

*A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, excluding Québec, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.*

*This preliminary short form prospectus is a base shelf prospectus. This preliminary short form base shelf prospectus has been filed under legislation in each of the provinces of Canada, excluding Québec, that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period after agreeing to purchase any of these securities.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*Information contained herein is subject to completion or amendment. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the Company at 771 Vanalman Avenue, Victoria, British Columbia, V8Z 3B8, Canada (Telephone 1-306-955-7075) and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

**New Issue and Secondary Offering**

**October 14, 2021**

**VECIMA NETWORKS INC.**



# VECIMA

\$150,000,000

Common Shares  
Warrants  
Subscription Receipts  
Units  
Debt Securities  
Share Purchase Contracts

This short form base shelf prospectus relates to the offering for sale from time to time, during the 25-month period that this prospectus, including any amendments hereto, remains effective, of the securities of Vecima Networks Inc. (the “**Company**”, “**Vecima**”, “**we**” or “**our**”) listed above in one or more series or issuances, with a total offering price of such securities, in the aggregate, of up to \$150,000,000 (or the equivalent thereof in U.S. dollars or one or more foreign currencies or composite currencies). The securities may be offered by us or by our securityholders. The securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and set forth in an accompanying prospectus supplement.

In addition, the securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Company or a subsidiary of the Company. The consideration for any such acquisition may consist of any of the securities separately, a combination of securities or any combination of, among other things, securities, cash, and the assumption of liabilities.

The common shares of the Company (the “**Common Shares**”) are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the trading symbol “**VCM**”. On October 13, 2021, being the last complete trading day prior to the

date hereof, the closing price of the Common Shares on the TSX was C\$16.05. Unless otherwise specified in an applicable prospectus supplement, debt securities, subscription receipts, units, warrants and share purchase contracts will not be listed on any securities or stock exchange or on any automated dealer quotation system. **There is currently no market through which our securities, other than our Common Shares, may be sold and purchasers may not be able to resell such securities purchased under this short form prospectus. This may affect the pricing of our securities, other than our Common Shares, in the secondary market, the transparency and availability of trading prices, the liquidity of our securities and the extent of issuer regulation. See “Risk Factors”.**

**Acquiring our securities may subject you to tax consequences in Canada. This prospectus or any applicable prospectus supplement may not describe these tax consequences fully. You should read the tax discussion in any applicable prospectus supplement with respect to any offering and consult your own tax advisor with respect to your own circumstances.**

**No underwriter has been involved in the preparation of this prospectus or performed any review of the contents of this prospectus.**

This prospectus constitutes a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the securities in such jurisdiction. All applicable information permitted under securities legislation to be omitted from this prospectus that has been so omitted will be contained in one or more prospectus supplements that will be delivered to purchasers together with this prospectus. Each prospectus supplement will be incorporated by reference into this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and only for the purposes of the distribution of the securities to which the prospectus supplement pertains. You should read this prospectus and any applicable prospectus supplement carefully before you invest in any securities issued pursuant to this prospectus. Our securities may be sold pursuant to this prospectus through underwriters or dealers or directly or through agents designated from time to time at amounts and prices and other terms determined by us.

In connection with any underwritten offering of securities, the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the securities offered. Such transactions, if commenced, may be discontinued at any time. A purchaser who acquires securities forming part of the underwriters’ over-allocation position acquires those securities under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over- allotment option or secondary market purchases. See “*Plan of Distribution*”.

We or any selling securityholder may offer and sell the securities issued under this prospectus to or through underwriters, dealers, placement agents or other intermediaries or directly to one or more purchasers, subject in each case to obtaining any required exemptions under applicable securities laws. The distribution of securities under this prospectus may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed from time to time, at market prices prevailing at the time of sale, or at prices related to such prevailing market prices, or at other negotiated prices, in each case as set forth in the applicable prospectus supplement. The prospectus supplement relating to a particular offering of securities will identify each selling securityholder, underwriter, dealer or agent engaged in connection with an offering and sale of securities pursuant to this prospectus and will set forth the terms of the offering of such securities, including our proceeds and, to the extent applicable, any fees, discounts, concessions or other compensation payable to the underwriters, dealers or agents, the method of distribution, the initial issue price (in the event that the offering is a fixed price distribution) and any other material terms of the plan of distribution. See “*Plan of Distribution*”.

**Investment in the securities being offered is highly speculative and involves significant risks that you should consider before purchasing such securities. You should carefully review the risks outlined in this prospectus (including any prospectus supplement) and in the documents incorporated by reference as well as the information under the heading “*Cautionary Note Regarding Forward-Looking Statements*” and consider such risks and information in connection with an investment in the securities. See “*Risk Factors*”.**

The specific terms of the securities with respect to a particular offering will be set out in one or more prospectus supplements and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered, the offering price and any other specific terms; (ii) in the case of warrants, the offering price, the designation, number and terms of the Common Shares or debt securities issuable upon exercise of the warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in

which the warrants are issued and any other specific terms; (iii) in the case of subscription receipts, the number of subscription receipts being offered, the offering price, the procedures for the exchange of the subscription receipts for Common Shares, debt securities or warrants, as the case may be, and any other specific terms; (iv) in the case of debt securities, the specific designation, the aggregate principal amount, the currency or the currency unit for the debt securities being offered, the maturity, the interest provisions, the authorized denominations, the offering price, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion terms, whether the debt securities are secured, affiliate-guaranteed, senior or subordinated and any other terms specific to the debt securities being offered; (v) in the case of units, the designation, number and terms of the Common Shares, warrants, subscription receipts, share purchase contracts or debt securities comprising the units; and (vi) in the case of share purchase contracts, whether the share purchase contracts obligate the holder to purchase or sell or both purchase and sell Common Shares, whether the share purchase contracts are to be prepaid or not or paid in instalments, any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied, whether the share purchase contracts are to be settled by delivery, any provisions relating to the settlement of the share purchase contracts, the date or dates on which the sale or purchase must be made, whether the share purchase contracts will be issued in fully registered or global form and the material income tax consequences of owning, holding and disposing of the share purchase contracts. Where required by statute, regulation, or policy, and where securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the securities will be included in the prospectus supplement describing the securities.

Danial Faizullahoy, Derek Elder and James A. Blackley, each a director of the Company, reside outside of Canada and have appointed Blakes Vancouver Services Inc., c/o Blake, Cassels & Graydon LLP located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3, Canada for service of process in Canada. See “*Agent for Service of Process*”.

Our head and registered office is located at 771 Vanalman Avenue, Victoria, British Columbia, Canada, V8Z 3B8.

Investors should rely only on the information contained in or incorporated by reference into this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide investors with different information. Information contained on our website shall not be deemed to be a part of this prospectus (including any applicable prospectus supplement) or incorporated by reference herein and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. We will not make an offer of these securities in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information contained in this prospectus is accurate as of any date other than the date on the face page of this prospectus, the date of any applicable prospectus supplement or the date of any documents incorporated by reference herein.

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## ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this prospectus and any applicable prospectus supplement and on the other information included in the registration statement of which this prospectus will form a part. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. We are not making an offer to sell or seeking an offer to buy the securities offered pursuant to this prospectus in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus and any applicable prospectus supplement is accurate only as of the date on the front of such document and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this prospectus or any applicable prospectus supplement or of any sale of our securities pursuant thereto. Our business, financial condition, results of operations and prospects may have changed since those dates.

Market data and certain industry forecasts used in this prospectus and any applicable prospectus supplement, and the documents incorporated by reference in this prospectus and any applicable prospectus supplement, were obtained from market research, publicly available information, and industry publications. We believe that these sources are generally reliable, but the accuracy and completeness of this information is not guaranteed. We have not independently verified such information, and we do not make any representation as to the accuracy of such information.

In this prospectus and any prospectus supplement, unless otherwise indicated, all dollar amounts and references to “US\$” are to U.S. dollars and references to “\$” or “C\$” are to Canadian dollars. This prospectus and the documents incorporated by reference contain translations of certain US dollar amounts into Canadian dollars solely for your convenience. See “*Currency Presentation and Exchange Rate Information*”.

This prospectus and the documents incorporated by reference herein include certain terms or performance measures that are not defined under International Financial Reporting Standards (“**IFRS**”), such as “EBITDA”, “adjusted EBITDA”, “adjusted earnings” and “adjusted earnings per share”. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company’s performance. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS measures should be read in conjunction with the financial statements. For a description of the methodology used to calculate these non-IFRS measures, see the Company’s management’s discussion and analysis (“**MD&A**”) incorporated by reference herein.

In this prospectus and in any prospectus supplement, unless the context otherwise requires, references to “we”, “us”, “our” or similar terms, as well as references to “Vecima” or the “Company”, refer to Vecima Networks Inc. together, where context requires, with our subsidiaries.

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Company cautions readers regarding forward-looking statements found in this prospectus (including the documents incorporated by reference herein).

Forward-looking statements normally contain words like “will”, “intend”, “anticipate”, “could”, “should”, “may”, “might”, “expect”, “estimate”, “forecast”, “plan”, “potential”, “project”, “assume”, “contemplate”, “believe”, “shall”, “scheduled” and similar terms and, within this prospectus (including the documents incorporated by reference herein), include, without limitation, any statements (express or implied) respecting:

- the expectation of sales from the video and broadband product line shall continue to account for a significant portion of the Company’s sales in the foreseeable future;
- the expectation that the relationships with the Company’s large customers will continue;

- expectations of cable and broadband wireless access technologies to face significant competition from both current and future alternative technologies;
- the expectation that operating results will fluctuate;
- the Company's belief that the Company's growth may be tied to the: development of next generation platforms such, from strategic acquisitions; and from platform enhancements for customers.
- the Company's anticipation of healthy continued demand for the ordering activity for TerraceQAM platform through the balance of fiscal 2021 as operators continue their commercial rollout for the current generation; while preparing for the next-generation TerraceIQ platform;
- the Company's belief that the Company's current cash and short-term investments of \$23.0 million together with anticipated cash flow from operations will be sufficient to meet the Company's working capital requirements and capital expenditure requirements for the foreseeable future;
- while the Company has not experienced significant supply disruptions to date, the potential for such components to be in short supply or delayed in reaching the Company, could potentially result in product shipping delays and increased costs, which in turn, could adversely impact the Company's gross margin and results of operations; and
- the Company's Strategy, Industry Developments and COVID-19 Business Update and Outlook as set out in the MD&A.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. Forward-looking information is provided for the purpose of presenting information about management's current expectations and plans relating to the future and allowing investors and others to get a better understanding of our anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements are not guarantees of future performance, actions or developments and are based on expectations, assumptions, and other factors that management currently believes are relevant, reasonable, and appropriate in the circumstances. The material expectations, assumptions, and other factors used in developing the forward-looking statements set out herein (and in the documents incorporated by reference herein) include or relate to the following, without limitation:

- the ability to continue relationships with the Company's large customers;
- the ability to deliver products associated with key contracts;
- managing business growth successfully;
- meeting customers' requirements for manufacturing capacity;
- developing new products and enhancing existing products;
- expanding current distribution channels and developing new distribution channels;
- recruiting and retaining management and other qualified personnel crucial to business;
- the present or potential value of the Company's core technologies, business operations and asset holdings;
- the Company's ability to deliver products associated with key contracts;
- the strength of the Company's balance sheet;
- the Company is not required to change its pricing models to compete successfully;
- reliable third-party suppliers and contract manufacturers;
- the Company's intellectual property is not infringed upon;

- the Company's products are not subject to warranty or product liability claims that harm the Company's business;
- successful implementation of acquisitions;
- ability to manage risks associated with international operations;
- currency fluctuations do not adversely affect the Company;
- continued growth in key markets;
- adapting to technological change, new products, and standards;
- the Company is not subject to increased competition that has an adverse effect on the Company's business;
- the Company is not subject to competition from new or existing technologies that adversely affect the Company's business
- the Company is not subject to any material new government regulation of the Company's products, and
- no third parties allege that the Company is infringing on their intellectual property;

Although management believes that the forward-looking statements herein or incorporated herein by reference are reasonable, actual results could be substantially different due to the risks and uncertainties associated with and inherent to the Company's business, including the following risks:

- Vecima depends on single source suppliers for some components used in our products and if these suppliers are unable to meet our demand, the delivery of our products to our customers may be interrupted;
- Vecima's reliance on third-party suppliers and contract manufacturers reduces our control over our performance;
- the ongoing COVID-19 pandemic, the rapidly evolving reaction of governments, private sector participants and the public to that pandemic and/or the associated economic impact of that pandemic and the reactions to it have had and shall continue to have a material and adverse effect on our business, operations, revenues, financial condition, results of operations, and growth prospects to an extent and for a period that remains uncertain;
- Vecima's operating results are expected to fluctuate; Vecima may be unable to deliver products associated with key contracts;
- Vecima's operations depend on information technology systems, which may be disrupted or may not operate as desired;
- Vecima has entered important supply contracts with a few key customers;
- Vecima's success depends on its ability to develop new products and enhance existing products;
- Vecima derives a substantial part of total revenue from a few large customers;
- Vecima's failure to grow successfully may adversely affect operating results;
- growth in Vecima's key markets may not continue;
- Vecima's inability to adapt to technological change, new products and standards could harm our business;
- Vecima is continuing to adapt content delivery products to add features allowing deployments to cable, Internet Protocol Television, and Internet CDN providers to enable multi-screen video delivery;
- a failure to execute on this transition, or execute quickly enough, shall adversely affect Vecima's business;

