

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.

OFFERING DOCUMENT UNDER THE LISTED ISSUER FINANCING EXEMPTION

New Issue

December 7, 2022

VECIMA NETWORKS INC.



Up to \$10,000,000

563,380 Common Shares

SUMMARY OF OFFERING

What are we offering?

Through this offering document under the listed issuer financing exemption (“**Offering Document**”) of Vecima Networks Inc. (the “**Company**”, “**Vecima**”, “**we**” or “**our**”), we are offering up to 563,380 common shares (“**Offered Shares**”) of the Company (the “**Offering**”) at a price of \$17.75 per Offered Share (the “**Offering Price**”). Each holder of common shares of the Company (the “**Common Shares**”) is entitled to receive notice of and to attend any meetings of Vecima’s shareholders and is entitled to one vote for each Common Share held at such time. Each holder of Common Shares is entitled to receive dividends, if any, as and when declared by Vecima’s board of directors and participate equally in any distribution of net assets.

The Offering Price was determined by arm’s length negotiation between the Company and Raymond James Ltd. and Cormark Securities Inc. (the “**Agents**”) as lead managers and joint book-runners with reference to the prevailing market price of the Common Shares of the Company and other factors. The Offering will be subject to a minimum distribution of 507,100 Common Shares and, to the extent the Agents exercise their option to offer for sale an additional 56,280 Common Shares (the “**Agents’ Option**”), will not exceed 563,380 Common Shares.

It is expected that the completion of the sale of the Offered Shares pursuant to the Offering will take place on or about December 14, 2022, or on such other date as may be agreed upon by the Company and the Agents and, in any event, on or before a date not later than 45 days after the date of the filing of the Offering Document. The outstanding Common Shares are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “**VCM**”. On December 6, 2022, the last trading day completed prior to the date of this Offering Document, the closing price of the Common Shares on the TSX was \$19.35. All references in this Offering Document to “dollars”, “C\$” or “\$” are to Canadian dollars, unless otherwise stated.

Vecima Networks Inc. is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 Prospectus Exemptions. In connection with this Offering, the issuer represents the following is true:

- **Vecima has active operations and its principal asset is not cash, cash equivalents or its exchange listing.**
- **Vecima has filed all periodic and timely disclosure documents that it is required to have filed.**
- **The total dollar amount of this Offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this Offering Document, will not exceed \$10,000,000.**
- **Vecima will not close this Offering unless the issuer reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.**
- **Vecima will not allocate the available funds from this Offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the issuer seeks security holder approval.**

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Offering Document contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information is generally identifiable by use of the words "believes", "may", "plans", "will", "anticipates", "intends", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions.

Forward-looking information in this Offering Document includes, but is not limited to, statements that: Vecima's future plans, objectives, strategies and goals relating to its business, technology and products; Vecima's ability to maintain and enhance its competitive advantages within its industry and in certain markets; future trends, expectations, opportunities, challenges, and growth in Vecima's industry; the development, timing and extent of certain implementations and releases of new products in various product lines; Vecima's continued maintenance, development, improvement and expansion of existing product lines; the repaying of its line of credit; and Vecima's belief that Vecima's current cash and short-term investments together with anticipated cash flow from operations will be sufficient to meet Vecima's working capital requirements and capital expenditure requirements for the foreseeable future.

In connection with the forward-looking information contained in this Offering Document, we have made numerous assumptions, regarding, among other things: the strength of our balance sheet; the present or potential value of our core technologies, business operations and asset holdings; our ability to continue our relationships with a few key customers; our ability to deliver products associated with key contracts; our ability to manage our business and growth successfully; our ability to meet customers' requirements for manufacturing capacity; our ability to develop new products and enhance our existing products; our ability to expand current distribution channels and develop new distribution channels; our third party suppliers and contract manufacturers upon which we rely continue to meet our needs; we are not subject to warranty, intellectual property or product liability claims or indemnification obligations that harm our business; and we are not subject to competition from new or existing technologies that adversely affect our business. While we consider these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.

