



**ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

SEPTEMBER 24, 2020

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ABOUT THIS ANNUAL INFORMATION FORM

The information in this Annual Information Form is presented as of June 30, 2020, unless otherwise indicated.

Unless otherwise indicated, or the context otherwise requires, references in this Annual Information Form to “**Vecima**” refers to Vecima Networks Inc. and its subsidiaries together.

FORWARD-LOOKING STATEMENTS

This Annual Information Form 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”, “shall”, “anticipates”, “intends”, “could”, “estimates”, “expects”, “forecasts”, “projects” and similar expressions, and the negative of such expressions.

Forward-looking information in this Annual Information Form includes, but is not limited to statements that Vecima expects: sales from the video and broadband product line shall continue to account for a significant portion of our sales in the foreseeable future; relationships to continue; cable and broadband wireless access technologies to face significant competition from both current and future alternative technologies; and operating results to fluctuate. We believe Vecima’s growth may be tied to the: development of next generation platforms such, from strategic acquisitions; and from platform enhancements for customers.

In connection with the forward-looking information contained in this Annual Information Form, Vecima has made numerous assumptions, regarding, among other things: the ability to continue relationships with our 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; successful pricing models; reliable third-party suppliers and contract manufacturers; intellectual property is protected; warranty and product liability claims that harm Vecima’s business; successful implementation of acquisitions; ability to manage risks associated with international operations; adverse currency fluctuations; continued growth in key markets; adapting to technological change, new products and standards; increased competition that adversely affects business; additional competition from new or existing technologies that adversely affect business; no additional material new government regulations of products; and, no third parties infringing on intellectual property. While Vecima considers 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 the 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 Annual Information Form. *Known risk factors include: 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; 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 will 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 of time that remains uncertain; Vecima may be unable to deliver products associated with key contracts; Vecima’s operating results are expected to fluctuate; 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 its content delivery products to add features allowing deployments to cable, IPTV, and Internet CDN providers to enable multi-screen video delivery; the changes require new knowledge sets, especially in research*

and development, and shall require us to develop and sell new products to new customers; 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; Vecima share price shall fluctuate; if content providers, such as movie studios, limit the scope of content licensed for use in the digital content delivery market the potential market for Vecima's products may become more limited; 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; 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 their 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; acquisition 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; sale of Vecima common shares by Vecima's controlling shareholders could cause the share price to fall; and, a small number of Vecima's shareholders control a large portion of Vecima common shares.

A more complete discussion of the risks and uncertainties facing Vecima is disclosed under the heading "Risk Factors" in this Annual Information Form, as well as in any continuous disclosure filings with Canadian securities regulatory authorities available at www.sedar.com.

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

CORPORATE STRUCTURE

Vecima was incorporated under the *Business Corporations Act* (Saskatchewan) on July 7, 1988 under the name "WaveCom Electronics Inc.". Vecima 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, Vecima amalgamated with Spectrum Signal Processing Inc.; on July 1, 2013, amalgamated with WaveCom Electronics (2003) Inc.; and, on July 1, 2015, amalgamated with YourLink.

Vecima's head office and registered office is located at 771 Vanalman Avenue, Victoria, British Columbia, Canada, V8Z 3B8. The company website address is: www.vecima.com. The information on Vecima's website is not incorporated by reference in this Annual Information Form.

Vecima's wholly-owned subsidiaries and their respective jurisdictions of incorporation are 6105971 Canada Inc. (Canada); Vecima Technology (Canada) Inc. (Canada); Vecima Technology Inc. (United States); Concurrent Content Solutions Corporation (Japan); Vecima Technology (UK) Ltd. (United Kingdom); Vecima Technology GmbH (Germany); Vecima Technology B.V. (Netherlands); and, Vecima Networks (USA) Inc. (United States).

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Vecima is a leading designer and manufacturer in the broadband cable and wireless network infrastructure market. The following describes how Vecima's business has developed over the last three completed fiscal years, as well as any changes to our business expected to occur during the current fiscal year.

Subsequent to the Fiscal Year

On August 24, 2020, Vecima announced that Blue Stream Fiber selected Vecima's MediaScaleX solution to power the delivery of their complex multi-vendor IPTV solution. Leveraging Vecima's technical experience, the platform will be managed and implemented via Vecima's Master Project Management solution. Upgrading their existing system to a complete end-to-end solution allows Blue Stream Fiber to consolidate IPTV Transcoding (File and Live), Origin, Cache, and Centralized Storage. Streaming their media workflow from ingest to delivery accelerates Blue Stream Fiber's go-to-market timelines, reduces operational costs, and expands their footprint.

On July 29, 2020, Nokia and Vecima announced plans for Vecima to acquire key, next generation technology and products for cable service providers. Under the agreement, Nokia's Gainspeed portfolio along with all supporting technology and assets will transition to Vecima. This asset purchased partially closed on August 7, 2020, with the final closing to take place in early 2021. Vecima paid Nokia US \$4.8 million purchase price which includes inventory, property, plant, equipment and intangibles. The Nokia Unified Cable Access solution, featuring the Gainspeed portfolio of products, includes a centrally controlled Distributed Access Architecture solution with unified support for Flexible MAC DAA nodes for Hybrid Fiber-Coaxial (HFC) networks and DOCSIS Provisioning of EPON (DPoE) nodes for fiber-to-the-home and business. The portfolio also includes a DAA video engine and a chassis based EPON/DPoE solution for non-HFC network implementations. The transaction included employees who currently support the Nokia DOCSIS DAA and EPON/DPoE portfolios and were transitioned to Vecima. Nokia retained its cable-related products and solutions not listed above. The companies intend to maintain an ongoing business relationship, including resell agreements for key, enabling technologies, to address unified cable access opportunities.

On July 22, 2020, Vecima announced a continued strategic partnership with a large, Tier 1 operator in APAC to deliver the future of video streaming to their 5 million+ subscribers. Vecima's MediaScaleX solution is being leveraged to increase the capacity, resiliency, and monitoring of their existing system. As a major upgrade to existing components, Vecima's end-to-end MediaScaleX solution was selected to execute the extensive end-to-end migration project, leveraging Unified Storage, Origin, Edge Cache, Intermediate Cache, and Live Transcoding for a simplified expansion transition, complete with a fully redundant configuration.

On July 20, 2020, Vecima announced that it had made several organizational changes across the executive leadership team in alignment with the company's growth and operational objectives. Mr. Clay McCreery was appointed Chief Operating Officer. Mr. Colin Howlett was appointed Chief Technology Officer and leads the newly created Office of the CTO. Mr. Kyle Goodwin was promoted to SVP and General Manager of the Content Delivery and Storage business unit. Mr. Ryan Nicometo was promoted to SVP and General Manager of the Video and Broadband Solutions business unit. Mr. Goodwin and Mr. Nicometo will report to Mr. McCreery in their new roles with the company.

2020 Fiscal Year

On May 21, 2020, Vecima announced that it was selected by Canadian cable operator Access Communications Co-operative to deploy Vecima's MediaScaleX platform to provide an industry-leading IPTV solution to subscribers in Saskatchewan. Focused on providing operators a highly flexible and scalable solution that delivers subscribers a superior video experience, Vecima's MediaScaleX hyperconverged software delivers the new service by leveraging common hardware infrastructures that facilitate an affordable cost profile. The solution enables operators to sustain legacy video ecosystems while accommodating new subscribers and expanded content packages including 4K and HEVC.