- Vecima is dependent on its current distribution channels; the cable and telecommunications industries are experiencing consolidation, which could result in delays or reductions in purchases of products and services, which could have a material adverse effect on Vecima's business;
- if content providers, such as movie studios, limit the scope of content licensed for use in the digital content delivery market, Vecima's business, financial condition and results of operations could be negatively affected because the potential market for its products would be more limited than it currently believes;
- increased competition could have an adverse effect on Vecima's business;
- impacts to trade relationships between the United States and China may adversely affect Vecima's profitability;
- competition from new or existing technologies may adversely affect Vecima's business;
- Vecima may be subject to liability if private information supplied to Vecima's customers is misused;
- We may be found to infringe on the intellectual property rights of others;
- Misappropriation of our intellectual property could place us at a competitive disadvantage;
- Vecima's ability to recruit and retain management and other qualified personnel is crucial to its business;
- Vecima utilizes open source software, which could enable Vecima's competitors to gain access to Vecima's source code and distribute it without paying any license fee to Vecima;
- if Vecima's intellectual property is not adequately protected, Vecima may lose competitive advantage;
- if Vecima is required to change our pricing models to compete successfully, margins and operating results may be adversely affected;
- successful warranty or product liability claims could harm Vecima's business;
- third parties may allege that Vecima infringes on our intellectual property; currency fluctuations may adversely affect Vecima;
- if Vecima cannot meet customers' requirements for manufacturing capacity, sales may suffer;
- there are risks associated with Vecima's international operations;
- acquisitions could divert management's attention and financial resources, may negatively affect Vecima's operating results and could cause significant dilution to shareholders;
- government regulation of Vecima's products and new government regulation could harm our business;
- regulatory changes could also negatively affect Vecima's business by restricting development efforts by our customers, making our current products obsolete or increasing the potential for additional competition;
- sale of common shares by Vecima's controlling shareholders could cause the share price to fall;
- a small number of Vecima's shareholders control Vecima;
- risks related to volatility in the Company's Common Share price;
- that the Company has discretion over the net proceeds from any offering of its securities;
- risks related to dilution from further issuances of securities;
- that investors may experience dilution resulting from the exercise of outstanding stock options or the settlement of share units of the Company;
- that the liquidity of the Common Shares may be limited;
- that there is no public market for debt securities, warrants, subscription receipts, share purchase contracts or units;

- risks related to issuances by the Company of unsecured debt securities;
- that prevailing interest rates will impact the market price or value of any debt securities issued by the Company;
- that fluctuations in foreign currency markets may have an adverse effect on the value of debt securities issued by the Company; and
- the risk factors described under the heading “*Risk Factors*” in this prospectus, the Company’s AIF (as defined herein) and the MD&A.

Additional material risks and uncertainties applicable to the forward-looking statements herein include, without limitation, unforeseen events, developments, or factors causing any of the aforesaid expectations, assumptions, and other factors ultimately being inaccurate or irrelevant. Many of these factors are beyond the control of the Company. All forward-looking statements included in this prospectus and the documents incorporated herein by reference are expressly qualified in their entirety by these cautionary statements. The forward-looking statements contained in this prospectus, or the documents incorporated by reference herein are made as at the date hereof or thereof and the Company undertakes no obligation to update publicly or to revise any of the forward-looking statements, whether because of new information, future events, or otherwise, except as may be required by applicable securities laws.

### **DOCUMENTS INCORPORATED BY REFERENCE**

**Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada.**

Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of the Company, at 771 Vanalman Avenue, Victoria, British Columbia, V8Z 3B8 (Telephone 1-306-955-7075) or by accessing the disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com).

The following documents, filed with the securities commissions or similar regulatory authorities in certain provinces of Canada are specifically incorporated by reference into, and form an integral part of, this short form base shelf prospectus:

- the annual information form for the fiscal year ended June 30, 2021, dated as of September 23, 2021 (the “**AIF**”);
- the audited annual consolidated financial statements of the Company as at and for the years ended June 30, 2021 and 2020, together with the notes thereto and the auditor’s report thereon;
- management’s discussion and analysis of financial condition and results of operations of the Company for the year ended June 30, 2021, dated September 23, 2021; and
- the management information circular of the Company dated November 2, 2020 regarding the annual general meeting of shareholders of the Company held on December 7, 2020.

Any documents of the type described in Section 11.1 of Form 44-101F1 - *Short Form Prospectuses* filed by the Company with a securities commission or similar authority in any province or territory of Canada after the date of this short form base shelf prospectus and prior to the expiry of this prospectus, or the completion of the issuance of securities pursuant hereto, will be deemed to be incorporated by reference into this prospectus.

A prospectus supplement containing the specific terms of any offering of our securities will be delivered to purchasers of our securities together with this prospectus and will be deemed to be incorporated by reference in this prospectus as of the date of the prospectus supplement and only for the purposes of the offering of our securities to which that prospectus supplement pertains.

**Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein, in any prospectus supplement hereto or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading considering the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.**

Any template version of any “marketing materials” (as such term is defined in National Instrument 44-101 - *Short Form Prospectus Distributions*) filed after the date of a prospectus supplement and before the termination of the distribution of the securities offered pursuant to such prospectus supplement (together with this prospectus) is deemed to be incorporated by reference in such prospectus supplement.

Upon our filing of a new annual information form and the related annual financial statements and management’s discussion and analysis with applicable securities regulatory authorities during the currency of this prospectus, the previous annual information form, the previous annual financial statements and management’s discussion and analysis and all interim financial statements, supplemental information, material change reports and information circulars filed prior to the commencement of our financial year in which the new annual information form is filed will be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of our securities under this prospectus. Upon interim consolidated financial statements and the accompanying management’s discussion and analysis being filed by us with the applicable securities regulatory authorities during the duration of this prospectus, all interim consolidated financial statements and the accompanying management’s discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated into this prospectus for purposes of future offers and sales of securities under this prospectus.

References to our website in any documents that are incorporated by reference into this prospectus do not incorporate by reference the information on such website into this prospectus, and we disclaim any such incorporation by reference.

#### **CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION**

Except as otherwise noted in our financial statements and the related management’s discussion and analysis that are incorporated by reference into this prospectus, the financial information contained in such documents is expressed in Canadian dollars. Exchange rates between US dollars and the Canadian dollar are included below.

The high, low, average, and closing rates for the US dollar in terms of Canadian dollars for each of the financial periods indicated below, as quoted by the Bank of Canada, were as follows:

	Year ended June 30, 2020	Year ended June 30, 2019
	(Expressed in Canadian dollars)	
High:	1.4496	1.3642
Low:	1.2970	1.2803
Average:	1.3427	1.3237
Closing:	1.3628	1.3087

On October 13, 2021, the daily exchange rate for the US dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was \$1.00 = C\$1.2445.

## THE COMPANY

*The following description of the Company is, in some instances, derived from selected information about us contained in the documents incorporated by reference into this prospectus. This description does not contain all the information about us and our business that you should consider before investing in any securities. You should carefully read the entire prospectus and the applicable prospectus supplement, including the section entitled “Risk Factors”, as well as the documents incorporated by reference into this prospectus and the applicable prospectus supplement, before making an investment decision.*

### **Name, Address, and Incorporation**

The Company was incorporated under *the Business Corporations Act* (Saskatchewan) on July 7, 1988 under the name “WaveCom Electronics Inc.”. The Company amalgamated with 625694 Saskatchewan Ltd. on July 1, 1999, continued under the *Canada Business Corporations Act* and changed its name to “VCom Inc.” on June 30, 2003. It then amalgamated with WaveRider Communications (Canada) Inc. on July 1, 2006. It changed its name to “Vecima Networks Inc.” on November 13, 2006. On July 1, 2007, The Company amalgamated with Spectrum Signal Processing Inc.; on July 1, 2013, amalgamated with WaveCom Electronics (2003) Inc.; and, on July 1, 2015, amalgamated with YourLink. The Company head office and registered office is located at 771 Vanalman Avenue, Victoria, British Columbia, Canada, V8Z 3B8.

### **Company Overview**

Vecima Networks Inc. (TSX:VCM) is a Canadian company founded in 1988 in Saskatoon, Saskatchewan. Today, Vecima has a global presence with offices in Vancouver, Atlanta, Raleigh, San Jose, Qingdao, Shanghai, Tokyo, Amsterdam, and a manufacturing facility in Saskatoon. Vecima’s corporate head office is in Victoria, British Columbia. Vecima is a global leader focused on developing integrated hardware and scalable software solutions for broadband access, content delivery, and telematics. We enable the world’s leading innovators to advance, connect, entertain, and analyze. We build technologies that provide internet video delivery and storage (“IPTV”) and next generation high-speed broadband network access.

Vecima's business is organized into three segments:

1) **Video and Broadband Solutions** includes platforms that process data from the cable network and deliver high-speed internet connectivity to homes over cable and fiber as well as adapt video services to formats suitable to be consumed on televisions in commercial properties.

Our next generation Entra™ family of products and platforms addresses the network migration to a Distributed Access Architecture (as described below under Industry Developments). The Entra Distributed Access Architecture platform is Vecima's realization of the next generation of hybrid fiber coaxial and fiber to the home (“**FTTH**”) nodes as optical transport moves away from analog distribution to fully digital distribution. Our goal is to provide the market's most flexible and complete portfolio of broadband access infrastructure products driving the future of ultra high-speed networks to multi-gigabit per second symmetrical access;

The Entra Distributed Access Architecture (“**DAA**”) family of products is divided into five core categories:

- **EntraPHY** - Multiple variants of the Entra Access Node that can operate as Remote PHY, providing a modular and highly interoperable platform for deployment of access technologies, leveraging billions of dollars of investment in coaxial cable;
- **EntraMAC** - Multiple variants of the Entra Access Node that can operate as Remote MAC-PHY, providing the full next generation access network within the Entra digital node, leveraging billions of dollars of investment in coaxial cable;
- **EntraOptical** - Consists of both chassis and node based FTTH access technologies in areas of the service provider network where FTTH is practical and advantageous;
- **EntraControl** - a virtual cloud-based platform with centralized orchestration and control across all the Entra products, which includes;
  - the Entra Remote PHY Monitor, which offers unified control software for management, service assurance and monitoring of access nodes;
  - the Entra Video QAM Manager, which allows for the integration of video in a DAA environment, leveraging existing video generation infrastructure by providing a direct pathway for video through to the Entra node; and
  - the Entra Access Controller, virtualizes all the control components allowing for the distribution of the data processing to the edge and into the Entra MAC and Entra Optical nodes; and
- **EntraVideo** - a suite of products facilitating the migration from legacy architectures to next generation distributed access architectures, including:
  - the Entra Legacy QAM Adapter and DV-12, which provides a simple solution to adapt existing video QAM infrastructure for distributed access; and
  - the Entra Interactive Video Controller, which supports essential two-way network connectivity for legacy set-top boxes that are heavily deployed and in service today.

Our Terrace and TerraceQAM product families meet the unique needs of the business services vertical, including MDU (multi-dwelling units) and hospitality (hotels, motels, and resorts) by adapting video services to the individual business requirements and leveraging existing televisions in rooms.

2) **Content Delivery and Storage** includes solutions and software, under the MediaScaleX™ brand, for service providers and content owners that focus on ingesting, producing, storing, delivering, and streaming video for live linear, Video on Demand (“**VOD**”), network Digital Video Recorder and time-shifted services over the internet.

MediaScaleX™

- **Transcode:** transforms live and OnDemand content utilizing state-of-the-art GPU technology, creating beautiful, cost-effective content for any device;
- **Origin:** packages and secures video for streaming over-the-top (“**OTT**”) or through a service provider managed network, regardless of network technology;
- **Storage:** captures live, OnDemand, and DVR content, holds it indefinitely, and allows for future streaming, rewind, fast-forward and pause; and
- **Cache:** highly scalable, streaming platform, providing the ability to serve content to all IP and legacy devices, including Streaming Video Alliance Open Cache technology to allow operators to cache and monetize OTT content. Strategically geographically located to minimize network latency and optimize the end user streaming experience.

3) **Telematics** provides fleet managers with the key information and analytics they require to optimally manager their mobile and fixed assets under the Contigo and Nero Global Tracking brands. Vecima’s Telematics solutions allow fleets and high value assets to be tracked, managed, reported on, and optimized over a subscription-based cloud portal serving commercial and municipal government customers.