There are known and unknown risk factors which could cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained in this Offering Document. Known risk factors include, among others: our statement of financial position, as well as the value of our core technologies, business operations and asset holdings may be significantly weaker than we currently estimate; our operating results are expected to fluctuate; we derive a substantial part of our revenue from a few large customers; a small number of our shareholders control us; sale of common shares by our controlling shareholders could cause the share price to fall; volatility in our common share price; dilution from the exercise of stock options or settlement of performance share units; if we cannot meet our customers' requirements for manufacturing capacity, sales may suffer; our success depends on our ability to develop new products and enhance our existing products; if content providers, such as movie studios, limit the scope of content licensed for use in the digital content delivery market, our business, financial condition and results of operations could be negatively affected because the potential market for our products would be more limited than we currently believe; we are dependent on the expansion of our current distribution channels and the development of new distribution channels; growth in our key markets may not continue; and our inability to adapt to technological change, new products and standards could harm our business.

All forward-looking information in this Offering Document is qualified in its entirety by this cautionary statement and we disclaim any obligation to revise or update such forward-looking information to reflect future results, events or developments, except as required by law.

SUMMARY DESCRIPTION OF BUSINESS

What is our business?

Vecima Networks Inc. (TSX:VCM) is a Canadian company founded in 1988 in Saskatoon, Saskatchewan. Today, Vecima has a global presence with offices in Victoria, Burnaby, Ontario, Duluth, Raleigh, San Jose, Qingdao, Shanghai, Tokyo, 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 innovators to advance, connect, entertain, and analyze. We build technologies that provide internet video delivery and storage and next generation high-speed broadband network access.

Recent developments

As at September 30, 2022, Vecima had an available line of credit (after letters of credit) of \$25.0 million of which \$6.8 million was drawn for working capital purposes. As at December 6, 2022, Vecima had an available line of credit (after letters of credit) of \$45.4 million of which \$18.5 million was drawn for working capital purposes.

What are the business objectives that we expect to accomplish using the available funds?

The business objective that Vecima expects to accomplish using the net proceeds of the Offering, together with existing cash and cash equivalents, is the partial repayment of Vecima's line of credit which has been utilized as Vecima increased working capital, and the related inventory, in support of the growth in sales revenue.

There are no significant events which must occur in order to accomplish this business objective.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

		Assuming minimum offering only	Assuming 100% of offering
A	Amount to be raised by this offering	\$9,000,000	\$10,000,000
B	Selling commissions and fees	\$405,000	\$450,000
C	Estimated offering costs (e.g., legal, accounting, audit)	\$135,000	\$150,000
D	Net proceeds of offering: $D = A - (B+C)$	\$8,460,000	\$9,400,000
E	Working capital as at most recent month end	\$66,756,000	\$66,756,000
F	Additional sources of funding: operating line of credit	\$26,900,000	\$26,900,000
G	Total available funds: $G = D+E+F$	\$102,116,000	\$103,056,000

How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming minimum offering only	Assuming 100% of offering
Repayment of line of credit	\$8,460,000	\$9,400,000
Working capital as at most recent month end	\$66,756,000	\$66,756,000
Working capital purposes	\$26,900,000	\$26,900,000
Total:	\$102,116,000	\$103,056,000

Vecima will use more than 10% of the available funds toward the repayment of a revolving loan facility which has been drawn down on as an operating line of credit and is shown as a bank overdraft in the Company's consolidated balance sheet. The principal purpose for which the indebtedness was incurred is working capital.

The above noted allocation represents the Company's intentions with respect to its use of available funds based on current knowledge, planning and expectations of management of the Company. Actual use of funds may differ from the estimates set forth above. There may be circumstances where for sound business reasons, the Company reallocates the use of available funds. Such uses will not include a significant acquisition, a restructuring transaction, or any transaction requiring approval of the Company's security holders.

How have we used the other funds we have raised in the past 12 months?

Vecima has not made disclosure relating to how it would use available funds or proceeds from any financing in the past 12 months.

FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this Offering, if any, and what are their fees?

The Offering is being made pursuant to the terms and conditions of an engagement letter dated December 7, 2022 (the "**Engagement Letter**") between the Company and the Agents.

Pursuant to the Engagement Letter, the Company has agreed to pay to the Agents a fee (the "**Agency Commission**") representing 4.5% of the aggregate gross proceeds of the Offering (or \$0.79875 per Offered Share). The Company estimates that the Agency Commission will be \$450,000 which will be paid by the Company from the proceeds of the Offering of Offered Shares.

The Agents Commission will be comprised of cash, and none of the compensation paid to the Agents will be in securities.