On February 17, 2020, Vecima announced that Cincinnati Bell selected MediaScaleX™, Vecima's industry-leading end-to-end video delivery solution to upgrade its existing video platform. Through the MediaScaleX platform, regional content origination sites enable subscribers to access both local and national video feeds anywhere within the provider's footprint through a seamless, single integrated user interface. MediaScaleX will deploy across all of Cincinnati Bell's markets in Greater Cincinnati and Hawaii, and offers integrated OTT content, Cloud DVR, Start Over TV, Catch Up TV, and unified search. MediaScaleX//Origin and Storage solutions feed into MediaScaleX//Cache infrastructure and will offer increased capacity and new services offerings within Cincinnati Bell's content platform. Supported services will include live and on-demand content life-cycle management, time-shifted TV streaming, just-in-time packaging, content protection, and delivery to a wide variety of IP devices.

On January 2, 2020, Vecima announced that it had filed a notice of intention with the Toronto Stock Exchange (the "TSX") to acquire for cancellation, by way of normal course issuer bid (the "NCIB"), up to 600,000 Common Shares of the Corporation, which, as at January 2, 2020, represented approximately 2.7% of the issued and outstanding Shares and approximately 9.0% of the total public float of the Corporation. This NCIB was approved by the TSX.

On December 23, 2019, Vecima announced a continued interoperability demonstration at the Flexible MAC Architecture (FMA) Plugfest event held at CableLabs in Louisville, Colorado. Vecima showcased key interoperable application programming interfaces (APIs), which are the basis for strong multi-vendor interoperability. These APIs support the upcoming, industry driven FMA specification and focus on the interaction between the management platform, or FMA MAC Manager, and access infrastructure, or FMA Remote-MACPHY Devices (RMDs). RMDs bundle the traditional DOCSIS MAC and PHY functions into a single low power, field deployable device. Vecima successfully demonstrated an RMD with DOCSIS 3.1 cable modems online and providing configuration information over the standardized FMA MMI (MAC Manager Interface) between the MAC Manager and RMD. This achievement showcases Vecima's investment in DOCSIS MAC and PHY technology and provides a foundation for the further development of FMA-based technology. A cornerstone of that technology is the API between FMA devices.

On December 2, 2019, Vecima's Telematics Division was awarded a contract with the City of Saskatoon (the "City") for its fleet management solution. Using Vecima's state-of-the-art Nero Global Tracking telematics solution, the City would be able to monitor, manage, and make informed decisions for their fleet of over 1,000 powered and unpowered vehicles and assets.

On October 18, 2019, Vecima announced that John Hanna would be resigning from his position as the company's Chief Financial Officer effective October 25, 2019 to accept a senior executive role with another organization. Dale Booth, Vecima's Vice-President of Finance, was appointed to succeed Mr. Hanna as Chief Financial Officer effective October 26, 2019. Vecima also announced the promotion of Dean Rockwell to Executive Vice-President, effective immediately.

On October 1, 2019, Vecima announced continued innovation in its Entra™ Distributed Access Architecture (DAA) node portfolio with the addition of support for two Remote PHY Devices (RPDs) in a single node. Vecima's highly flexible Entra Access Node for DAA is able to provide a low barrier to entry today with a single RPD node that is easily segmentable as capacity demands increase.

On October 1, 2019, Vecima launched the Entra™ Interactive Video Controller at the 2019 SCTE•ISBE Cable-Tec Expo in New Orleans, Louisiana. The Entra Interactive Video Controller (IVC) is a headend device that provides SCTE 55-2-enabled, set-top boxes with two-way interactive capabilities required for Video on Demand, Switched Digital Video, management, and other functionalities. The IVC is a dense, out-of-band controller that supports both Distributed Access Architecture (DAA) R-PHY and traditional RF networks. For R-PHY deployments, the IVC is an R-OOB Auxiliary Core with downstream (DEPI) and upstream (UEPI) interfaces. For traditional RF deployments, the IVC provides one downstream and up to eight upstream RF service groups with support for up to 16,000 set-top boxes.

On September 30, 2019, Vecima announced it won two 2019 Broadband Technology Report (BTR) Diamond Technology Review awards: one for its MediaScaleX//Storage solution and one for its Entra Video QAM Manager (VQM). Vecima demonstrated the new technologies at SCTE Cable-Tec Expo in New Orleans.

On September 30, 2019, Vecima's MediaScaleX solution was selected by Conway Corporation, a North American cable provider, to power its new IPTV multiscreen service. Moving from QAM to IP delivery systems, Conway Corp will be able to introduce new services to subscribers on any screen, without disruption.

On September 29, 2019, Vecima announced that Mr. Colin Howlett, the company's Vice President of Architecture, and Mr. Stephen Blinick, the company's Senior Director of Storage Research and Development, would both present at the 2019 SCTE•ISBE Cable –Tec Expo in New Orleans, Louisiana. Mr. Howlett participated in a panel of technology providers, network operators and CableLabs representatives to discuss 10G technical details, interoperability with existing HFC plants, new 10G-based services, and the path to transform existing networks. In the IP Video space, Mr. Blinick presented on software-defined storage technology developments that enable cloud-delivered DVR streams to scale in performance and capacity to meet consumers' DVR experience expectations.

On September 13, 2019, Vecima unveiled the latest release of its powerful ContentAgent™ workflow automation solution at IBC2019. Established in 1997 by industry professionals at the center of London's new media communities, the ContentAgent solution became a globally deployed, scalable tool used around the world by post-production facilities, production companies, broadcasters, educational institutions, and other corporate organizations. ContentAgent automates tasks that are common in file-based post-production such as camera card ingest and the creation of final master deliverables for broadcast. It integrates with a wide range of third-party tools to orchestrate tasks such as file-based QC, frame-rate conversion, file transfer acceleration, and social media publishing. Key customers for Vecima's ContentAgent platform include NBC, HBO, Sky, BBC, ITV, TF1 and Amazon. ContentAgent has been used for major sporting events including Formula 1, the FIFA World Cup, and the Olympic Games.

On September 12, 2019, Vecima announced that it would showcase low latency streaming, content workflow automation, hyper-converged media application platforms, and distributed access architecture technologies at IBC2019.

2019 Fiscal Year

On April 10, 2019, Vecima announced that its Content Delivery and Storage segment released MediaScaleX//Storage™, the new standard in hyper-converged infrastructure transformation for its next-generation media application platform. A software-defined, hybrid object storage system that utilizes the latest in container technology, MediaScaleX//Storage™ efficiently hosts high-end video applications including live and on-demand content life-cycle management, time-shift TV streaming, and Just-in-Time Packaging, Protection and Delivery to any IP device as well as legacy set-top boxes, all powered by a custom, video-optimized data interface.

On February 27, 2019, Vecima announced a partnership with Rincon that shall combine Vecima's leading edge Distributed Access Architecture and Video products with Rincon's professional services, global reach, and political expertise. The partnership provides operators the most innovative and affordable remote PHY platform on the market. Rincon's range of optical solutions drive down maintenance, warranty and other operating expenses. When coupled with Vecima's flexible remote PHY and MAC-PHY technology, operators are able to use a single source for all traditional and forward-looking data requirements.