## **Industry Developments**

### *Video and Broadband Solutions*

Over the last several years, the cable industry has been transitioning towards DAA under the latest data over cable system interface specification (“**DOCSIS**”) standards. Multiple top-tier and mid-tier players have initiated a roll-out of this new platform with further large-scale deployments anticipated over the next several years. DAA is a critical evolution for the industry in that it unlocks gigabit broadband speeds over existing coaxial cable by allowing data transmission up to 10 Gigabits per second (“**Gbps**”) for download speed and 3 Gbps for upload speed today and growing to 10 Gbps upload in the future. The speed provided by DAA using coaxial cable is comparable to that of fiber optic connections, thereby allowing cable operators to leverage their systems without the significant added infrastructure costs of building fiber to the home. Global cable operators expect to benefit from a flexible migration given that DOCSIS 3.1 modems can coexist with older versions and build on top of their previously deployed capacity. The higher efficiency of DAA technology also enables significant cost-per-bit reductions relative to legacy DOCSIS network solutions.

Starting in calendar 2020, the cable market began a broad shift towards DAA, as more operators recognized its suitability for market needs in terms of speed, agility, user experience and cost savings. The impacts of the COVID-19 pandemic have further increased demands on network bandwidth, accelerating the push towards distributed access solutions.

In 2020, Cable Television Laboratories or CableLabs, a not-for-profit innovation and research and development lab that works in cooperation with cable companies and cable equipment manufacturers, released the DOCSIS 4.0 specifications which includes full duplex DOCSIS and extended spectrum DOCSIS, allowing multi-system operators to significantly increase their total capacity while leveraging their past coaxial infrastructure investment.

Increasingly service providers are strategically extending their networks with an all-fiber architecture using cable specific fiber to the home (10G EPON) technology. Further, government funding is being made available to subsidize widescale fiber network buildouts with an emphasis on rural areas that are currently underserved. Operators have favoured architectures and products that allow them to cohesively orchestrate both coaxial and fiber access networks over a common cloud management platform.

### *Content Delivery and Storage*

Global demand for Internet Protocol (“IP”) video content delivery and storage is growing, driven by the rapidly increasing consumption of IP video as consumers turn to streaming services, and cable operators make vast arrays of new IP video content available to subscribers. Service providers are also pursuing new DVR opportunities that shift delivery and storage away from traditional set-top storage to cloud-based models.

According to the latest industry analysis in the Cisco Visual Networking Index™, consumer VOD traffic is expected to double from 2017 to 2022 with IP video comprising 82% of all IP traffic. Content owners and broadcasters are also leveraging IPTV technologies to deliver services directly to subscribers using OTT business models. Open cache technology, such as that being standardized by the steaming video alliance is aimed at consolidating IPTV traffic utilizing strategically placed cache capacity that reduces cost and network latency.

### ***Telematics***

Traditional vehicle telematics is widely available for commercial fleets, but operations managers increasingly demand additional value to improve productivity of personnel and investment in the entire asset base. This has created additional opportunities to leverage asset tracking technology used in the Internet of Things to cost-effectively monitor mobile or fixed assets in the field, particularly in service-based industries where asset utilization can drive a stronger profit margin. Managers in these asset-intensive industries can use key information and analytics to optimally manage their mobile and fixed assets using subscription-based cloud portals.

### **Our Strategy**

Our growth strategy focuses on the development of our core technologies, including next generation platforms such as our Entra DAA platform, as well as our IP video storage and distribution technologies being sold and deployed under the MediaScaleX brand within the Content Delivery and Storage segment. We will continue to pursue profitable growth both organically and when appropriate, through value-enhancing strategic acquisitions.

### **Intercorporate Relationships**

The Company has the following wholly owned subsidiaries:

Subsidiary Name	Jurisdiction
6105971 Canada Inc.	Canada
Vecima Technology (Canada) Inc.	Canada
Vecima Technology Inc.	United States
Vecima Solutions Corporation	Japan
Vecima Technology (UK) Ltd.	United Kingdom
Vecima Technology GmbH	Germany
Vecima Technology B.V.	Netherlands
Vecima Networks (USA) Inc.	United States
Vecima Technology (Qingdao) Co., Ltd.	China
Vecima Technology (Shanghai) Co., Ltd.	China

## **RISK FACTORS**

*Investing in our securities is speculative and involves a high degree of risk due to the nature of our business and the present stage of its development. The following risk factors, as well as risks currently unknown to us, could materially and adversely affect our future business, operations and financial condition and could cause them to differ materially*

*from the estimates described in forward-looking statements relating to the Company, or its business or financial results, each of which could cause purchasers of our securities to lose part or all their investment. The risks set out below are not the only risks we face; risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, financial condition, results of operations and prospects. You should also refer to the other information set forth or incorporated by reference in this prospectus or any applicable prospectus supplement, including our annual financial statements, and the related notes, and accompanying management's discussion and analysis. **A prospective investor should carefully consider the risk factors set out below along with the other matters set out or incorporated by reference in this prospectus.***

The following is a brief discussion of risks and uncertainties relating to Vecima most likely to influence an investor's decision to purchase common shares. The risks and uncertainties discussed below are not complete. Additional risks and uncertainties not presently known or currently considered immaterial also may impair business operations and cause the price of Vecima's common shares to decline. If any of the following occurs, Vecima's business may be harmed, and financial conditions and results of operations may suffer significantly. In that event, the trading price of Vecima common shares could decline.

Investors should carefully consider the risks described under the heading "Risk Factors" in our AIF and our other publicly filed documents which are incorporated herein by reference, as well as the risk factors described under the heading "Risk Factors" in any applicable prospectus supplement. See "Documents Incorporated by Reference".

#### **Risks Related to the Company and its Business**

***We depend on single source suppliers for some components used in our products and if these suppliers are unable to meet our demand, the delivery of our products to our customers may be interrupted.***

From time to time, certain components used in our products have been, and may continue to be, in short supply. Such shortages in allocation of components may result in a delay in filling orders from our customers, which may adversely affect our business. In addition, our products are comprised of components, some of which are procured from single source suppliers, including where we have licensed certain software embedded in a component. Our single source suppliers may experience damage or interruption in their operations due to unforeseen events, be impacted by natural catastrophes or public health epidemics illnesses, including COVID-19, become insolvent or bankrupt, or experience claims of infringement, all of which could delay or stop their shipment of components to us, which may adversely affect our business, operating results and financial condition. If there is a shortage of any such components and we cannot obtain an appropriate substitute from an alternate supplier of components, we may not be able to deliver sufficient quantities of our products to our customers. If such shortages occur, we may lose business or customers and our operating results and financial condition may be materially adversely affected.

***Vecima's reliance on third-party suppliers and contract manufacturers reduces our control over our performance.***

Vecima relies on third-party suppliers, in some cases sole suppliers or limited groups of suppliers, to provide them with materials necessary for the manufacture of our products. As a result of worldwide demand for and shortage of components, some suppliers have from time to time limited the number of components that Vecima may purchase. These components include chips and other components necessary to produce Vecima's products. If Vecima is unable to obtain sufficient allocations of these components, our production and shipment of products shall be delayed, Vecima may lose customers and our profitability shall be affected.

Reliance on suppliers also reduces Vecima's control over production costs, delivery schedules, reliability, and quality of materials. Any inability to obtain timely deliveries of acceptable quality materials, or any other circumstances that would require Vecima to seek alternative suppliers, could adversely affect our ability to deliver products to our customers. In addition, Vecima outsources some aspects of the manufacture of some of our products to contract manufacturers and a significant increase in the price of the services provided by these manufacturers, or delays in our deliveries, could have a material adverse effect on our business, results of operations and financial condition.

Vecima has experienced delays in the supply of certain key components that may have a material impact on our operating results and future growth. It is expected that operating results shall continue to fluctuate in the foreseeable future due to a variety of supply chain factors, including, but not limited to:

1. Sole sourced components – Vecima uses highly specialized components that can only be procured from one vendor. Using sole sourced components significantly increases our dependency on those vendors and exposes us to upstream supply chain interruptions, including materials shortages, natural disasters, fires, geopolitical risks, civil unrest and pandemics.
2. Long lead time components will lead to missed production forecasts and/or unrealized upside opportunities. Vecima uses components in its products that may have lead times in excess of 52 weeks. The use of long lead time components increases supply chain risk and requires the ability to provide long range forecasts to vendors.
3. De-commits and delivery delays by parts vendors – Vecima’s vendors have de-committed exiting delivery dates which can cause Vecima to miss commitments it had previously made to its customers.
4. Material expedite costs could significantly impact gross margins and profitability - Vecima has had to pay expedite fees to secure the supply of certain components. These fees add to our cost of goods sold and impact operating results.
5. Failure to secure supply could equate to a loss of market share – If Vecima fails to meet its delivery commitments to its customers, those customers may move their orders to Vecima’s competitors.
6. Sustained market driven, long term component price increases could materially impact gross margins and profitability.

***The ongoing COVID-19 pandemic, the rapidly evolving reaction of governments, private sector participants and the public to that pandemic and/or the associated economic impact of that pandemic and the reactions to it have had and shall continue to have a material and adverse effect on our business, operations, revenues, financial condition, results of operations, and growth prospects to an extent and for a period that remains uncertain.***

The extent and duration of the COVID-19 pandemic, the reactions of governments, private sector participants and the public to the pandemic and the associated disruption to business and commerce generally, and the extent to which these shall continue to affect our business, financial condition and results of operation shall all depend on future developments which are highly uncertain and many of which are outside the control of Vecima and cannot be predicted with confidence. Such developments include the ultimate geographic spread, intensity and duration of the pandemic (including the possibility of second and further waves), new information which may emerge concerning the severity of COVID-19, the effectiveness and intensity of measures to contain COVID-19 or address its impact (including any potential increase in the duration or intensity of restrictions on public gatherings, restrictions on the operation of non-essential businesses, the operation of restaurants in whole or in part and otherwise), short- and longer-term changes in consumer spending and/or consumer behaviour and perceptions regarding public gatherings and dining out, changes in consumer travel patterns or travel restrictions imposed by governments and the other economic impacts of the pandemic and the reactions to it. For example, we have or may experience or continue to experience: an inability for some or all of our workforce or business partners to work or travel due to potential illness, susceptibility to illness, or travel or other restrictions imposed by governments in connection with the COVID-19 outbreak which may affect the ability of our locations to operate efficiently or at all; and, additional demands on management’s time in managing the Corporation’s response to the COVID-19 pandemic and the reactions to it, which may reduce the time management is able to spend on other aspects of our business and operations, which have had and may or shall continue to have a material and adverse effect on our business operations, revenues, financial condition, results of operations and growth prospects. Given the uncertainties described above, we cannot predict the extent or duration of these effects. The COVID-19 pandemic and the reactions to it, including the possibility that they may result in a prolonged global recession, may also have the effect of exacerbating the potential impact of the other risks disclosed in this Risk Factors

section, including but not limited to those related to our growth strategies, consumer behaviour, our franchise partners and our employees, our suppliers and distributors, government regulation and economic conditions.

***Vecima's operating results are expected to fluctuate.***

Vecima has experienced fluctuations in operating results on a quarterly and annual basis. It is expected that operating results shall continue to fluctuate in the foreseeable future due to a variety of factors, including:

- 1) business continuity events;
- 2) Vecima's reliance on third-party suppliers and contract manufacturers reduces our control over our performance;
- 3) changes in general economic conditions and specific market conditions in the communications and Internet industries, including fluctuations in demand for existing products, the rate of development of new products and the degree of market acceptance of new products;
- 4) the timing, size, and contractual terms of significant orders for product or the entering new major contracts, and the lack of certainty that existing customer contracts shall be renewed upon expiry;
- 5) if competition intensifies, we may be required to reduce our prices and gross margins to remain competitive;
- 6) Vecima's ability to maintain existing strategic relationships and to create new ones; and
- 7) the timing and magnitude of operating expenses, capital expenditures and expenses relating to the expansion of sales, marketing, operations, and acquisitions, if any, of related or complementary businesses and assets.

Any of the foregoing factors, or other factors discussed elsewhere in this prospectus, could have a material adverse effect on Vecima's business, results of operations and financial condition.

***Vecima may be unable to deliver products associated with key contracts.***

Vecima has entered important supply contracts with a few key customers. Vecima's right to receive revenue under these contracts depends upon our ability to manufacture and supply products that must meet defined specifications. To realize the benefit of these agreements, Vecima shall have to successfully manage the following risks:

- 1) Lack of Sufficient Resources - If Vecima is unable to commit the necessary resources or to deliver our products as required by the terms of those contracts, customers may cancel the contracts. In that event, any costs incurred by Vecima may not be recovered and we may incur additional costs as penalties.
- 2) Delivery Risks - If Vecima fails to meet a delivery deadline or a customer determines that the products delivered do not meet the agreed-upon specifications, Vecima may have to reduce the price charged for our products or may be liable to pay damages to the customer. Vecima's delivery may also miss the market window resulting in reduced realization of revenues. Engineering of complex technologies always carries certain uncertainties, and while we make efforts to minimize these risks, there are no guarantees of success or timely delivery.
- 3) Production Costs - Vecima prices all client orders based on our estimates of future production costs. If Vecima incurs higher costs than anticipated, gross margins on those contracts could decline.