The Agents' Option described on page 1 of this Offering Document is an option to increase the amount of the offering from \$9 million to \$10 million, and does not represent compensation to the Agents. The Company has also agreed to reimburse the Agents for their expenses and disbursements related to the Offering, subject to the limitations agreed to in the Engagement Letter.

Do the Agents have a conflict of interest?

None, to the knowledge of the Company and the Agents.

PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this Offering Document, you have a right

- a) to rescind your purchase of these securities with Vecima, or**
- b) to damages against Vecima and may, in certain jurisdictions, have a statutory right to damages from other persons.**

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

ADDITIONAL INFORMATION

Where you can find more information about us

Security holders can access Vecima's continuous disclosure at www.sedar.com and may find additional information at our website www.vecima.com.

Please refer to Appendix "A" – "Acknowledgements, Covenants, Representations and Warranties of the Purchaser" and Appendix "B" – "Indirect Collection of Personal Information" attached hereto.

Purchasers should read this Offering Document and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment of the Offered Shares.

APPENDIX A
ACKNOWLEDGEMENTS, COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE
PURCHASER

Each purchaser of the Offered Shares (the “**Purchaser**”) makes, and is deemed to make, the following acknowledgements, covenants, representations and warranties to the Company and the Agents, as at the date hereof, and as of the closing date which will take place on or about December 14, 2022:

- a) the Purchaser is resident in the jurisdiction disclosed to the Agents or the Company and the Purchaser was solicited to purchase in such jurisdiction;
- b) the Purchaser has not received, nor has the Purchaser requested, nor does the Purchaser have any need to receive, any prospectus, sales or advertising literature, offering memorandum or any other document (other than an annual or interim report, financial statements or any other document, other than an offering memorandum, the content of which is prescribed by statute or regulation) describing or purporting to describe the business and affairs of the Company which has been prepared for delivery to, and review by, prospective purchasers in order to assist them in making an investment decision in respect of the purchase of the Offered Shares pursuant to the Offering;
- c) the Purchaser has relied only upon publicly available information relating to the Company and not upon any verbal or written representation as to fact, and the Purchaser acknowledges that the Company has not made any written representations, warranties or covenants in respect of such publicly available information except as set forth in this Offering Document. Without limiting the generality of the foregoing, except as may be provided herein, no person has made any written or oral representation to the Purchaser that any person will re-sell or re-purchase the Offered Shares or refund any of the purchase price of the Offered Shares, or that the Offered Shares will be listed on any exchange or quoted on any quotation and trade reporting system, or that application has been or will be made to list any such security on any exchange or quote the security on any quotation and trade reporting system, and no person has given any undertaking to the Purchaser relating to the future value or price of the Offered Shares;
- d) legal counsel retained by the Company is acting as counsel to the Company and not as counsel to the Purchaser and the Purchaser may not rely upon such counsel. The Purchaser should obtain independent legal and tax advice as it considers appropriate in connection with the performance of this Offering Document and the transactions contemplated under this Offering Document, and that the Purchaser is not relying on legal or tax advice provided by the Company or its counsel;
- e) the Purchaser acknowledges that:
 - i. no securities commission or similar regulatory authority has reviewed or passed on the merits of the Offering;
 - ii. there is no government or other insurance covering the Offering;
 - iii. there are risks associated with the purchase of the Offering;
- f) the Company has advised the Purchaser that the Company is relying on an exemption from the requirements to provide the Purchaser with a prospectus and to sell the Offered Shares through a person or company registered to sell securities under applicable securities laws and, as a consequence of acquiring the Offered Shares pursuant to this exemption, certain protections, rights and remedies provided by the applicable securities laws, including statutory rights of rescission or damages, will not be available to the Purchaser and the Purchaser may not receive information that would otherwise be required to be given; and
- g) the Purchaser either (A) is not an “insider” of the Company or a “registrant” (each as defined under applicable securities laws of British Columbia) or (B) has identified itself to the Company as either an “insider” or a “registrant” (each as defined under applicable securities laws of British Columbia);
- h) if the Purchaser is:
 - i. a corporation, the Purchaser is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to subscribe for the Offered Shares pursuant to the terms set out in this Offering Document;
 - ii. a partnership, syndicate or other form of unincorporated organization, the Purchaser has the necessary legal capacity and authority to subscribe for the Offered Shares pursuant to the terms set out in this Offering Document and has obtained all necessary approvals in respect thereof; or