On December 17, 2018, Vecima announced that it filed a notice of intention with the Toronto Stock Exchange (the "TSX") to acquire for cancellation, by way of normal course issuer bid (the "NCIB") up to 600,000 common shares of Vecima which, as at December 17, 2018, represented approximately 2.7% of the issued and outstanding Shares and approximately 9.7% of the total public float of Vecima. This NCIB was approved by the TSX.

On October 23, 2018, Vecima announced it had signed a supply agreement with a Tier 1 European MSO to expand their hospitality video services. The supply agreement covers Vecima's Terrace DVB product line, the latest edition of the Terrace family of products, and shall service commercial and business locations.

On October 23, 2018, Vecima's Content Delivery and Storage segment announced its partnership with a top five Multiple System Operator ("MSO") to expand the industry leader's Video On Demand ("VOD"), Electronic Programming Guide ("EPG"), Content Delivery Network ("CDN") and Dynamic Ad Insertion ("DAI") capabilities. With Vecima's MediaScaleX™ platform suite, the MSO can now more efficiently serve video across multiple device types to its network of cable subscribers. Vecima's MediaScaleX technology is enabled across more than 75% of the MSO's entire footprint and includes a rollout of new initiatives to the MSO's video and ad delivery network infrastructure, allowing the company to customize the content and experience for consumers through implementing an EPG and DAI.

On October 22, 2018, Vecima's Entra Remote PHY Monitor, part of its Entra DOCSIS 3.1 Distributed Access Architecture ("DAA") platform, received a four-diamond rating in Broadband Technology Report's ("BTR") Diamond Technology Reviews at the SCTE Cable-Tec Expo in Atlanta, Georgia. Vecima's Entra Remote PHY Monitor collects, stores, and presents RPD configuration and operational data in a simplified, clear, and consistent way providing MSOs with actionable insight into their RPD deployments. Consolidating RPD monitoring capabilities into a vendor-agnostic system empowers our customers to have smooth DAA rollouts, reduce operational expenses, and ensure their HFC network is operating at peak capacity.

On September 17, 2018, Vecima announced an expanded partnership with NOS, the biggest communications and entertainment group in Portugal, to deploy its Vecima branded, MediaScaleX™ platform, to enhance user experiences for Cloud DVR and Live TV delivered via IP.

On September 15, 2018, Vecima announced that its Content Delivery and Storage segment has signed a global reseller agreement with Qvest Media, one of the world's leading systems architects and ICT integrators for broadcast and media technology. Vecima's containerized transcoding and storage solutions have been selected for

use within the newly unveiled Qvest. Cloud service, enabling flexible cloud-centric operations for broadcasters and content owners to manage and deliver their content and improve the costs and scalability of OTT services.

On September 13, 2018, Vecima's Content Delivery and Storage segment launched its MediaScaleX™ platform, a next generation hyperscale platform suite, at the IBC2018 show in Amsterdam. As the global deployment of OTT services scale, so does the cost of public CDNs. MediaScaleX™ provides a flexible solution for this challenge, letting customers take advantage of both public and private networks for the distribution of media over the Internet.

2018 Fiscal Year

On June 25, 2018, Vecima's Content Delivery and Storage segment announced the senior leadership appointment of Mr. John (JR) McComiskie as Vice-President of Sales, EMEA.

On June 18, 2018, Vecima announced three recent award wins that honoured the company. Mr. John Hanna, Vecima's Chief Financial Officer, was the winner in the Small Public Company category at the 2018 BC CFO Awards in Vancouver. In Victoria, Vecima took top honours at the 2018 VIATEC Awards (Victoria Innovation, Advanced Technology and Entrepreneurship Council) in the category of Technology Company of the Year (50+ employees) and won in the Innovation category at the Victoria Chamber of Commerce 2018 Business Awards.

On May 16, 2018, Vecima announced its Telematics division secured a long-term partnership with the City of Victoria for its fleet management solution, Nero Global Tracking.

On April 13, 2018, Laguna™ Cache, developed by Vecima, was the recipient of NewBay's Best of Show Award, presented at the 2018 NAB Show by Video Edge. NewBay's Best of Show Awards are evaluated by a panel of engineers and industry experts and are selected based on criteria for innovation, feature set, cost efficiency and performance in serving the industry. With more than 1,700+ exhibitors, Laguna™ Cache beat out the competition because of its ability to help reduce the cost of OTT service delivery and improve the end consumer experience.

On April 4, 2018, Vecima highlighted how our Software Defined Content Platform is powering the largest entertainment delivery solutions on the planet at the 2018 NAB Show in Las Vegas, Nevada.

On December 31, 2017, Vecima acquired by way of an asset purchase the Video Content Delivery and Storage business of Concurrent Computer Corporation ("**Concurrent**") through a Vecima subsidiary Concurrent Technology (Canada) Inc. Through this acquisition, Vecima acquired offices in Atlanta, Georgia and Tokyo, Japan, along with sales and support staff across Europe.

On October 25, 2017, Vecima announced that it has entered into a definitive agreement with Donald Gibbs and 2204671 Ontario Inc. to acquire an aggregate of 5,582,000 common shares of AirIQ Inc. (TSXV: IQ).

On October 20, 2017, Vecima's Entra Access Switch won the top award in the Optical Transport/Carrier Ethernet category in Broadband Technology Report ("**BTR**") Diamond Technology Reviews 2017. Vecima's Entra Distributed Access Platform and Terrace DVB product were named as finalists in the CCAP Systems and the Video Distribution Systems categories, respectively. The prestigious designations were announced at SCTE's Cable-Tec Expo 2017, the cable telecommunications industry's premier event, in Denver, Colorado.

Significant Acquisitions

As referenced under Part 8 of National Instruments 51-102 Continuous Disclosure Obligations, Vecima did not complete any significant acquisitions within the meaning of applicable securities laws during Vecima's most recently completed fiscal year.

Business of Vecima

Vecima is a globally recognized leader in creating breakthrough technology solutions that empower network service providers and content providers to connect people and enterprises to information and entertainment worldwide. Vecima products for the cable and broadcast industries provide service providers, content creators and broadcasters cost-effective solutions for both video and broadband access. Our end-to-end solution spans across seven areas, beginning at the camera and ending with high-speed broadband access and high-quality video delivery.

- **Commercial and Hospitality**
 - Deliver video cost-effectively to your commercial customers.
 - Terrace™ solutions adapt your video offering to generate new revenue streams without replacing CPE in the Commercial Services market.
- **Distributed Access Architecture**
 - Massively scale your access network capacity and throughput.
 - Entra™ solutions enable the highest possible capacity and interoperability within open Distributed Access Architecture deployments, while continuing to support legacy services.
- **Workflow Automation**
 - Automate and scale your content ingest, production and delivery processes.
 - Root6 ContentAgent™ is a flexible, powerful, and easy to use workflow automation solution that supports production operations to efficiently deliver more output to manage tighter deadlines.
- **Video Streaming**
 - Achieve economies of scale for your Linear and VOD OTT services by streamlining your video storage, origination and CDN platforms.
 - MediaScaleX™ is highly scalable media platform, enabling customers to ingest, store, and stream valuable video content, for Live Linear, VOD, nDVR, and Timeshifted TV services.
- **Scale-out Centralized Storage**
 - Transform your media and content delivery operations by consolidating storage silos.
 - The MediaScaleX // Storage™ platform consolidates complex storage silos for editing, central storage and streaming workflows, with internal tiering for cost-effective online, nearline and archive storage.
- **Hybrid CDN**
 - Improve OTT quality and reduce costs with hybrid CDN architectures.
 - TruLive™ provides industry leading scale and sub 2s latency for high-throughput IP and OTT services via Public, Private, or Hybrid CDN.