Some major customers are also entitled to terminate their contracts with Vecima by giving written notice. If Vecima is unable to manage these risks successfully or if any of our major customers terminate their contracts with Vecima, our business, results of operations and financial condition could be materially adversely affected.

***Vecima's operations depend on information technology systems, which may be disrupted or may not operate as desired.***

Vecima relies on information technology systems and networks in our operations. Our information technology systems are subject to disruption, damage, or failure from a variety of sources, including, without limitation, security breaches, cybersecurity attacks, computer viruses, malicious software, natural disasters or defects in software or hardware system. Our system and procedures for protecting against such attacks and mitigating such risks may prove to be insufficient in the future and such disruption, damage or failure could result in, among other things, production downtime, operational delays, destruction or corruption of data, damage to reputation, or legal or regulatory consequences, any of which could have a material adverse effect on our financial condition, operations, production, sales, and business. Vecima could also be adversely affected in a similar manner by system or network disruptions if new or upgraded information technology systems are defective, not installed properly or not properly integrated into our operations. In addition, as technologies evolve and cybersecurity attacks become more sophisticated, we may incur significant costs to upgrade or enhance our security measures or mitigate potential harm.

***Vecima's success depends on its ability to develop new products and enhance existing products.***

To keep pace with technological developments, satisfy increasingly sophisticated customer requirements and achieve market acceptance of our products, Vecima must enhance and improve existing products and continue to introduce new products. If Vecima is unable to successfully develop new products, or enhance and improve existing products, or even if Vecima fails to position and/or price products to meet market demand, then our business and operating results shall be adversely affected.

Product introductions and short product life cycles require levels of expenditures for research and development that could adversely affect operating results. Further, any new products Vecima develops could require long development, testing and in some cases certification periods and may not be introduced in a timely manner or may not achieve the broad market acceptance necessary to generate significant revenue. As Vecima develops new products, many of Vecima's older products shall reach the end of our lives. As Vecima discontinues the manufacturing and sale of these older products, Vecima must manage the liquidation of inventory, supplier commitments and customer expectations. If Vecima is unable to manage properly the discontinuation of these older products, it could have a material adverse effect on our business, financial condition, and results of operations.

***Vecima derives a substantial part of total revenue from a few large customers.***

Should any one or more of our large customers discontinue their relationship with Vecima for any reason or reduces or postpones current or expected purchases of Vecima's products, the business, results of operations and financial condition could be materially adversely affected.

***Vecima's failure to grow successfully may adversely affect operating results.***

Vecima's ability to manage our business shall be substantially dependent upon our ability to efficiently and effectively allocate resources to conduct research and development, product introduction, sales and marketing activities, financial management and customer support services. Accordingly, future results of operations shall depend on the continuing ability of Vecima's officers and other key employees to conduct business effectively and to maintain or improve operations. Also, Vecima's ability to support the growth of our business shall be substantially dependent on having highly trained employees and sufficient internal and third-party resources. Any expansion of the business may increase the strain upon Vecima's management resources, and there can be no assurance that Vecima shall be able to manage any such expansion successfully. Failure to successfully manage our business or any such expansion may have a material adverse effect on Vecima's business, results of operations and financial condition.

***Growth in Vecima's key markets may not continue.***

There can be no assurance that the market for Vecima's products shall continue to grow, that firms within the industries shall adopt Vecima's products to deliver their services or that Vecima shall be able to independently establish

additional markets for these products. If the various markets in which Vecima's products compete fail to grow or grow more slowly than currently anticipated, or if Vecima were unable to establish markets for our products, business, results of operations and financial condition could be materially adversely affected.

***Vecima's inability to adapt to technological change, new products and standards could harm our business.***

The video and broadband market is characterized by rapidly changing technology and evolving industry standards. Vecima's products embody complex technology, and these products may not always be compatible with current and evolving technical standards and products developed by others. Vecima's ability to anticipate changes in technology, technical standards and product offerings shall be a significant factor in our ability to compete. There can be no assurance that Vecima shall be successful in identifying, developing, manufacturing, and marketing products that shall respond to technological change or evolving service-provider standards or requirements. In addition, there can be no assurance that the products or technologies developed by others shall not render Vecima's products or technologies non-competitive or obsolete. Failure or delays by Vecima to meet or comply with evolving industry or user standards or to anticipate changes in technology and product offerings, or failure of our products to gain market acceptance, could have a material adverse effect on our business, results of operations and financial condition.

***Vecima is continuing to adapt content delivery products to add features allowing deployments to cable, IPTV, and Internet CDN providers to enable multi-screen video delivery. A failure to execute on this transition, or execute quickly enough, shall adversely affect Vecima's business.***

Our video expertise for more than 15 years has been focused on the VOD market. Although we have been successful in VOD, we recognize it is a relatively limited market and, as such, we are transitioning the business to serve video to all devices. We are introducing the products necessary to serve these new markets. We have also invested in new sales professionals to help us sell Vecima's existing and new products to a wider customer set. We believe that these steps are necessary, but that they shall be expensive. We are making these investments in a challenging macroeconomic environment and may be unable to develop or sell any new marketable products. In addition, we face robust competition both from internally developed solutions and from large, well-positioned companies. If we are not successful in establishing new products and new customers, we shall have expended considerable effort and capital to transition the business and shall not have received any economic benefit.

***Vecima is dependent on its current distribution channels.***

Vecima sells OEM products directly to OEM customers and to parties with whom Vecima has strategic relationships. Vecima expects to continue these relationships. Accordingly, Vecima's success shall be dependent in large part on the ability to continue existing relationships. Vecima uses distributors to sell products in markets where Vecima has no physical presence, or where local conditions or language make it difficult to market directly to customers. As a result, Vecima's success shall be dependent in part on our ability to continue existing relationships and to develop new relationships with distributors.

A material loss of any strategic partner or OEM customer, either because of competitive products offered by other companies or products developed internally by Vecima's OEM customers and strategic partners, or our inability to penetrate our respective market segments, could have a material adverse effect on Vecima's business, financial condition, and results of operations. There can be no assurance that Vecima can continue to attract strategic partners and any inability to do so could materially adversely affect our business, financial condition, and results of operations. While Vecima plans to continue with our distribution channels, there can be no assurance that maintaining these channels shall be successful against the more extensive and well-funded sales and marketing operations of many of our current or potential competitors.

***The cable and telecommunications industries are experiencing consolidation, which could result in delays or reductions in purchases of products and services, which could have a material adverse effect on Vecima's business.***

Vecima is experiencing the consolidation of many participants in the cable and telecommunications industries. When consolidations occur, it is possible that the acquirer shall not continue using the same suppliers, possibly resulting in

an immediate or future elimination of sales opportunities and future support revenue. Even if sales are not reduced, consolidation can also result in pressure from customers for lower prices or better terms; reflecting the increase in the total volume of products purchased; the elimination of a price differential between the acquiring customer; and the company acquired or other factors. Consolidations could also result in delays in purchasing decisions by the affected companies prior to completion of the transaction and by the merged businesses. The purchasing decisions of the merged companies could have a material adverse effect on Vecima's business.

***If content providers, such as movie studios, limit the scope of content licensed for use in the digital content delivery market, Vecima's business, financial condition and results of operations could be negatively affected because the potential market for its products would be more limited than it currently believes.***

The success of the content delivery market is contingent upon content providers, such as movie studios, continuing to permit their content to be licensed for distribution in this market. Content providers may, due to concerns regarding marketing or illegal duplication of the content, limit the extent to which they provide content to the markets served by Vecima's customers and potential customers. A limitation of available content would indirectly limit the demand for Vecima's content delivery solutions.

***Increased competition could have an adverse effect on Vecima's business.***

The markets for Vecima's products are highly competitive. As some of these markets continue to develop, additional competitors with established and larger marketing and technical resources than Vecima may enter the market and competition may intensify. In addition, current competitors may develop products that are comparable or superior to Vecima's products or achieve greater market acceptance due to pricing, sales channels, or other factors. In addition, OEMs and system integrators could develop greater internal capabilities and manufacture these products exclusively in-house, rather than outsourcing them. Such developments could have a material adverse effect on Vecima's business, results of operations and financial condition.

***Impacts to trade relationships between the United States and China may adversely affect Vecima's profitability.***

A trade war, initiated by the United States or China may do serious damage to the global economy as protectionist actions escalate. Vecima's products subject to tariffs may experience decreased demand. If tariffs remain in place, Vecima's losses may be permanent.

***Competition from new or existing technologies may adversely affect Vecima's business.***

Cable and broadband wireless access solutions compete with other high-speed solutions such as DSL, optical fiber, and satellite. These alternative technologies have existing installed infrastructure and have achieved significant market acceptance and penetration. Vecima expects cable and broadband wireless access technologies to face significant competition from both current and future alternative technologies. Considering these factors, the market for video and broadband solutions may fail to grow or, in the case of wireless, may fail to develop or may develop more slowly than expected. Any of these outcomes could have a material adverse effect on Vecima's business, results of operations and financial condition.

***Vecima may be subject to liability if private information supplied to Vecima's customers is misused.***

Our content delivery solutions allow companies to collect and store data that many viewers may consider confidential. Unauthorized access or use of this information could result in liability to Vecima's customers, and potentially us, and might deter potential on demand viewers. We have no control over the policy of Vecima's customers with respect to the access to this data and the release of this data to third parties.

***We may be found to infringe on the intellectual property rights of others.***

The industry has many participants that own, or claim to own, proprietary intellectual property. We license technology, intellectual property, and software from third parties for use in our products, and may be required to license additional technology, intellectual property, and software in the future. In some cases, these licenses provide us with certain pass-through rights for the use of other third-party intellectual property, which passthrough rights may be unilaterally adjusted, limited or removed under the terms of such licenses. Some licensors have instituted policies limiting the products they will cover under their licenses to end products only, which limits our ability to obtain new licenses from such licensors, where required, for our wireless embedded module products. There is no assurance that we will be able to maintain our third-party licenses or obtain new licenses when required and this inability could materially adversely affect our business and operating results and the quality and functionality of our products.

In the past we have received, and in the future, we are likely to continue to receive, assertions or claims from third parties alleging that our products violate or infringe their intellectual property rights. We may be subject to these claims directly or through indemnities against these claims which we have provided to certain customers and other third parties. Our component suppliers and technology licensors do not typically indemnify us against these claims and therefore we do not have recourse against them in the event a claim is asserted against us or a customer we have indemnified. This potential liability, if realized, could materially adversely affect our operating results and financial condition. In the past, patent claims have been brought against us by third parties whose primary (or sole) business purpose is to acquire patents and other intellectual property rights, and not to manufacture and sell products and services. These entities aggressively pursue patent litigation, resulting in increased litigation costs for us. Infringement of intellectual property can be difficult to verify and litigation may be necessary to establish if we have infringed the intellectual property rights of others. In many cases, these third parties are companies with substantially greater resources than us, and they may choose to pursue complex litigation to a greater degree than we could. Regardless of whether these infringement claims have merit or not, we may be subject to the following:

- we may be found to be liable for potentially substantial damages, liabilities and litigation costs, including attorneys' fees;
- we may be prohibited from further use of intellectual property because of an injunction and may be required to cease selling our products that are subject to the claim;
- we may have to license third party intellectual property, incurring royalty fees that may or may not be on commercially reasonable terms;
- in addition, there is no assurance that we will be able to successfully negotiate and obtain such a license from the third party;
- we may have to develop a non-infringing alternative, which could be costly and delay or result in the loss of sales; in addition, there is no assurance that we will be able to develop such a non-infringing alternative;
- management attention and resources may be diverted; our relationships with customers may be adversely affected; and
- we may be required to indemnify our customers for certain costs and damages they incur in respect of such a claim.

In addition to potentially being found to be liable for substantial damages in the event of an unfavorable outcome in respect of such a claim and if we are unable to either obtain a license from the third party on commercially reasonable terms or develop a non-infringing alternative, we may have to cease the sale of certain products and restructure our business and, as a result, our operating results and financial condition may be materially adversely affected.

***Misappropriation of our intellectual property could place us at a competitive disadvantage***

Our intellectual property is important to our success. We rely on a combination of patent protection, copyrights, trademarks, trade secrets, licenses, non-disclosure agreements and other contractual agreements to protect our intellectual property. Third parties may attempt to copy aspects of our products and technology or obtain information we regard as proprietary without our authorization. If we are unable to protect our intellectual property against unauthorized use by others it could have an adverse effect on our competitive position. Our strategies to deter misappropriation could be inadequate due to the following risks:

- non-recognition of the proprietary nature or inadequate protection of our methodologies in Canada, the United States, or other foreign countries;
- undetected misappropriation of our intellectual property;
- the substantial legal and other costs of protecting and enforcing our rights in our intellectual property; and
- development of similar technologies by our competitors.

In addition, we could be required to spend significant funds and management resources could be diverted to defend our rights, which could disrupt our operations.

***Vecima's ability to recruit and retain management and other qualified personnel is crucial to its business.***

Vecima's success is largely dependent on the abilities, dedication and experience of our executive officers and other key employees. The competition for highly skilled management, technical, research and development and other employees is intense in the video and broadband market.

