la date de publication du procès-verbal de la présente Assemblée Générale ;

Et décide de modifier en conséquence l'article 7.5 des statuts de la Société comme suit :

« La Société pourra racheter ses propres actions dans les limites prévues par la loi.

Dans le cadre d'un rachat par la Société de ses propres actions, le Conseil d'Administration est autorisé, pendant une période de cinq (5) ans à compter de la date de publication du procès-verbal de l'Assemblée Générale Extraordinaire du ... au Recueil Electronique des Sociétés et Associations, (i) à annuler en une ou plusieurs fois, dans la limite de 2 500 000 (deux millions cinq cent mille) actions de la Société, tout ou partie des actions de la Société que cette dernière détiendrait à la suite d'un rachat effectué en vertu de l'Autorisation de Rachat d'Actions et à réduire corrélativement le capital social, (ii) à imputer la différence entre le prix de rachat des actions annulées et leur valeur nominale sur les primes et réserves disponibles, (iii) à fixer les conditions et modalités, réaliser et constater la ou les réductions de capital consécutives aux opérations d'annulation autorisées, régler le sort des éventuelles oppositions, passer les écritures comptables correspondantes, procéder à la modification corrélatrice des statuts, et d'une façon Générale à accomplir toutes formalités nécessaires. »