Vecima designs, assembles, tests, and markets software and hardware products that perform the following functions: (1) facilitate the communication between customer premise video equipment and a cable operator's core network; (2) enable the distribution of both analog and digital video in MDU and hospitality environments; (3) deliver and adapt content to video networks for both next-generation and legacy services; (4) provide broadband data services; (5) store content to enable time-shifted video services, including Cloud DVR; and (6) automate content processing workflows from ingest to delivery. Vecima's products are primarily directed towards the video and broadband service provider market and content provider market.

Vecima operates in the Telematics space. Contigo, Nero Global Tracking, and FleetLynx are the brands that Vecima has established in this market. Specializing in small to medium sized fleets in North America, these brands target the service fleet vertical and commercial trucking clients.

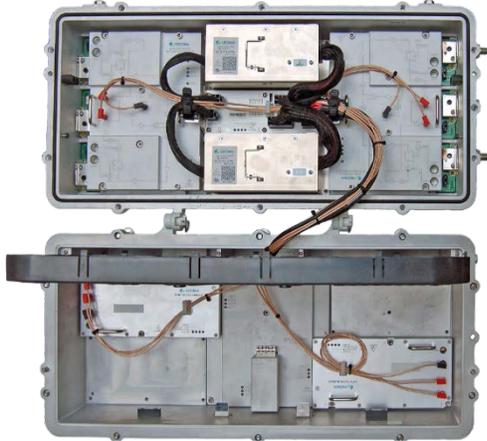
The Content Delivery and Storage business provides software and solutions in the Video On Demand (the “VOD”) and IP Video Content Delivery space providing breakthrough technologies in the storage, protection, transformation and delivery of video assets on a global basis. Daily, it serves industries and customers that demand uncompromising performance, reliability and flexibility to gain a competitive edge, drive meaningful growth and confidently deliver best-in-class global solutions to millions of people.

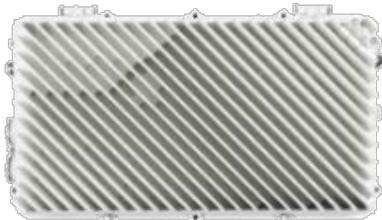
Products

Vecima’s products incorporate sophisticated hardware and software developed within our research and development facilities. Examples of the types of technologies incorporated within our solutions include content workflow processing, content delivery networks, video storage, video transcoding, edge caching, high-speed digital signal processing, control, and digital modulation. In addition to these technologies, Vecima’s embedded software also facilitates the implementation of other network functions, such as media access control and embedded system management.

Vecima’s major products are described in more detail below:

<p>Terrace Family (TC600E, TC600, TC1000 and TC1200)</p>		<p>The Terrace family of MDU gateway products are multi-channel digital video to analog video converters for cable multiple system operators. These products are deployed within hotels, apartments and other multi-room buildings.</p> <p>The TC600E supports up to 6 Multi-Stream CableCARDS, demodulates up to 36 QAM channels, decrypts up to 36 MPEG-2 services and converts up to 36 MPEG-2 HD/ SD or 24 MPEG-4 AVC /H.264 HD digital programs to analog NTSC channels.</p>
<p>TerraceQAM</p>		<p>The TerraceQAM gateway is a multi-channel digital video to digital video transcriptor for the hospitality industry. Enables cable video service operators to distribute high definition video without the use of digital set-top boxes.</p> <p>Demodulates up to 64 QAM channels. Supports 4 or 10 multi-channel CableCARDS™ to decrypt 24 or 60 programs for both SD and HD programming.</p>

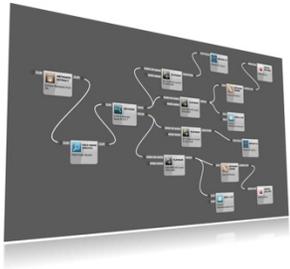
<p>Concierge</p>		<p>Concierge converts standard-definition or high-definition Internet Protocol (“IP”) video to quadrature amplitude modulated (“QAM”) video for televisions that require QAM video input. Concierge is deployed within hotels, apartments and other multi-room buildings.</p> <p>Output HD or SD programs on 12 QAM carriers.</p>
<p>Terrace DVB</p>		<p>The Terrace DVB Commercial Video Gateway is a multi-channel QAM to DVB-T or QAM to QAM decrypting transmodulator used for business to business commercial video applications.</p> <p>Demodulated MPEG transport streams are decrypted by DVB CAM technology and then re-modulated to the desired DVB-T or QAM channel.</p> <p>The Terrace DVB can decrypt using 8 DVB CAMs and provides up to 8 DVB-T or QAM channels to allow a full line-up of customized programming.</p>
<p>Entra EN8100 Access Node</p>		<p>Large 4 port, adaptable DAA node for outdoor hardened applications. Fully featured R-PHY capability, including industry leading CCAP core interoperability.</p> <p>Integrated with the Entra Remote PHY Monitor for complete DAA operational visibility, as well as third party operational tools.</p> <p>Hardware upgradeable to convertible R-PHY/R-MACPHY.</p>

<p>Entra EN2100 Access Node</p>		<p>Compact 2 port, adaptable DAA node meeting regional requirements for cabinet and environmentally hardened indoor applications. Fully featured R-PHY capability, including industry leading CCAP core interoperability.</p> <p>Integrated with the Entra Remote PHY Monitor for complete DAA operational visibility, as well as third party operational tools.</p> <p>Hardware upgradeable to convertible R-PHY/R-MACPHY.</p>
<p>Entra SC-2D Access Node</p>		<p>Large 4 port, adaptable DAA node for outdoor hardened applications. Fully featured R-MACPHY capability.</p> <p>Integrated with the Entra Access Controller and Entra DV-12 for end-to-end DOCSIS deployments in an R-MACPHY architecture.</p> <p>Hardware upgradeable to convertible R-PHY/R-MACPHY.</p>
<p>Entra SC-1D Access Node</p>		<p>Medium 4 port, adaptable DAA node meeting regional requirements for hardened outdoor, cabinet, and environmentally hardened indoor applications. Fully featured R-MACPHY capability.</p> <p>Integrated with the Entra Access Controller and Entra DV-12 for end-to-end DOCSIS deployments in an R-MACPHY architecture.</p> <p>Hardware upgradeable to convertible R-PHY/R-MACPHY.</p>
<p>Entra SF-4X Optical Access Node</p>		<p>4 port, PON remote OLT node for hardened outdoor, cabinet, and environmentally hardened indoor applications. Fully featured 10G EPON and DPoE capability.</p> <p>Integrated with the Entra Access Controller for end-to-end EPON deployments.</p> <p>Interoperable with industry leading Optical Network Units (ONUs).</p>