There can be no assurance that Vecima can retain current key employees or attract and retain additional key employees as needed. The loss of certain key employees could have a material effect on Vecima's business, results of operations and financial condition.

***Vecima utilizes open-source software, which could enable Vecima's competitors to gain access to Vecima's source code and distribute it without paying any license fee to Vecima.***

Key components of Vecima's content delivery products utilize open-source software on Linux platforms. Some open-source software, especially those provided under the GNU public license, are provided pursuant to licenses that limit the restrictions that may be placed on the distribution and copying of the provided code. Thus, it is possible that customers or competitors could copy portions of Vecima's software and freely distribute it. This could substantially impact Vecima's business and Vecima's ability to protect Vecima's products and future business.

***If Vecima's intellectual property is not adequately protected, Vecima may lose competitive advantage.***

Vecima relies on a combination of contractual provisions, copyright, trademarks, trade secrets, licenses, and patent protection to establish and protect our proprietary rights. Despite efforts to protect our intellectual property rights, unauthorized parties may attempt to copy aspects of Vecima's products or to obtain information regarded as proprietary. Policing unauthorized use of Vecima's proprietary technology, if required, may be difficult, time-consuming, and costly. There can be no assurance that our means of protecting Vecima's proprietary rights shall be adequate. Failure to protect our proprietary rights could have a material adverse effect on Vecima's business, results of operations and financial condition.

***If Vecima is required to change our pricing models to compete successfully, margins and operating results may be adversely affected.***

Vecima generally prices products based on estimates of future production costs. If actual production costs are higher than anticipated, our gross margins shall be lower than planned. In addition, competitive pressures may force them to lower product prices, which may further decrease its margins if Vecima is unable to offset that effect by cost-reduction measures. If gross margins are reduced with respect to an important product line or if sales of lower-margin products exceed sales of higher-margin products, Vecima's profitability may decrease, and our business could suffer.

***Successful warranty or product liability claims could harm Vecima's business.***

Vecima provides product warranties that typically run for two years, as is standard in the industry. If Vecima's products fail to perform as warranted and we are unable to resolve product quality or performance issues in a timely manner, Vecima may lose sales or be forced to pay damages. In addition, because our products are sold and marketed in different countries, the products must function in and meet the requirements of many different communication environments and be compatible with various communication systems and products. Any failure of Vecima's products to meet these requirements could have a negative impact on sales and a material adverse effect on our business, results of operations and financial condition. Further, there is a risk that customers may uncover latent design defects in Vecima's products that were not apparent at the time the product was sold. This type of defect may be discovered before or after the warranty period has expired. Performance failure due to a design defect may cause loss of customers, damage to our reputation for delivering high-quality products, delay in or loss of market acceptance and additional warranty expense or costs associated with product recall. A design defect may also result in a product liability claim. A product liability claim could adversely impact our business due to the cost of settlements and due to the costs of defending such claim. Although Vecima has product liability insurance, there is no assurance that such insurance shall be sufficient or shall continue to be available on reasonable terms.

***Third parties may allege that Vecima infringes on our intellectual property.***

The industries in which Vecima competes have many participants, who own, or claim to own, intellectual property. Although Vecima has conducted prudent reviews of its products to ensure that Vecima does not knowingly use unlicensed intellectual property, third parties may allege that Vecima infringes on another's intellectual property. Should such an allegation be made, the outcome of any litigation is impossible to predict and, should the outcome be unfavourable to Vecima, Vecima may not be able to negotiate acceptable, or any, licensing terms. Such an event could materially adversely affect our business, results of operations and financial condition.

***Currency fluctuations may adversely affect Vecima.***

Vecima's financial results are reported in Canadian dollars. For the year ended June 30, 2021, approximately 97% of our revenues and a portion of our costs were denominated in United States dollars. Any fluctuation in the value of the Canadian dollar relative to the United States dollar may result in variations in our sales and earnings expressed in Canadian dollars because of the geographic mix of our customers, and may have a material effect on Vecima's business, results of operations and financial condition.

***If Vecima cannot meet customers' requirements for manufacturing capacity, sales may suffer.***

The markets in which Vecima operates generally require them to produce a relatively high volume of products in a short period of time. As a result of our supply agreements with existing or new customers, Vecima may need to increase our manufacturing capacity. If Vecima cannot successfully manufacture our products in the future at volumes, yields or cost levels necessary to meet our customers' needs, Vecima may lose customers and sales may suffer. In addition, there is no assurance that Vecima shall be able to obtain enough high-volume orders to absorb the capital costs incurred in increasing our manufacturing capacity.

***There are risks associated with Vecima's international operations.***

Vecima derives a significant portion of our revenue from international sales. Vecima plans to continue to expand our international sales and marketing efforts. There are a number of risks inherent in international business activities, including unexpected changes in Canadian, United States or other government policies concerning the import and export of goods, services and technology and other regulatory requirements, tariffs and other trade barriers, costs and risks of localizing products for foreign countries, higher credit risks, potentially adverse tax consequences, limits on repatriation of earnings and the burdens of complying with a wide variety of foreign laws. Fluctuations in currency exchange rates could materially adversely affect sales denominated in currencies other than the Canadian dollar and cause a reduction in revenues derived from sales in a particular country. Financial instability in foreign markets could also affect Vecima's international sales. There can be no assurance that such factors shall not materially adversely affect the revenues from our future international sales and, consequently, our results of operations. In addition, revenues that we earn abroad may be subject to taxation by more than one jurisdiction, which could materially adversely affect Vecima's earnings. Each of these factors could have an adverse effect on Vecima's business, financial condition, and results of operations.

***Acquisitions could divert management's attention and financial resources, and may negatively affect Vecima's operating results and could cause significant dilution to shareholders.***

Vecima may expand operations by acquiring additional complementary businesses, products, or technologies. There can be no assurance that Vecima shall be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses, products or technologies without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions may involve several special risks, including diversion of management's attention, expenses of amortizing the acquired company's intangible assets, failure to retain key personnel, unanticipated events or circumstances and legal liabilities. Acquisitions could also result in potentially dilutive issuance of equity securities. Any failure by Vecima to manage an acquisition successfully could have a material adverse effect on our business, results of operations and financial condition.

***Government regulation of Vecima's products and new government regulation could harm our business.***

Vecima's products are subject to certain mandatory regulatory approvals and are incorporated into cable and wireless communication systems that are regulated in Canada by Industry Canada, in the United States by the Federal Communications Commission ("FCC") and internationally by other government agencies.

Although Vecima believes it has all necessary Industry Canada and FCC approvals for products that are currently sold, there can be no assurance that such approvals can be obtained for future products on a timely basis, or at all.

Regulatory changes could also negatively affect Vecima's business by restricting development efforts by our customers, making our current products obsolete or increasing the potential for additional competition.

Vecima's business, results of operations and financial condition could be adversely affected if our products fail to comply with all applicable domestic and international regulations. Further, delays inherent in the governmental approval process have in the past caused, and may in the future cause, cancellation, postponement or rescheduling of the installation of communication systems by our customers. This, in turn, may have a negative impact on the sale of Vecima's products to those customers, and hence have a material adverse effect on our business, results of operations and financial condition.

***Sale of common shares by Vecima's controlling shareholders could cause the share price to fall.***

Two of Vecima's shareholders, Dr. Surinder Kumar and Dr. Hugh Wood, beneficially own, or exercise control or direction over, directly, or indirectly, approximately 70% of outstanding common shares (the "**Principal Shareholders**"). If the Principal Shareholders were to sell substantial amounts of our common shares in the public market, the market price of Vecima's common shares could fall. The perception among investors that these sales might occur could also potentially produce this effect.

***A small number of Vecima's shareholders control Vecima.***

The Principal Shareholders beneficially own, or exercise control or direction over, directly, or indirectly, approximately 70% of outstanding common shares. As a result, if the Principal Shareholders act together, they shall generally control all matters submitted to Vecima's shareholders for approval, including the election and removal of directors, amendments to our articles of incorporation and bylaws and the approval or rejection of any business combination. This may delay or prevent an acquisition or cause the market price of common shares to decline. The Principal Shareholders may also have interests different from other shareholders or may want Vecima to pursue strategies that are different from the wishes of other shareholders.

**Risks Related to the Company's Securities**

***Volatility in our Common Share Price***

The trading price of our Common Shares may be subject to wide fluctuations and may also be subject to fluctuation in the future. Additionally, the COVID-19 pandemic has resulted in significant volatility in global equity markets in recent months. Such fluctuations and volatility may make it more difficult for investors to resell the Common Shares when they want at prices that they find attractive. Increases in our Common Shares price may also increase our compensation expense pursuant to our existing director, officer, and employee compensation arrangements. Fluctuations in our Common Share price may be caused by events unrelated to our operating performance and beyond our control. Factors that may contribute to fluctuations include, but are not limited to:

- 1) revenue or results of operations in any quarter failing to meet the expectations, published or otherwise, of the investment community;
- 2) changes in recommendations or financial estimates by industry or investment analysts;
- 3) changes in our executive management team or the composition of our Board of Directors;
- 4) fluctuations in the share prices of other companies in the technology and emerging growth sectors;
- 5) announcements of technological innovations or new products by the Company or our competitors;
- 6) general market conditions, for instance, as recently affected by COVID-19;
- 7) foreign exchange rates; and
- 8) other risk factors as set out in this prospectus and the documents incorporated by reference herein.

In addition, the financial markets can experience significant price and value fluctuations that particularly affect the market prices of equity securities of technology companies, even when unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions generally and in the technology industry specifically, may adversely affect the market price of the Common Shares.

If the market price of our Common Shares drops significantly, shareholders could institute securities class action lawsuits against us, regardless of the merits of such claims. Such a lawsuit could cause us to incur substantial costs and could divert the time and attention of our management and other resources from our business.

***Discretion over Use of Proceeds***

The Company intends to allocate the net proceeds it will receive from an offering as described under "Use of Proceeds" in this prospectus and the applicable prospectus supplement; however, the Company will have discretion in the actual application of the net proceeds. The Company may elect to allocate the net proceeds differently from that described in "Use of Proceeds" in this prospectus and the applicable prospectus supplement if the Company believes it would be in the Company's best interests to do so. The Company's investors may not agree with the way the Company chooses to allocate and spend the net proceeds from an offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company.

### ***Dilution from Further Issuances***

The Company may sell additional equity securities (including through the sale of securities convertible into Common Shares) and may issue additional debt or equity securities to finance its research & development, evaluation, manufacturing, operations, acquisitions, or other projects. The Company is authorized to issue an unlimited number of Common Shares. The Company cannot predict the size of future sales and issuances of debt or equity securities or the effect, if any, that future sales and issuances of debt or equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors may suffer dilution of their voting power and it could reduce the value of their investment.

### ***Dilution from Exercise of Stock Options or Settlement of Share Units***

The Company has outstanding stock options representing a right to receive Common Shares upon vesting and the exercise of the stock options. In addition, the Company has outstanding performance share units, representing a right to receive, at the election of the holder, Common Shares on the vesting and the satisfaction of the settlement conditions. The exercise of stock options or the settlement of the performance share units, and the subsequent resale of such Common Shares in the public market, could adversely affect the prevailing market price of the Common Shares and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate. The Company may also enter commitments in the future which would require the issuance of additional Common Shares or may grant share purchase warrants and the Company is expected to grant additional stock options and performance share units. Any Common Share issuances from the Company's treasury will result in immediate dilution to existing shareholders' percentage interest in the Company.

### ***Liquidity of Common Shares***

Shareholders of the Company may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the TSX or achieve or maintain a listing on any other securities exchange.

### ***Absence of a Public Market for Certain Securities***

There is no public market for the debt securities, warrants, subscription receipts, securities purchase contracts or units contemplated by this prospectus and, unless otherwise specified in the applicable prospectus supplement, the Company does not intend to apply for listing of the debt securities, warrants, subscription receipts, securities purchase contracts or units on any securities exchanges. If the debt securities, warrants, subscription receipts, securities purchase contracts or units are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and our financial condition. There can be no assurance as to the liquidity of the trading market for the debt securities, warrants, subscription receipts, share purchase contracts or units, or that a trading market for these securities will develop at all.

### ***Unsecured Debt Securities***

Unless otherwise indicated in the applicable prospectus supplement, the debt securities will be unsecured and will rank equally in right of payment with all our other existing and future unsecured debt. The debt securities will be effectively subordinated to all our existing and future secured debt to the extent of the assets securing such debt. If we are involved in any bankruptcy, dissolution, liquidation or reorganization, the secured debt holders would, to the extent of the value of the assets securing the secured debt, be paid before the holders of unsecured debt securities, including the debt securities. In that event, a holder of debt securities may not be able to recover any principal or interest due to it under the debt securities. See "*Description of Debt Securities*".

### ***Effect of Changes in Interest Rates on Debt Securities***

Prevailing interest rates will affect the market price or value of any debt securities. The market price or value of any debt securities may decline as prevailing interest rates for comparable debt instruments rise and increase as prevailing interest rates for comparable debt instruments decline.