- iii. an individual, the Purchaser is of the full age of majority and is legally competent to subscribe for the Offered Shares pursuant to the terms set out in this Offering Document;
- i) the subscription for the Offered Shares and the completion of the transactions described herein by the Purchaser will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the constating documents, bylaws or resolutions of the Purchaser if the Purchaser is not an individual, the applicable securities laws or any other laws applicable to the Purchaser, any agreement to which the Purchaser is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Purchaser;
- j) the Purchaser is not purchasing the Offered Shares with knowledge of any material fact or material change about the Company that has not been generally disclosed and the decision of the Purchaser, to acquire Offered Shares has not been made as a result of any oral or written representation as to fact or otherwise made by, or on behalf of, the Company or any other person and is based entirely upon the Offering Document;
- k) the Purchaser is aware that the Offered Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or the securities laws of any state of the United States and that the Offered Shares may not be offered, sold or otherwise disposed of, directly or indirectly, in the United States, any state or territory of the United States or the District of Columbia, without registration under the U.S. Securities Act and all applicable state securities laws or compliance with the requirements of an exemption from such registration and it acknowledges that the Company has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of the sale or resale of the Offered Shares;
- l) the funds representing the aggregate subscription funds which will be advanced by the Purchaser to the Company hereunder, as applicable, will not represent proceeds of crime for the purposes of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) (the “PCMLTFA”) or for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act, as may be amended from time to time (the “PATRIOT Act”) and the Purchaser acknowledges that the Company may in the future be required by law to disclose the Purchaser’s name and other information relating to the Purchaser’s subscription of the Offered Shares, on a confidential basis, pursuant to the PCMLTFA and the PATRIOT Act, and that, to the best of its knowledge: (i) none of the subscription funds to be provided by the Purchaser (A) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States or any other jurisdiction; or (B) are being tendered on behalf of a person who has not been identified to the Purchaser; and (ii) it will promptly notify the Company if the Purchaser discovers that any of such representations ceases to be true, and to provide the Company with appropriate information in connection therewith;
- m) neither the Company, the Agents, nor any of their respective directors, employees, officers, affiliates or agents has made any written or oral representations to the Purchaser: (i) that any person will resell or repurchase the Offered Shares; (ii) that any person will refund all or any part of the purchase price of the shares acquired by the Purchaser; or (iii) as to the future price or value of the Offered Shares;
- n) if required by applicable securities laws or the Company, the Purchaser will execute, deliver and file or assist the Company in filing such reports, undertakings and other documents with respect to the issue and/or sale of the Offered Shares as may be required by any securities commission, stock exchange or other regulatory authority;
- o) the Purchaser has obtained all necessary consents and authorities to enable it to agree to subscribe for the Offered Shares pursuant to the terms set out in this Offering Document and the Purchaser has otherwise observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in any territory in connection with the purchase of the Offered Shares and the Purchaser has not taken any action which will or may result in the Company acting in breach of any regulatory or legal requirements of any territory in connection with the Offering or the Purchaser’s subscription;
- p) the Purchaser is purchasing the Offered Shares for investment purposes only and not with a view to resale or distribution; and
- q) the Purchaser acknowledges that certain fees and commissions may be payable by the Company in connection with the Offering.

APPENDIX “B”
INDIRECT COLLECTION OF PERSONAL INFORMATION

Indirect Collection of Personal Information

By purchasing the Offered Shares, the Purchaser acknowledges that the Company and their respective agents and advisers may each collect, use and disclose the Purchaser’s name and other specified personally identifiable information (including his, her or its name, jurisdiction of residence, address, telephone number, email address and aggregate value of the Offered Shares that it has purchased) (the “**Information**”), for purposes of (i) meeting legal, regulatory, stock exchange and audit requirements and as otherwise permitted or required by law or regulation, and (ii) issuing ownership statements issued under a direct registration system or other electronic book-entry system, or certificates that may be issued, as applicable, representing the Offered Shares to be issued to the Purchaser. The Information may also be disclosed by the Company to: (i) stock exchanges, (ii) revenue or taxing authorities and (iii) any of the other parties involved in the Offering, including legal counsel, and may be included in record books in connection with the Offering. The Purchaser is deemed to be consenting to the disclosure of the Information.