<p>Entra FPXT-B</p>		<p>8 port, PON OLT card for environmentally controlled cabinet and indoor applications. Fully featured 10G EPON and DPoE capability.</p> <p>Integrated with the Nokia 7360 Intelligent Services Access Manager (ISAM) FX access node.</p> <p>Interoperable with industry leading Optical Network Units (ONUs).</p>
<p>Entra Access Controller</p>		<p>Manages components of the Vecima Entra MAC-PHY and 10G EPON solution: the Vecima SC-2D, SC-1D, SF-4X, and DV-12.</p> <p>Supports standard protocols used on CCAP/CMTS today – COPS, IPDR, SNMPv2/v3.</p>
<p>Entra DV-12</p>		<p>Terminates RF video services in the hub, enabling Ethernet transport to R-MACPHY access nodes. Allows operators to leverage existing video infrastructure.</p> <p>Integrated with the Entra Access Controller, SC-2D, and SC-1D access nodes for end-to-end DOCSIS deployments in an R-MACPHY architecture.</p> <p>Minimizes new headend equipment, mitigates interoperability risk, and easily supports mixed deployments of centralized and distributed access</p>
<p>Entra LQA256</p>		<p>Accepts RF from existing Edge QAM equipment, demodulates the QAM carriers, encapsulates, and provides for re-modulation to RF. Allows operators to leverage the existing installed edge QAM infrastructure for R-PHY and R-MACPHY deployments.</p> <p>Integrated with the Entra Video QAM Manager for configuration of video services in an R-PHY environment.</p> <p>Minimizes new headend equipment, mitigates interoperability risk, and easily supports mixed deployments of centralized and distributed access.</p>

<p>Entra Access Switch</p>		<p>The Entra Access Switch is a remote cloud managed, 8 port x 10 GbE weatherproof switches capable of supporting Carrier Ethernet services in almost any deployment environment. It is designed to extend the capacity of networks with insufficient fibers while minimizing the use of expensive DWDM optics.</p>
<p>Entra Remote PHY Monitor</p>		<p>Vecima’s Entra Remote PHY Monitor collects, stores, and presents RPD configuration and operational data in a simplified, clear, and consistent way providing MSOs with actionable insight into their RPD deployments. Consolidating RPD monitoring capabilities into a vendor-agnostic system empowers our customers to have smooth DAA rollouts, reduce operational expenses, and ensure their HFC network is operating at peak capacity.</p>
<p>Entra Video QAM Manager</p>		<p>The Video QAM Manager acts as an auxiliary CCAP core to configure video on R-PHY nodes driven by standards-compliant video engines such as the LQA256. This solution provides an economical, low-risk method of deploying DAA without removing existing EdgeQAMs while avoiding looping video through the principal CCAP core.</p>

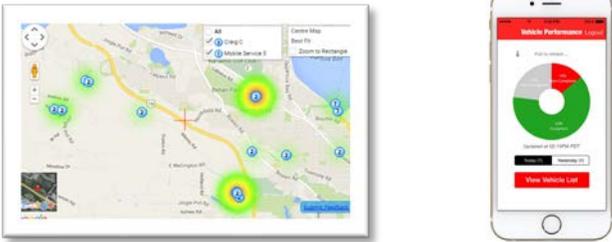
Content Workflow Automation, Delivery, Storage and Transcoding Products

<p>ContentAgent</p>		<p>ContentAgent is a software-based application which can automate common tasks such as camera card ingest into editorial and creating deliverables such as broadcast, international masters and viewing copies. It integrates with a number of third party tools to orchestrate WAN acceleration, file-based quality control management, motion compensated frame rate conversion, social media uploading and more.</p>
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<p>MediaScaleX// Origin</p>		<p>MediaScaleX // Origin™ offers video service providers the most comprehensive origin platform for ingesting, hosting, and distributing video content to any device, any time, over any network. MediaScaleX // Origin™ uses a common integrated architecture to enable service providers to launch live video streaming, video on demand, catch up TV, restart TV, and cloud DVR services to IP devices and traditional cable set-top boxes.</p>
<p>MediaScaleX// Cache</p>		<p>MediaScaleX // Cache™, a comprehensive multi-tiered caching solution, reduces latency and network utilization for video service providers to maximize the delivery of over-the-top (“OTT”) and TV Everywhere (“TVE”) video services to their customers. As end-users consume video in massive amounts and in an increasing number of ways, service providers need flexible solutions in place to ensure that they can deliver content quickly and easily regardless of their customer’s device or location.</p>
<p>MediaScaleX// Storage</p>		<p>MediaScaleX // Storage™ provides a single point of management for storage – allowing for easy provisioning, management and monitoring of data. Vecima’s CMM software is fully accessible via CLI, GUI and REST API, and allows you to effortlessly control and manage storage clusters throughout the entire lifecycle – from initial setup and configuration to upgrades to replacement of cluster components over time.</p>
<p>MediaScaleX// Transcode</p>		<p>MediaScaleX // Transcode™ software provides unsurpassed video quality through shared computing resources for processing of audio and video content. Supporting any input and output, MediaScaleX // Transcode™ enables service providers, broadcasters, and content owners to support live and file workflows over common infrastructure while supporting configurable quality levels.</p>

Telematics

The services segment within Vecima covers the Telematics business:

<p>Telematics</p>		<p>Through various brands including Nero Global Tracking and FleetLynx, Vecima is providing fleet management and maintenance solutions for small and medium sized fleets across North America.</p>
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Sales and Distribution

Vecima sells its products directly, through distributors, and OEMs (or system integrators) to service and content providers. Major supply agreements with several key customers including Charter, Comcast, and Cisco are currently in place. There shall be continued emphasis on direct sales to end customers in fiscal 2020.

Telematics services are sold through indirect channels via the Contigo platform, and directly via the Nero Global Tracking and FleetLynx brands to organizations subscribing to a real-time web-based service for tracking their fleet and other assets throughout North America.

Business Segments

The following table sets forth Vecima's revenues from our three core markets for the two most recently completed fiscal years.

Sales by Segment (in '000's)	Year ended		Year ended	
	June 30, 2020		June 30, 2019	
Video and Broadband Solutions	\$ 35,859	37%	\$ 37,665	44%
Content Delivery and Storage	\$ 55,199	57%	\$ 41,879	49%
Telematics	<u>\$ 5,358</u>	<u>6%</u>	<u>\$ 5,488</u>	<u>7%</u>
	\$ 96,416	100%	\$ 85,032	100%

Specialized Skill and Knowledge

Vecima's research and development department includes personnel with the advanced skills necessary for complete high reliability/high availability product design and development. Skill sets include embedded and cloud software development, high speed digital and broadband/wireless RF hardware development, DSP and video processing, networking, vehicle tracking, and functional/environmental testing. Vecima's

capacity for complex product development has advanced significantly in recent years through the development of the MediaScaleX, Terrace, TerraceQAM, and Entra product lines. Vecima's research and development team continues to diversify its staff through the acquisition of experienced developers and training of existing staff.