#### ***Effect of Fluctuations in Foreign Currency Markets on Debt Securities***

Debt securities denominated or payable in foreign currencies may entail significant risk. These risks include, without limitation, the possibility of significant fluctuations in the foreign currency markets, the imposition or modification of foreign exchange controls and potential liquidity restrictions in the secondary market. These risks will vary depending upon the currency or currencies involved and will be more fully described in the applicable prospectus supplement.

#### **USE OF PROCEEDS**

Unless we otherwise indicate in a prospectus supplement relating to a particular offering, we currently intend to use the net proceeds from the sale of any securities pursuant to this prospectus for general corporate and working capital requirements, including to fund ongoing operations, growth initiatives and/or working capital requirements, to repay indebtedness outstanding from time to time (if any), to complete one or more future acquisitions of companies, businesses, technologies, intellectual property and/or other assets or for other corporate purposes, all as set forth in the prospectus supplement relating to the offering of the securities.

More detailed information regarding the use of proceeds from the sale of securities, including any determinable milestones at the applicable time, will be described in a prospectus supplement. We may also, from time to time, issue securities otherwise than pursuant to a prospectus supplement to this prospectus. All expenses relating to an offering of securities and any compensation paid to underwriters, dealers, or agents will be paid out of the proceeds from the sale of such securities, unless otherwise stated in the applicable prospectus supplement.

#### **CONSOLIDATED CAPITALIZATION**

Since June 30, 2021, the date of our financial statements for the most recently completed financial period, there have been no material changes in our consolidated share or debt capital other than (i) 26,000 Common Shares issued pursuant to the exercise of stock options, (ii) no Common Shares issued pursuant to the settlement of performance share units and (iii) no performance share units issued to certain officers and employees of the Company pursuant to the Company's performance share unit plan.

#### **PRIOR SALES**

Information regarding our Common Shares that we issued within the previous twelve-month period, including Common Shares that we issued upon the exercise of stock options, or the settlement of performance share units granted under our equity incentive plans, will be provided as required in a prospectus supplement with respect to the issuance of securities pursuant to such prospectus supplement.

#### **TRADING PRICE AND VOLUME**

The Common Shares are listed and posted for trading on the TSX under the symbol "VCM". Trading price and volume information for the Company's securities will be provided as required in each prospectus supplement to this prospectus.

#### **EARNINGS COVERAGE**

If we offer debt securities having a term to maturity more than one year under this prospectus and any applicable prospectus supplement, the applicable prospectus supplement will include earnings coverage ratios giving effect to the issuance of such securities.

## DESCRIPTION OF SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preference shares. As of the date of this prospectus, there were 23,076,376 Common Shares and no preference shares issued and outstanding. In addition, as of the date of this prospectus, there were (i) 99,875 Common Shares issuable upon the exercise of outstanding stock options and (ii) 202,528 Common Shares issuable upon the vesting and redemption of performance share units for Common Shares, for a total of 23,378,779 Common Shares issued and outstanding on a fully diluted basis.

### Common Shares

Each holder of Common Shares is entitled to receive notice of and to attend any meetings of the Company's shareholders and is entitled to one vote in respect of each Common Share held at such time. Each holder of Common Shares is entitled to receive dividends, if any, as and when declared by the Board of Directors. Holders of Common Shares are entitled to participate equally in any distribution of net assets upon liquidation, dissolution or winding-up. There are no pre-emptive, retraction, surrender, redemption, repurchase for cancellation or conversion rights attaching to the Common Shares.

### Preference Shares

The preference shares may be issued from time to time in one or more series, the number of shares, designation, rights, privileges, restrictions, and conditions of which shall be determined by the Company's Board of Directors subject to any limitations in the Company's articles. The preference shares are entitled to priority over the Common Shares with respect to payment of dividends and distributions of assets in the event of the Company's dissolution, liquidation or winding-up. Except as required by law or the provisions of any series, the holders of preference shares are not entitled to receive notice of, attend or vote at any meeting of the Company's shareholders. No preference shares are outstanding, and the Company has no present intention to issue any preference shares.

### Dividend Policy

On September 24, 2014, Vecima's Board of Directors adopted a dividend policy to pay an annual dividend to our shareholders of \$0.18 per common share, payable quarterly. On September 24, 2015, Vecima's Board of Directors increased the annual dividend to shareholders to \$0.22 per common share, payable quarterly. Prior to September 24, 2014, there was no policy in place to pay regular dividends. The amount and payment of future dividends is subject to the discretion of the Board of Directors, and shall be dependent upon the satisfaction of certain solvency requirements of the *Canada Business Corporations Act*, our results of operations, financial condition, cash requirements and other factors deemed relevant by the Board of Directors.

### Historical Dividends

The following table summarizes dividends paid per common share during the previous three fiscal years:

Record Date	Payment Date	Type	Amount
November 23, 2018	December 17, 2018	Regular	\$0.055
February 22, 2019	March 18, 2019	Regular	\$0.055
May 24, 2019	June 17, 2019	Regular	\$0.055
October 11, 2019	November 1, 2019	Regular	\$0.055
November 29, 2019	December 23, 2019	Regular	\$0.055
February 21, 2020	March 23, 2020	Regular	\$0.055

May 22, 2020	June 15, 2020	Regular	\$0.055
October 9, 2020	November 2, 2020	Regular	\$0.055
November 27, 2020	December 21, 2020	Regular	\$0.055
February 26, 2021	March 29, 2021	Regular	\$0.055
May 21, 2021	June 14, 2021	Regular	\$0.055
October 8, 2021	November 1, 2021	Regular	\$0.055

## DESCRIPTION OF DEBT SECURITIES

The following description of the terms of debt securities sets forth certain general terms and provisions of debt securities in respect of which a prospectus supplement may be filed. The terms and provisions of debt securities offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in the prospectus supplement filed in respect of such debt securities. Prospective investors should rely on information in the applicable prospectus supplement if it is different from the following information.

Debt securities may be offered separately or in combination with one or more other securities of the Company. The Company may, from time to time, issue debt securities and incur additional indebtedness other than through the issue of debt securities pursuant to this prospectus.

The debt securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between the Company and a financial institution or trust company organized under the laws of Canada or any province thereof and authorized to carry on business as a trustee (each, a “**Trustee**”).

The following description sets forth certain general terms and provisions of the debt securities and is not intended to be complete. The terms and provisions of the debt securities and a description of how the general terms and provisions described below may apply to the debt securities will be included in the applicable prospectus supplement. The following description is subject to the detailed provisions of the applicable Trust Indenture. Accordingly, reference should also be made to the applicable Trust Indenture, a copy of which will be filed by the Company with the securities commissions or similar regulatory authorities in applicable Canadian offering jurisdictions, after it has been entered, and will be available electronically at [www.sedar.com](http://www.sedar.com).

### General

The applicable Trust Indenture will not limit the aggregate principal amount of debt securities that may be issued under such Trust Indenture and will not limit the amount of other indebtedness that the Company may incur. The applicable Trust Indenture will provide that the Company may issue debt securities from time to time in one or more series and may be denominated and payable in U.S. dollars, Canadian dollars, or any foreign currency. Unless otherwise indicated in the applicable prospectus supplement, the debt securities will be unsecured obligations of the Company.

The Company may specify a maximum aggregate principal amount for the debt securities of any series and, unless otherwise provided in the applicable prospectus supplement, a series of debt securities may be reopened for issuance of additional debt securities of such series. The applicable Trust Indenture will also permit the Company to increase the principal amount of any series of the debt securities previously issued and to issue that increased principal amount.

Any prospectus supplement for debt securities supplementing this prospectus will contain the specific terms and other information with respect to the debt securities being offered thereby, including, but not limited to, the following:

- the designation, aggregate principal amount and authorized denominations of such debt securities;
- the percentage of principal amount at which the debt securities will be issued;

- whether payment on the debt securities will be senior or subordinated to other liabilities or obligations of the Company;
- whether the payment of the debt securities will be guaranteed by any other person;
- the date or dates, or the methods by which such dates will be determined or extended, on which the Company may issue the debt securities and the date or dates, or the methods by which such dates will be determined or extended, on which the Company will pay the principal and any premium on the debt securities and the portion (if less than the principal amount) of debt securities to be payable upon a declaration of acceleration of maturity;
- whether the debt securities will bear interest, the interest rate (whether fixed or variable) or the method of determining the interest rate, the date from which interest will accrue, the dates on which the Company will pay interest and the record dates for interest payments, or the methods by which such dates will be determined or extended;
- the place or places the Company will pay principal, premium, if any, and interest, if any, and the place or places where debt securities can be presented for registration of transfer or exchange;
- whether and under what circumstances the Company will be required to pay any additional amounts for withholding or deduction for Canadian taxes with respect to the debt securities, and whether and on what terms the Company will have the option to redeem the debt securities rather than pay the additional amounts;
- whether the Company will be obligated to redeem or repurchase the debt securities pursuant to any sinking or purchase fund or other provisions, or at the option of a holder, and the terms and conditions of such redemption;
- whether the Company may redeem the debt securities at its option and the terms and conditions of any such redemption;
- the denominations in which the Company will issue any registered and unregistered debt securities;
- the currency or currency units for which debt securities may be purchased and the currency or currency units in which the principal and any interest is payable (in either case, if other than Canadian dollars) or if payments on the debt securities will be made by delivery of Common Shares or other property;
- whether payments on the debt securities will be payable with reference to any index or formula;
- if applicable, the ability of the Company to satisfy all or a portion of any redemption of the debt securities, any payment of any interest on such debt securities or any repayment of the principal owing upon the maturity of such debt securities through the issuance of securities of the Company or of any other entity, and any restriction(s) on the persons to whom such securities may be issued;
- whether the debt securities will be issued as Global Securities (as defined below) and, if so, the identity of the Depository (as defined below) for the Global Securities;
- whether the debt securities will be issued as unregistered securities (with or without coupons), registered securities or both;
- the periods within which and the terms and conditions, if any, upon which the Company may redeem the debt securities prior to maturity and the price or prices of which, and the currency or currency units in which, the debt securities are payable;
- any events of default or covenants applicable to the debt securities;
- any terms under which debt securities may be defeased, whether at or prior to maturity;
- whether the holders of any series of debt securities have special rights if specified events occur;
- any mandatory or optional redemption or sinking fund or analogous provisions;
- the terms, if any, for any conversion or exchange of the debt securities for any other securities;
- rights, if any, on a change of control;
- provisions as to modification, amendment or variation of any rights or terms attaching to the debt securities;
- the Trustee under the Trust Indenture pursuant to which the debt securities are to be issued;
- whether the Company will undertake to list the debt securities of the series on any securities exchange or automated interdealer quotation system; and
- any other terms, conditions, rights, and preferences (or limitations on such rights and preferences) including covenants and events of default which apply solely to a particular series of the debt securities being offered which do not apply generally to other debt securities, or any covenants or events of default generally applicable to the debt securities which do not apply to a particular series of the debt securities.

The Company reserves the right to include in a prospectus supplement specific terms pertaining to the debt securities which are not within the options and parameters set forth in this prospectus. In addition, to the extent that any terms of the debt securities described in a prospectus supplement differ from any of the terms described in this prospectus, the description of such terms set forth in this prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such prospectus supplement with respect to such debt securities.

Unless stated otherwise in the applicable prospectus supplement, no holder of debt securities will have the right to require the Company to repurchase the debt securities and there will be no increase in the interest rate if the Company becomes involved in a highly leveraged transaction or has a change of control.

The Company may issue debt securities bearing no interest or interest at a rate below the prevailing market rate at the time of issuance and offer and sell these securities at a discount below their stated principal amount. The Company may also sell any of the debt securities for a foreign currency or currency unit, and payments on the debt securities may be payable in a foreign currency or currency unit. In any of these cases, the Company will describe certain Canadian federal income tax consequences and other special considerations in the applicable prospectus supplement.

Unless otherwise indicated in the applicable prospectus supplement, the Company may issue debt securities with terms different from those of debt securities previously issued and, without the consent of the holders thereof, reopen a previous issue of a series of debt securities and issue additional debt securities of such series.

### **Ranking and Other Indebtedness**

Unless otherwise indicated in an applicable prospectus supplement, the debt securities will be direct unsecured obligations of the Company. The debt securities will be senior or subordinated indebtedness of the Company as described in the applicable prospectus supplement. If the debt securities are senior indebtedness, they will rank equally and rateably with all other unsecured indebtedness of the Company from time to time issued and outstanding which is not subordinated. If the debt securities are subordinated indebtedness, they will be subordinated to senior indebtedness of the Company as described in the applicable prospectus supplement, and they will rank equally and rateably with other subordinated indebtedness of the Company from time to time issued and outstanding as described in the applicable prospectus supplement. The Company reserves the right to specify in a prospectus supplement whether a particular series of subordinated debt securities is subordinated to any other series of subordinated debt securities.