By purchasing the Offered Shares the Purchaser acknowledges (A) that Information concerning the Purchaser will be disclosed to the relevant Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable securities and freedom of information laws and the Purchaser consents to the disclosure of the Information; (B) the Information is being collected indirectly by the applicable Canadian securities regulatory authorities under the authority granted to them in securities legislation; and (C) the Information is being collected for the purposes of the administration and enforcement of the applicable Canadian securities legislation; and by purchasing the Offered Shares, the Purchaser shall be deemed to have authorized such indirect collection of personal information by the relevant Canadian securities regulatory authorities.

The Purchaser may contact the following public official in the applicable province with respect to questions about the commission’s indirect collection of such Information at the following address, telephone number and email address (if any):

Alberta Securities Commission

Suite 600, 250 – 5th Street SW
Calgary, Alberta T2P 0R4
Telephone: 403-297-6454
Toll free in Canada: 1-877-355-0585
Facsimile: 403-297-2082
Public official contact regarding indirect collection of information: FOIP Coordinator

British Columbia Securities Commission

P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia V7Y 1L2
Inquiries: 604-899-6854
Toll free in Canada: 1-800-373-6393
Facsimile: 604-899-6581
[Email: FOI-privacy@bcsc.bc.ca](mailto:FOI-privacy@bcsc.bc.ca)
Public official contact regarding indirect collection of information: FOI Inquiries

The Manitoba Securities Commission

500 – 400 St. Mary Avenue
Winnipeg, Manitoba R3C 4K5
Telephone: 204-945-2561
Toll free in Manitoba: 1-800-655-5244
Facsimile: 204-945-0330
Public official contact regarding indirect collection of information: Director

Financial and Consumer Services Commission (New Brunswick)

85 Charlotte Street, Suite 300
Saint John, New Brunswick E2L 2J2
Telephone: 506-658-3060
Toll free in Canada: 1-866-933-2222
Facsimile: 506-658-3059
[Email: info@fcnb.ca](mailto:info@fcnb.ca)
Public official contact regarding indirect collection of information: Chief Executive Officer and Privacy Officer

Government of Newfoundland and Labrador

Financial Services Regulation Division
P.O. Box 8700
Confederation Building
2nd Floor, West Block
Prince Philip Drive
St. John’s, Newfoundland and Labrador A1B 4J6
Attention: Director of Securities
Telephone: 709-729-4189
Facsimile: 709-729-6187
Public official contact regarding indirect collection of information: Superintendent of Securities

Nova Scotia Securities Commission

Suite 400, 5251 Duke Street
Duke Tower
P.O. Box 458
Halifax, Nova Scotia B3J 2P8
Telephone: 902-424-7768
Facsimile: 902-424-4625
Public official contact regarding indirect collection of information: Executive Director

Ontario Securities Commission

20 Queen Street West, 22nd Floor
Toronto, Ontario M5H 3S8
Telephone: 416-593-8314
Toll free in Canada: 1-877-785-1555
Facsimile: 416-593-8122
[Email: exemptmarketfilings@osc.gov.on.ca](mailto:exemptmarketfilings@osc.gov.on.ca)
Public official contact regarding indirect collection of information: Inquiries Officer

Prince Edward Island Securities Office

95 Rochford Street, 4th Floor Shaw Building
P.O. Box 2000
Charlottetown, Prince Edward Island C1A 7N8
Telephone: 902-368-4569
Facsimile: 902-368-5283
Public official contact regarding indirect collection of information: Superintendent of Securities

Financial and Consumer Affairs Authority of Saskatchewan

Suite 601 - 1919 Saskatchewan Drive
Regina, Saskatchewan S4P 4H2
Telephone: 306-787-5842
Facsimile: 306-787-5899
Public official contact regarding indirect collection of information: Director

Autorité des Marchés Financiers

800, Square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone: 514 395-0337 or 1 877 525-0337
Facsimile: 514 864-6381
Public official contact regarding indirect collection of information: Secrétaire générale

CERTIFICATE OF THE COMPANY

December 7, 2022

This Offering Document, together with any document filed under Canadian securities legislation on or after December 7, 2021, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

(Signed) SUMIT KUMAR
President and Chief Executive
Officer

(Signed) DALE BOOTH
Chief Financial Officer