Industry Overview

The growth in the volume of data traffic and the use of applications over multiple devices, as well as new bandwidth-intensive applications such as HDTV, VOD, IPTV and VoIP, are continually increasing the demand for bandwidth. Service providers are addressing that demand by deploying solutions that are capable of accommodating the greater bandwidth required to deliver those services over the last mile, particularly in the hard to serve business segment.

Content providers are facing increased pressure to provide additional content to consumers. New content provider entrants, such as Netflix, Hulu, and Amazon Prime Video have spurred traditional content providers to both keep up with the increased pace of new content development and also make more of their archive libraries available. This frenetic pace and seemingly infinite content library seem to be here to stay. Additionally, traditional content providers are finding themselves reevaluating their business models, and deploying direct-to-consumer product offerings.

Cable operators have been investing in digital network upgrades. These network upgrades free up channels that were traditionally used by analog television signals. The newly-freed bandwidth can be redeployed to offer improved broadband data and HD video services. Cable operators originally supplied both Standard Definition (“SD”) and High Definition (“HD”) video versions of the same programming to provide both SD services and HD services. There is a trend towards eliminating the SD versions to free up bandwidth and simply down convert the HD signal to SD at the edge, when required. This in turn allows more HD programming to be offered. Other trends include servicing new business and housing developments with fiber and facing the challenges of managing both fiber and coax plant. There is an inexorable appetite for more bandwidth, being driving by multi-screen devices in the home and in the office.

The cable industry is currently undergoing a major shift under the new DOCSIS 3.1 standard released by CableLabs which unlocks gigabit broadband speeds over existing coaxial cable. Global cable operators are starting to embrace DOCSIS 3.1 as an evolution of DOCSIS technology. It provides a flexible migration for cable operators, with the ability for DOCSIS 3.1 modems to coexist with older versions and build on top of the previously deployed capacity. The higher efficiency of DOCSIS 3.1 technology also enables significant cost per bit reductions relative to DOCSIS 3.0 network solutions.

The market for fleet management and maintenance solutions is large and diverse. Fleet operators require efficient tools to manage their assets, including vehicles, personnel and other mobile assets. Vecima's Contigo, Nero Global Tracking and FleetLynx brands offer solutions for small and medium sized fleet customers to monitor fleet fuel economy, engine diagnostics, driver behaviour, fuel purchase history, idle times and vehicle location in real-time through a software as a service web-portal.

Competition

The principal market for the majority of Vecima's solutions today is North America. The largest competitors to Vecima's product offerings or system solutions come from North American based organizations.

The competition within the video and broadband space includes other broadband access technology companies that are developing product solutions for MSOs. These competitors include ATX Networks, Commscope, Pico Digital, Blonder Tongue, Casa, Nokia, Teleste, Harmonic Inc., and Cisco Systems.

With regards to Vecima's Content Delivery and Storage business, Vecima's major competitors for Vecima's origin and cache solutions currently include Akamai Technologies, Commscope, Broadpeak, Cisco Systems, Inc., Edgewise AB, Harmonic Inc., Synamedia, Velocix, and Wowza Media Systems, LLC. The major competitors to Vecima's transcode solutions include Harmonic Inc., Ateame SA, and AWS Elemental. Our storage solutions compete with offerings sold by Dell EMC, NetApp, Quantum Corporation, Scality, Inc., and Qumulo.

With regards to Vecima's Telematics business, the marketplace is large and there are numerous system solution product offerings. Competition includes Verizon (Fleetmatics/Telogis), Trimble, Omnitracs, PeopleNet, Network Fleet, Geotab, and Teletrac.

New Products

Cable operators are committed to deploy gigabit data speeds over their existing coax networks to counter competition from telephone companies and others who are deploying fiber-to-the-home networks. This is being done by the deployment of fiber deeper into the network, combined with next generation distributed coax access technology. Vecima has commenced shipping the Entra family of products to support these deployments.

The Entra product line includes the following new products: subsequent to the end of the fiscal year, through the acquisition of various Nokia assets, Vecima added the EntraMAC SC-2D and SC-1D, EntraOptical SF-4X and 7360 Line Cards, Entra Access Controller and Entra Video Engine.

As providers bring more and more content to the market, and across a wider range of devices, subscribers, and geographic footprints, workflow automation is required. Vecima's Content Delivery and Storage business has added the ContentAgent product to our portfolio to address this market need.

Employees

As of June 30, 2020, Vecima had 377 employees.

Intangible Property

Vecima creates and protects our intellectual property using a combination of contractual provisions, copyrights, trademarks, trade secrets, licenses and patents. As a condition of employment, Vecima enters into non-disclosure, confidentiality and intellectual property assignment agreements with all new employees and with consultants and third parties who have access to our proprietary technology. In addition, when it is considered to be advantageous, Vecima leverages intellectual property and access third party intellectual property by entering into commercial licenses and cross-licenses. In addition to 30 issued patents which Vecima holds, there are further patents pending.

Operations and Facilities

Vecima's corporate headquarters are located in Victoria, British Columbia. This approximately 10,500 square foot facility, which is owned by Vecima, is used for executive staff, sales, marketing, and research and development.

Vecima's 90,000 square foot manufacturing facility is located in Saskatoon, Saskatchewan. This Vecima owned office is also used for administration and operations support. In addition, Vecima leases an approximately 12,125 square foot facility in Burnaby, British Columbia for its telematics business unit as well as other operational support.

To support the newly acquired Gainspeed product portfolio, Vecima leases a 1,288 square foot development lab space in Raleigh, North Carolina and a 13,443 square foot development office and lab space in Sunnyvale, California. Vecima, through its solely owned subsidiary, leases approximately 36,600 square feet of office space in Duluth, Georgia for finance, administration, research and development, customer support, and operations. Additionally, in Tokyo, Japan, Vecima, through its solely owned subsidiary, leases approximately 3,800 square feet of office space for finance, administration, research and development, customer support, and operations for its Asia-Pacific operations.

Manufacturing

Vecima's Saskatoon plant is certified to the ISO 9001:2015 standard and maintains a rigorous quality program throughout the design, manufacture and testing of all products. Utilising bar-codes, Vecima's proprietary manufacturing software tracks product status through all stages of manufacturing. All systems are geared toward rapid response to customer requests for product. Vecima develops critical manufacturing processes in-house including systems integration, systems test, and configuration to customer's specific requirements. Production demand is driven by a comprehensive Sales and Operations Planning process that considers and optimizes all aspects of supply and service to Vecima's customers. Manufacturing operations are supported by a fully resourced Manufacturing Engineering Department. Strategic Sourcing carefully screens potential sources of supply of parts or services for suitability and an assessment of associated risks. Global sourcing requires that appropriate steps are put in place to ensure uninterrupted supply of parts and services. Where appropriate, subassemblies and subassembly operations are outsourced when quality of supply, cost and flexibility are enhanced.

Vecima has a highly skilled IT group enabling comprehensive data collection and reporting used to monitor and improve its operations.

Vecima's Content Delivery and Storage business does not "manufacture" its products. It uses proprietary software loaded on commercial off-the-shelf software for sales to Vecima's customers. Such assemblies of these products are performed in Duluth, Georgia and at Vecima's third-party logistics partner in Chicago, Illinois. Vecima's Content Delivery and Storage business sometimes purchases product components or subcontracts assembled components from a single supplier in order to obtain the required technology and the most favourable price and delivery terms. These components include systems, system boards, memory, CPUs, mother boards, storage devices, software, and chassis.