The Board of Directors may establish the extent and manner, if any, to which payment on or in respect of a series of debt securities will be senior or will be subordinated to the prior payment of our other liabilities and obligations and whether the payment of principal, premium, if any, and interest, if any, will be guaranteed by any other person and the nature and priority of any security.

### **Registration of Debt Securities**

#### *Debt Securities in Book Entry Form*

Unless otherwise indicated in an applicable prospectus supplement, debt securities of any series may be issued in whole or in part in the form of one or more global securities (“**Global Securities**”) registered in the name of a designated clearing agency (a “**Depository**”) or its nominee and held by or on behalf of the Depository in accordance with the terms of the applicable Trust Indenture. The specific terms of the depositary arrangement with respect to any portion of a series of debt securities to be represented by a Global Security will, to the extent not described herein, be described in the prospectus supplement relating to such series. The Company anticipates that the provisions described in this section will apply to all depositary arrangements.

Upon the issuance of a Global Security, the Depository or its nominee will credit, in its book-entry and registration system, the respective principal amounts of the debt securities represented by the Global Security to the accounts of such participants that have accounts with the Depository or its nominee (“**Participants**”). Such accounts are typically designated by the underwriters, dealers or agents participating in the distribution of the debt securities or by the

Company if such debt securities are offered and sold directly by the Company. Ownership of beneficial interests in a Global Security will be limited to Participants or persons that may hold beneficial interests through Participants. With respect to the interests of Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by the Depositary or its nominee. With respect to the interests of persons other than Participants, ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through records maintained by Participants or persons that hold through Participants.

So long as the Depositary for a Global Security, or its nominee, is the registered owner of such Global Security, such Depositary or such nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by such Global Security for all purposes under the applicable Trust Indenture and payments of principal, premium, if any, and interest, if any, on the debt securities represented by a Global Security will be made by the Company to the Depositary or its nominee. The Company expects that the Depositary or its nominee, upon receipt of any payment of principal, premium, if any, or interest, if any, will credit Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the Global Security as shown on the records of such Depositary or its nominee. The Company also expects that payments by Participants to owners of beneficial interests in a Global Security held through such Participants will be governed by standing instructions and customary practices and will be the responsibility of such Participants.

Conveyance of notices and other communications by the Depositary to direct Participants, by direct Participants to indirect Participants and by direct and indirect Participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of debt securities may wish to take certain steps to augment transmission to them of notices of significant events with respect to the debt securities, such as redemptions, tenders, defaults, and proposed amendments to the Trust Indenture.

Owners of beneficial interests in a Global Security will not be entitled to have the debt securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of such debt securities in certificated non-book-entry form, and will not be considered the owners or holders thereof under the applicable Trust Indenture, and the ability of a holder to pledge a debt security or otherwise take action with respect to such holder's interest in a debt security (other than through a Participant) may be limited due to the lack of a physical certificate.

No Global Security may be exchanged in whole or in part for debt securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depositary for such Global Security or any nominee of such Depositary unless: (i) the Depositary is no longer willing or able to discharge properly its responsibilities as depositary and the Company is unable to locate a qualified successor; (ii) the Company at its option elects, or is required by law, to terminate the book-entry system through the Depositary or the book-entry system ceases to exist; or (iii) if provided for in the Trust Indenture, after the occurrence of an event of default thereunder (provided the Trustee has not waived the event of default in accordance with the terms of the Trust Indenture), Participants acting on behalf of beneficial holders representing, in aggregate, a threshold percentage of the aggregate principal amount of the debt securities then outstanding advise the Depositary in writing that the continuation of a book-entry system through the Depositary is no longer in their best interest.

If one of the foregoing events occurs, such Global Security shall be exchanged for certificated non-book-entry debt securities of the same series in an aggregate principal amount equal to the principal amount of such Global Security and registered in such names and denominations as the Depositary may direct.

The Company, any underwriters, dealers or agents and any Trustee identified in an accompanying prospectus supplement, as applicable, will not have any liability or responsibility for (i) records maintained by the Depositary relating to beneficial ownership interests in the debt securities held by the Depositary or the book-entry accounts maintained by the Depositary, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests, or (iii) any advice or representation made by or with respect to the Depositary and contained in

this prospectus or in any prospectus supplement or Trust Indenture with respect to the rules and regulations of the Depository or at the direction of Depository Participants.

Unless otherwise stated in the applicable prospectus supplement, CDS Clearing and Depository Services Inc. or its successor will act as Depository for any debt securities represented by a Global Security.

#### *Debt Securities in Certificated Form*

A series of the debt securities may be issued in definitive form, solely as registered securities, solely as unregistered securities or as both registered securities and unregistered securities. Unless otherwise indicated in the applicable prospectus supplement, unregistered securities will have interest coupons attached.

In the event that the debt securities are issued in certificated non-book-entry form, and unless otherwise indicated in the applicable prospectus supplement, payment of principal, premium, if any, and interest, if any, on the debt securities (other than a Global Security) will be made at the office or agency of the Trustee or, at the option of the Company, by the Company by way of cheque mailed or delivered to the address of the person entitled at the address appearing in the security register of the Trustee or electronic funds wire or other transmission to an account of the person entitled to receive such payments. Unless otherwise indicated in the applicable prospectus supplement, payment of interest, if any, will be made to the persons in whose name the debt securities are registered at the close of business on the day or days specified by the Company.

At the option of the holder of debt securities, registered securities of any series will be exchangeable for other registered securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor. If, but only if, provided in an applicable prospectus supplement, unregistered securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of any series may be exchanged for registered securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor. In such event, unregistered securities surrendered in a permitted exchange for registered securities between a regular record date or a special record date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest, and interest will not be payable on such date for payment of interest in respect of the registered security issued in exchange for such unregistered security, but will be payable only to the holder of such coupon when due in accordance with the terms of the Trust Indenture. Unless otherwise specified in an applicable prospectus supplement, unregistered securities will not be issued in exchange for registered securities.

The applicable prospectus supplement may indicate the places to register a transfer of the debt securities in definitive form. Except for certain restrictions to be set forth in the Trust Indenture, no service charge will be payable by the holder for any registration of transfer or exchange of the debt securities in definitive form, but the Company may, in certain instances, require a sum sufficient to cover any tax or other governmental charges payable in connection with these transactions.

## **DESCRIPTION OF WARRANTS**

### **General**

This section describes the general terms that will apply to any warrants for the purchase of Common Shares, or equity warrants, or for the purchase of debt securities, or debt warrants.

We may issue warrants independently or together with other securities, and warrants sold with other securities may be attached to or separate from the other securities. Warrants will be issued under one or more warrant agency agreements to be entered into by us and one or more banks or trust companies acting as warrant agent.

The Company will deliver an undertaking to the securities regulatory authority in each of the provinces of Canada, except Quebec, that it will not distribute warrants that, according to their terms as described in the applicable prospectus supplement, are “novel” specified derivatives within the meaning of Canadian securities legislation,

separately to any member of the public in Canada, unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless such prospectus supplement containing the specific terms of the warrants to be distributed separately is first approved by or on behalf of the securities commissions or similar regulatory authorities in each of the provinces of Canada where the warrants will be distributed.

This summary of some of the provisions of the warrants is not complete. The statements made in this prospectus relating to any warrant agreement and warrants to be issued under this prospectus are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement. You should refer to the warrant indenture or warrant agency agreement relating to the specific warrants being offered for the complete terms of the warrants. A copy of any warrant indenture or warrant agency agreement relating to an offering or warrants will be filed by the Company with the securities regulatory authorities in the applicable Canadian offering jurisdictions after we have entered it and will be available electronically on SEDAR at [www.sedar.com](http://www.sedar.com).

The applicable prospectus supplement relating to any warrants that we offer will describe the terms of those warrants and include specific terms relating to the offering.

Original purchasers of warrants (if offered separately) will have a contractual right of rescission against us in respect of the exercise of such warrant. The contractual right of rescission will entitle such original purchasers to receive, upon surrender of the underlying securities acquired upon exercise of the warrant, the total of the amount paid on original purchase of the warrant and the amount paid upon exercise, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the warrant under the applicable prospectus supplement; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the warrant under the applicable prospectus supplement. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia) and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of warrants, or other convertible securities, original purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the warrants, or other convertible securities, are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

## **Equity Warrants**

The terms of each issue of equity warrants will be described in the applicable prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of equity warrants;
- the price at which the equity warrants will be offered;
- the currency or currencies in which the equity warrants will be offered;
- the date on which the right to exercise the equity warrants will commence and the date on which the right will expire;
- the number of Common Shares that may be purchased upon exercise of each equity warrant and the price at which and currency or currencies in which the Common Shares may be purchased upon exercise of each equity warrant;
- the terms of any provisions allowing or providing for adjustments in (i) the number and/or class of shares that may be purchased, (ii) the exercise price per share or (iii) the expiry of the equity warrants;
- whether we will issue fractional shares;
- whether we have applied to list the equity warrants or the underlying shares on a stock exchange;

- the designation and terms of any securities with which the equity warrants will be offered, if any, and the number of the equity warrants that will be offered with each security;
- the date or dates, if any, on or after which the equity warrants, and the related securities will be transferable separately;
- whether the equity warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the equity warrants;
- any terms, procedures and limitations relating to the transferability, exchange, or exercise of the equity warrants; and
- any other material terms or conditions of the equity warrants.

### **Debt Warrants**

The terms of each issue of debt warrants will be described in the related prospectus supplement. This description will include, where applicable:

- the designation and aggregate number of debt warrants;
- the price at which the debt warrants will be offered;
- the currency or currencies in which the debt warrants will be offered;
- the designation and terms of any securities with which the debt warrants are being offered, if any, and the number of the debt warrants that will be offered with each security;
- the date or dates, if any, on or after which the debt warrants, and the related securities will be transferable separately;
- the principal amount and designation of debt securities that may be purchased upon exercise of each debt warrant and the price at which and currency or currencies in which that principal amount of debt securities may be purchased upon exercise of each debt warrant;
- the date on which the right to exercise the debt warrants will commence and the date on which the right will expire;
- the minimum or maximum amount of debt warrants that may be exercised at any one time;
- whether the debt warrants will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- material Canadian federal income tax consequences of owning the debt warrants;
- whether we have applied to list the debt warrants or the underlying debt securities on an exchange;
- any terms, procedures and limitations relating to the transferability, exchange, or exercise of the debt warrants; and
- any other material terms or conditions of the debt warrants.

Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of the securities subject to the warrants.

### **DESCRIPTION OF UNITS**

The Company may issue units, which may consist of one or more of Common Shares, warrants or any other security specified in the relevant prospectus supplement. Each unit will be issued so that the holder of the unit is also the holder of each of the securities included in the unit. In addition, the relevant prospectus supplement relating to an offering of units will describe all material terms of any units offered, including, as applicable:

- the designation and aggregate number of units being offered;
- the price at which the units will be offered;
- the designation, number and terms of the securities comprising the units and any agreement governing the units;
- the date or dates, if any, on or after which the securities comprising the units will be transferable separately;

- whether we will apply to list the units or any of the individual securities comprising the units on any exchange;
- material Canadian income tax consequences of owning the units, including, how the purchase price paid for the units will be allocated among the securities comprising the units; and
- any other material terms or conditions of the units.

## **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

We may issue subscription receipts separately or in combination with one or more other securities, which will entitle holders thereof to receive, upon satisfaction of certain release conditions (the “**Release Conditions**”) and for no additional consideration, Common Shares, warrants, debt securities or any combination thereof. Subscription receipts will be issued pursuant to one or more subscription receipt agreements (each, a “**Subscription Receipt Agreement**”), the material terms of which will be described in the applicable prospectus supplement, each to be entered into between the Company and an escrow agent (the “**Escrow Agent**”) that will be named in the relevant prospectus supplement. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. If underwriters or agents are used in the sale of any subscription receipts, one or more of such underwriters or agents may also be a party to the Subscription Receipt Agreement governing the subscription receipts sold to or through such underwriter or agent.

The following description sets forth certain general terms and provisions of subscription receipts that may be issued hereunder and is not intended to be complete. The statements made in this prospectus relating to any Subscription Receipt Agreement and subscription receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement. Prospective investors should refer to the Subscription Receipt Agreement relating to the specific subscription receipts being offered for the complete terms of the subscription receipts. We will file a copy of any Subscription Receipt Agreement relating to an offering of subscription receipts with the applicable securities regulatory authorities in Canada after it has been entered into it.