RISK FACTORS

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 actually 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.

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 manage successfully our business or any such expansion may have a material adverse effect on Vecima’s business, results of operations and financial condition.

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 will 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 of time 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 will continue to affect our business, financial condition and results of operation in particular will 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 will 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 may be unable to deliver products associated with key contracts.

Vecima has entered into 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. In order 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 on the basis of 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 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) 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;
- (2) the timing, size and contractual terms of significant orders for product or the entering into new major contracts, and the lack of certainty that existing customer contracts shall be renewed upon expiry;
- (3) if competition intensifies, we may be required to reduce our prices and gross margins to remain competitive;
- (4) Vecima's ability to maintain existing strategic relationships and to create new ones; and,
- (5) 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 Annual Information Form, could 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 Video On Demand ("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 as a result 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.

Vecima share price shall fluctuate.

The market price of Vecima's common shares may be volatile and could be subject to wide fluctuations due to a number of factors, including:

- (1) actual or anticipated fluctuations resulting from operations;
- (2) changes in estimates of future results of operations reported by Vecima or our securities analysts;
- (3) announcements of technological innovations or new products by Vecima or our competitors; or

(4) other events or factors.

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 Vecima's common shares.

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. In light of 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.

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'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 for the production of 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 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, 2020, 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 as a result 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 a sufficient amount of 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, 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 a number of 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 71% 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 71% of outstanding common shares. As a result, if the Principal Shareholders act together they shall generally have the ability to 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.

DIVIDENDS

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 *Canadian 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 24, 2017	December 18, 2017	Regular	\$0.055
February 26, 2018	March 19, 2018	Regular	\$0.055
May 25, 2018	June 19, 2018	Regular	\$0.055
October 12, 2018	November 2, 2018	Regular	\$0.055
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

DESCRIPTION OF CAPITAL STRUCTURE

Vecima is authorized to issue an unlimited number of common shares and an unlimited number of preference shares. The rights, privileges, restrictions and conditions attaching to our common shares and preference shares are as follows:

Common Shares - Each holder of common shares is entitled to receive notice of and to attend any meetings of Vecima'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 Vecima's Board of Directors subject to any limitations in our 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 Vecima'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 Vecima's shareholders. No preference shares are outstanding, and Vecima has no present intention to issue any preference shares.

MARKET FOR SECURITIES

Trading Price and Volume

Vecima's common shares trade on the Toronto Stock Exchange under the stock symbol 'VCM'. The Toronto Stock Exchange reported the following price ranges and volumes traded in respect of our common shares in each month of the fiscal year ended June 30, 2020:

	Month	High (\$)	Low (\$)	Volume
2019	July	\$8.92	\$8.80	51,300
	August	\$8.76	\$8.75	8,800
	September	\$8.30	\$8.30	102,200
	October	\$9.50	\$9.40	202,600
	November	\$10.37	\$9.91	23,600
	December	\$10.30	\$10.30	10,700
2020	January	\$10.46	\$10.40	74,400
	February	\$10.55	\$10.55	50,300
	March	\$8.42	\$8.00	88,700
	April	\$8.75	\$8.00	212,100
	May	\$10.69	\$10.36	20,600
	June	\$11.70	\$11.03	19,900

Prior Sales

During the fiscal year ended June 30, 2020, a total of 105,375 common shares were issued at various times upon the exercise of incentive stock options. The issue price of these common shares ranged from \$8.62 to \$10.91.

Directors and Officers

The following table sets forth the names of and certain additional information regarding Vecima's directors and executive officers (collectively, the "Management Group"):

Directors of Vecima⁽³⁾

Name and Province or State, and Country of Residence	Position or Office	Principal Occupation for the Past Five Years	Director Since
Surinder Kumar British Columbia, Canada	Director and Chairman	Chairman of Vecima since August 2013.	July 1988
Sumit Kumar British Columbia, Canada	Director and CEO and President	CEO and President of Vecima since August 2013.	December 2016
Danial Faizullahoy ⁽¹⁾⁽²⁾ California, USA	Director	Senior Advisor at Glasnostic since June 2020. CEO of Cypherpath Inc. from 2014 to 2020.	December 2016
T. Kent Elliott ⁽¹⁾⁽²⁾ British Columbia, Canada	Director	Retired.	August 2015
Ben Colabrese ⁽¹⁾⁽²⁾ Ontario, Canada	Director	EVP Finance for the Toronto Blue Jays and SVP Finance for Rogers Communications. Previously, Vice President and General Manager at Mobilicity, a division of Rogers Communications.	November 2017
Derek Elder Florida, USA ⁽¹⁾	Director	President, Sercomm Technology Inc. since May 2018. Prior to that, Mr. Elder was President, CEO, and Director of Concurrent Computer Corporation.	August 2018

(1) Member of the Corporate Governance and Compensation Committee.

- (2) Member of the Audit Committee.
- (3) The term of office of each of the directors shall expire at Vecima’s next annual general meeting.

Executive Officers of Vecima

<u>Name and Province or State, and Country of Residence</u>	<u>Position or Office</u>	<u>Principal Occupation for the Past Five Years</u>
Sumit Kumar British Columbia, Canada	Chief Executive Officer and President	Chief Executive Officer and President of Vecima.
Dale Booth Saskatchewan, Canada	Chief Financial Officer	Chief Financial Officer of Vecima; Vice President of Finance at Vecima from November 2011 to October 2019.
Dean Rockwell British Columbia, Canada	Executive Vice President	Executive Vice President of Vecima; Senior Vice President and General Manager, CDS Business Unit at Vecima from January 2018 to October 2019; Senior Vice President of Corporate Development at Vecima from January 2015 to January 2018.
Clay McCreery Florida, USA	Chief Operating Officer	Chief Operating Officer of Vecima; Chief Revenue Officer (CRO) of Vecima from November 2017 to July 2020; CRO of Concurrent Computer Corporation from April 2015 to November 2017.

Common Shares Held by Directors and Executive Officers

As at September 22, 2020, based solely upon reports filed on the System for Electronic Disclosure by Insiders (“SEDI”) at www.sedi.ca, the Management Group, collectively beneficially owned or exercised control or direction over, directly or indirectly, 15,967,208 common shares, representing approximately 71.1% of the then outstanding common shares. Of these common shares, Surinder Kumar and Hugh Wood, beneficially owned or exercised control or direction over, directly or indirectly, 13,663,493 and 2,297,050 common shares, respectively, representing approximately 60.8% and 10.2%, respectively, of the then outstanding common shares.

Corporate Cease Trade Orders

To Vecima’s knowledge, other than as disclosed herein, no member of the Management Group is, at the date hereof, or was within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company, that: (i) was subject to a cease trade order or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the member of the Management Group was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the member of the Management Group ceased to be a director, chief executive

officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Penalties or Sanctions

To Vecima's knowledge, no member of the Management Group or a shareholder, holding a sufficient number of their common shares to affect materially the control of Vecima, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Bankruptcies

To Vecima's knowledge, no member of the Management Group or a shareholder holding a sufficient number of their common shares to affect materially the control of Vecima: (i) is, at the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold such persons assets.