### **General**

The prospectus supplement and the Subscription Receipt Agreement for any subscription receipts that we may offer will describe the specific terms of the subscription receipts offered. This description may include, but may not be limited to, any of the following, if applicable:

- the designation and aggregate number of subscription receipts being offered;
- the price at which the subscription receipts will be offered;
- the designation, number, and terms of the Common Shares, warrants and/or debt securities to be received by the holders of subscription receipts upon satisfaction of the Release Conditions, and any procedures that will result in the adjustment of those numbers;
- the Release Conditions that must be met for holders of subscription receipts to receive, for no additional consideration, the Common Shares, warrants and/or debt securities;
- the procedures for the issuance and delivery of the Common Shares, warrants and/or debt securities to holders of subscription receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of subscription receipts upon delivery of the Common Shares, warrants and/or debt securities upon satisfaction of the Release Conditions;
- the identity of the Escrow Agent;
- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of subscription receipts, together with interest and income earned thereon (collectively, the “**Escrowed Funds**”), pending satisfaction of the Release Conditions;
- the terms and conditions pursuant to which the Escrow Agent will hold the Common Shares, warrants and/or debt securities pending satisfaction of the Release Conditions;
- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;

- if the subscription receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commissions in connection with the sale of the subscription receipts;
- procedures for the refund by the Escrow Agent to holders of subscription receipts of all or a portion of the subscription price of their subscription receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;
- any contractual right of rescission to be granted to initial purchasers of subscription receipts if this prospectus, the prospectus supplement under which such subscription receipts are issued, or any amendment hereto or thereto contains a misrepresentation;
- any entitlement of the Company to purchase the subscription receipts in the open market by private agreement or otherwise;
- whether we will issue the subscription receipts as global securities and, if so, the identity of the depository for the global securities;
- whether we will issue the subscription receipts as unregistered bearer securities, as registered securities, or both;
- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms of the subscription receipts, including upon any subdivision, consolidation, reclassification or other material change of the Common Shares, warrants or other Vecima securities, any other reorganization, amalgamation, merger or sale of all or substantially all of the Company's assets or any distribution of property or rights to all or substantially all of the holders of Common Shares;
- whether we will apply to list the subscription receipts on any exchange;
- material Canadian federal income tax consequences of owning the subscription receipts; and
- any other material terms or conditions of the subscription receipts.

Original purchasers of subscription receipts will have a contractual right of rescission against us in respect of the conversion of the subscription receipts. The contractual right of rescission will entitle such original purchasers to receive the total of the amount paid on original purchase of the subscription receipts and the amount paid upon conversion of the subscription receipts (if any) upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion takes place within 180 days of the date of the purchase of the subscription receipts under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the subscription receipts under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia) and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

### **Rights of Holders of Subscription Receipts Prior to Satisfaction of Release Conditions**

The holders of subscription receipts will not be, and will not have the rights of, shareholders of the Company. Holders of subscription receipts are entitled only to receive Common Shares, warrants and/or debt securities on exchange of their subscription receipts, plus any cash payments, if any, all as provided for under the Subscription Receipt Agreement and only once the Release Conditions have been satisfied. If the Release Conditions are not satisfied, holders of subscription receipts shall be entitled to a refund of all or a portion of the subscription price therefor and their pro rata share of interest earned or income generated thereon, if provided for in the Subscription Receipt Agreement, all as provided in the Subscription Receipt Agreement.

### **Escrow**

The Subscription Receipt Agreement will provide that the Escrowed Funds will be held in escrow by the Escrow Agent, and such Escrowed Funds will be released to the Company (and, if the subscription receipts are sold to or through underwriters or agents, a portion of the Escrowed Funds may be released to such underwriters or agents in payment of all or a portion of their fees in connection with the sale of the subscription receipts) at the time and under the terms specified by the Subscription Receipt Agreement. If the Release Conditions are not satisfied, holders of subscription receipts will receive a refund of all or a portion of the subscription price for their subscription receipts,

plus their pro-rata entitlement to interest earned or income generated on such amount, if provided for in the Subscription Receipt Agreement, in accordance with the terms of the Subscription Receipt Agreement. Common Shares, warrants and or debt securities may be held in escrow by the Escrow Agent and will be released to the holders of subscription receipts following satisfaction of the Release Conditions at the time and under the terms specified in the Subscription Receipt Agreement.

### **Modifications**

The Subscription Receipt Agreement will specify the terms upon which modifications and alterations to the subscription receipts issued thereunder may be made by way of a resolution of holders of subscription receipts at a meeting of such holders or consent in writing from such holders. The number of holders of subscription receipts required to pass such a resolution or execute such a written consent will be specified in the Subscription Receipt Agreement.

The Subscription Receipt Agreement will also specify that we may amend any Subscription Receipt Agreement and the subscription receipts without the consent of the holders of the subscription receipts to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision or in any other manner that will not materially and adversely affect the interests of the holders of outstanding subscription receipts or as otherwise specified in the Subscription Receipt Agreement.

### **DESCRIPTION OF SHARE PURCHASE CONTRACTS**

We may issue share purchase contracts, representing contracts obligating holders to purchase from or sell to us, and obligating us to purchase from or sell to the holders, a specified number of Common Shares, as applicable, at a future date or dates, and including by way of instalment.

The price per Common Share and the number of Common Shares, as applicable, may be fixed at the time the share purchase contracts are issued or may be determined by reference to a specific formula or method set forth in the share purchase contracts. We may issue share purchase contracts in accordance with applicable laws and in such amounts and in as many distinct series as we may determine.

The share purchase contracts may be issued separately or as part of units consisting of a share purchase contract and beneficial interests in debt securities, or debt obligations of third parties, including U.S. treasury securities or obligations of our subsidiaries, securing the holders' obligations to purchase the Common Shares under the share purchase contracts, which we refer to in this prospectus as share purchase units. The share purchase contracts may require the Company to make periodic payments to the holders of the share purchase units or vice versa, and these payments may be unsecured or refunded and may be paid on a current or on a deferred basis. The share purchase contracts may require holders to secure their obligations under those contracts in a specified manner.

Holders of share purchase contracts are not shareholders of the Company. The terms and provisions of share purchase contracts offered by any prospectus supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the prospectus supplement filed in respect of such share purchase contracts. This description will include, where applicable: (i) whether the share purchase contracts obligate the holder to purchase or sell, or both purchase and sell, Common Shares, as applicable, and the nature and amount of those securities, or the method of determining those amounts; (ii) whether the share purchase contracts are to be prepaid or paid in instalments; (iii) any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied; (iv) whether the share purchase contracts are to be settled by delivery, or by reference or linkage to the value or performance of Common Shares; (v) any acceleration, cancellation, termination or other provisions relating to the settlement of the share purchase contracts; (vi) the date or dates on which the sale or purchase must be made, if any; (vii) whether the share purchase contracts will be issued in fully registered or global form; (viii) the material income tax consequences of owning, holding and disposing of the share purchase contracts; and (ix) any other material terms and conditions of the share purchase contracts including, without limitation, transferability and adjustment terms and whether the share purchase contracts will be listed on a stock exchange.

Original purchasers of share purchase contracts will be granted a contractual right of rescission against the Company in respect of the conversion, exchange, or exercise of such share purchase contract. The contractual right of rescission will entitle such original purchasers to receive the total of the amount paid on original purchase of the share purchase contracts and the amount paid upon conversion, exchange or exercise of the share purchase contracts, upon surrender of the underlying securities gained thereby, in the event that this prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia) and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

### **SELLING SECURITYHOLDERS**

Our Common Shares may be sold under this prospectus by way of a secondary offering by or for the account of certain of our security holders. The prospectus supplement that we will file in connection with any offering of our Common Shares by selling security holders will include the following information:

- the names of the selling securityholders and, where the selling securityholder is not an individual, the name of the principal securityholder of such selling securityholder to the extent known;
- the number or amount of our Common Shares owned, controlled, or directed by each selling securityholder;
- the number or amount of our Common Shares being distributed for the account of each selling securityholder;
- the number or amount of securities to be owned by the selling securityholders after the distribution and the percentage that number or amount represents of the total number of our outstanding securities; and
- whether our Common Shares are owned by the selling securityholders both of record and beneficially, of record only or beneficially only.

### **PLAN OF DISTRIBUTION**

#### **New Issue**

We may issue our securities offered by this prospectus for cash or other consideration (i) to or through underwriters, dealers, placement agents or other intermediaries, (ii) directly to one or more purchasers or (iii) in connection with acquisitions of assets or shares or another entity or company. The consideration for an acquisition of assets or shares of another entity or company may consist of any of the securities covered hereby separately, a combination of such securities, or any combination of, among other things, securities, cash, or the assumption of liabilities.

Each prospectus supplement with respect to our securities being offered will set forth the terms of the offering, including:

- the name or names of any underwriters, dealers, or other placement agents;
- the number and the purchase price of, and form of consideration for, our securities;
- any proceeds to the Company from such sale; and
- any commissions, fees, discounts, and other items constituting underwriters', dealers', or agents' compensation.

Our securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market price or at negotiated prices, including sales made directly on the TSX or other existing trading markets for the securities. The prices at which the securities may be offered may vary as between purchasers and during the period of distribution.

If, in connection with the offering of securities at a fixed price or prices, the underwriters have made a *bona fide* effort to sell all of the securities at the initial offering price fixed in the applicable prospectus supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial offering price fixed in such prospectus supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriters to the Company.

Only underwriters named in the prospectus supplement are deemed to be underwriters in connection with our securities offered by that prospectus supplement.

Under agreements which may be entered into by the Company, underwriters, dealers, and agents who participate in the distribution of our securities may be entitled to indemnification by the Company against certain liabilities, including liabilities under applicable Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. The underwriters, dealers, and agents with whom we enter into agreements may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

### **Secondary Offering**

This prospectus may also, from time to time, relate to the offering of Common Shares by certain selling securityholders.

The selling securityholders may sell all or a portion of the Common Shares beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers, or agents. If Common Shares are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions. Common Shares may be sold by the selling securityholders in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions, as follows:

- on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;
- in the over-the-counter market;
- in transactions otherwise than on these exchanges or systems or in the over-the-counter market;
- through the writing of options, whether such options are listed on an options exchange or otherwise;
- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- privately negotiated transactions;
- an exchange distribution;
- short sales;
- broker-dealers may agree with the selling securityholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

If the selling securityholders effect such transactions by selling the Common Shares to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling securityholders or commissions from purchasers of our Common Shares

for whom they may act as agent or to whom they may sell as principal (which discounts, concessions or commissions as to particular underwriters, broker-dealers or agents may be in excess of those customary in the types of transactions involved). In connection with sales of the Common Shares or otherwise, the selling securityholders may enter hedging transactions with broker-dealers, which may in turn engage in short sales of the Common Shares while hedging in positions they assume. The selling securityholders may also sell the Common Shares short and deliver the Common Shares covered by this prospectus to close out short positions and to return borrowed shares in connection with such short sales. The selling securityholders may also loan or pledge the Common Shares to broker-dealers that in turn may sell such shares.

### **CERTAIN INCOME TAX CONSIDERATIONS**

The applicable prospectus supplement may describe certain Canadian federal income tax consequences to an investor who is a non-resident of Canada or to an investor who is a resident of Canada of acquiring, owning, and disposing of any of our securities offered thereunder. Investors should read the tax discussion in any prospectus supplement with respect to a particular offering and consult their own tax advisors with respect to their own circumstances.

### **LEGAL MATTERS**

Certain legal matters related to our securities offered by this prospectus will be passed upon on our behalf by Blake, Cassels & Graydon LLP, with respect to matters of Canadian law.

### **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the Company are Grant Thornton LLP, 11th Floor, 200 King Street West, Box 11, Toronto, ON M5H 3T9. Grant Thornton LLP is independent with respect to the Company in accordance with the auditor's rules of professional conduct in Canada.

The transfer agent and registrar for the Company's Common Shares is Computershare Investor Services Inc. at its principal transfer offices in Vancouver, British Columbia and Toronto, Ontario.

### **AGENT FOR SERVICE OF PROCESS**

Certain directors of the Company reside outside of Canada. As a result of the persons named below residing outside of Canada, each of them has appointed the following agent for service of process:

<b>Name of Person or Company</b>	<b>Name and Address of Agent</b>
Danial Faizullahbhoj, Derek Elder and James A. Blackley	Blakes Vancouver Services Inc., c/o Blake, Cassels & Graydon LLP, located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any such person, even though they have each appointed an agent for service of process.

### **STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION**

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus or a prospectus supplement relating to the securities purchased by a purchaser and any amendments thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus or a prospectus supplement relating to the securities purchased by a purchaser or any amendment thereto contained a misrepresentation or was not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer

to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of warrants, or other convertible, exchangeable or exercisable securities, investors are cautioned that the statutory right of action for damages under Canadian securities laws for a misrepresentation contained in the prospectus or a prospectus supplement (or any amendment thereto) is limited, in certain provincial securities legislation, to the price at which the warrants, or other convertible, exchangeable or exercisable securities are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

**CERTIFICATE OF THE COMPANY**

Dated: October 14, 2021

This short form base shelf prospectus, together with the documents incorporated by reference, constitutes full, true, and plain disclosure of all material facts relating to the securities offered by this short form base shelf prospectus as required by the securities legislation of each of the provinces of Canada, excluding Québec.

(Signed) SUMIT KUMAR  
President and Chief Executive  
Officer

(Signed) DALE BOOTH  
Chief Financial Officer

**On Behalf of the Board of Directors**

(Signed) T. KENT ELLIOTT  
Director

(Signed) DANIAL FAIZULLABHOY  
Director