Conflicts of Interest

Other than as disclosed in this Annual Information Form, to Vecima's knowledge, there are no existing or potential material conflicts of interest among any member of the Management Group.

AUDIT COMMITTEE INFORMATION

General

Vecima is required by law to have an audit committee and to disclose certain information concerning that committee pursuant to *National Instrument 52-110 of the Canadian Securities Administrators* ("NI 52-110").

Vecima's Board of Directors has established the Audit Committee, which is composed of three members: T. Kent Elliott (Chair), Danial Faizullahoy, and Ben Colabrese. Vecima's Board of Directors has determined that each of the members of the Audit Committee is "independent" and "financially literate" within the meaning of NI 52-110.

Mandate

The Audit Committee's terms of reference are attached to this Annual Information Form as Appendix B – Audit Committee Mandate.

Relevant Education and Experience of Members

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee.

T. Kent Elliott – T. Kent Elliott – Mr. Elliott is a 35-year veteran within the Internet security and telecommunication industries. He was the CEO at ForeScout Technologies from January 2003 to December 2009, Interim CEO from July 2014 to February 2015 and Board Member from January 2003 to May 2019. Previous to ForeScout, Mr. Elliott served as the President and CEO of Vienna Systems, which was acquired by Nokia. At Nokia, he led its Internet Communications Group. At ForeScout he served as Chair of its Nomination and Governance Committee and a member of its Audit Committee. Mr. Elliott was a Chartered Accountant for over 25 years and holds two degrees from Queen’s University: a B.Comm honours degree majoring in accounting and finance and an MBA with a primary focus on marketing and strategic planning.

Danial Faizullahoy – From March 2014 to 2020, Mr. Faizullahoy was the CEO of Cypherpath Inc. He brings more than 20 years of experience in general management, venture capital, and strategic growth of companies. From September 2012 through February 2014, he was an independent consultant providing operational, financial, and strategic advice. He has a B.S.E.E. from Norwich University and a M.B.A. from Santa Clara University.

Ben Colabrese – Mr. Colabrese is the Executive VP of the Toronto Blue Jays and the current Senior VP of Finance for Rogers Communications. Prior to that, he was the VP and General Manager – Mobilicity, which was a Rogers’ subsidiary from 2015. From May 2013 through November 2014, Mr. Colabrese was the CFO of Pelmorex Media/The Weather Network. From July 2005 to April 2013, he was the VP of Corporate Development for Rogers Communications. Mr. Colabrese is a Board Member and the Audit Committee Chair for Enthusiast Gaming and he has been a past Board Member and the Audit Committee Chair for Perk.com.

Reliance on Certain Exemptions

Since the commencement of the fiscal year started July 1, 2015, Vecima has not relied on any exemptions permitted under applicable securities law from the requirements relating to the composition or financial literacy of the members of the Audit Committee or the exemption from obtaining pre-approval of non-audit services from the external auditor for “de minimus non-audit services”.

Pre-Approval Policies and Procedures

Vecima’s Audit Committee of the Board of Directors is mandated to review and pre-approve all non-audit service engagement fees and terms in accordance with applicable law, including those provided to the subsidiaries of Vecima, if applicable, by the external auditors or any other person in its capacity as external auditors of such subsidiary. The Audit Committee may delegate this responsibility to the Chair of the Audit Committee who shall present the pre-approvals to the full Audit Committee at its next scheduled meeting. The Audit Committee is authorized to establish specific policies and procedures to engage the external auditors to perform non-audit services, provided that:

- the pre-approval policies and procedures are detailed as to the particular service to be provided;
- the Audit Committee’s responsibilities are not delegated to management; and
- the Audit Committee is informed of each non-audit service for which the external auditors are engaged.

External Auditor Service Fees

The following table sets forth all services rendered to Vecima by auditors Grant Thornton LLP⁽⁵⁾ and Deloitte LLP by category, together with the corresponding fees billed by the auditors for each category of service for the financial years ended June 30, 2020 and June 30, 2019.

<u>Fee category</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
Audit fees ⁽¹⁾	\$299,720	\$345,000
Audit related fees ⁽²⁾	-	-
Tax fees ⁽³⁾	-	-
All other fees ⁽⁴⁾	4,995	-
	<u>\$304,715</u>	<u>\$345,000</u>

- (1) Represents the aggregate fees billed by the auditors for audit services includes fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements.
- (2) Represents the aggregate fees billed for assurance and related services by the auditors that are reasonably related to the performance of the audit or review of Vecima's financial statements and are not reported under "Audit fees".
- (3) Represents the aggregate fees billed for professional services rendered by the auditors for tax compliance, tax advice or consultation on year-end tax calculations.
- (4) Represents services other than those reported under "Audit Fees", "Audit-related Fees", and "Tax Fees".
- (5) Vecima retained Grant Thornton as its auditors on December 12, 2018.

LEGAL PROCEEDINGS OR REGULATORY ACTIONS

Vecima is not aware of any legal proceedings to which it's a party to, or that any of their property is or was the subject of, during the fiscal year ended June 30, 2020, that involve a claim for damages in excess of 10% of their current assets. Nor is Vecima aware of any such legal proceedings being contemplated. In addition, Vecima is not aware of any penalties or sanctions imposed against them by a court relating to securities legislation or by a securities regulatory authority during the fiscal year ended June 30, 2020 or any other penalties or sanctions imposed by a court or regulatory body against them that would likely be considered important to a reasonable investor in making an investment decision, and Vecima has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during the fiscal year ended June 30, 2020.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed in this annual information form, no director, executive officer or principal shareholder of Vecima, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Vecima.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for Vecima's common shares is Computershare Investor Services Inc. at its principal transfer offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

There are no contracts entered into by Vecima, other than in the ordinary course of business and not required by applicable securities law to be filed with a securities regulatory authority in Canada, that are material to Vecima and that were entered into within the most recently completed financial year, or before the most recently completed financial year but are still in effect.

INTERESTS OF EXPERTS

Vecima's consolidated financial statements for the fiscal year ended June 30, 2020 have been audited by Grant Thornton LLP, Chartered Accountants, and Licensed Professional Accountants of Saskatoon, Saskatchewan. Grant Thornton LLP is independent of Vecima in accordance with the auditor's rules of professional conduct in Canada.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration, principal holders of Vecima's securities and securities authorized for issuance under equity compensation plans is contained in Vecima's management information circular in connection with its most recent meeting of shareholders that involves the election of directors. Additional financial information is provided in Vecima's financial statements and management's discussion and analysis for the fiscal year ended June 30, 2020, which is available under Vecima's profile on SEDAR at www.sedar.com.

APPENDIX A - GLOSSARY

In this Annual Information Form, the following terms and acronyms have the meanings described below:

Cable Modem Termination System (CMTS) - A piece of equipment, typically located in a cable company's headend or hub site, which is used to provide high speed data services, such as cable Internet or Voice over Internet Protocol, to cable subscribers.

Data over cable service interface specification (DOCSIS) - An international telecommunications standard that permits the addition of high speed data transfer to an existing cable TV system.

Ethernet - a system for connecting a number of computer systems to form a local area network, with protocols to control the passing of information and to avoid simultaneous transmission by two or more systems.

Fiber to the home (FTTH) - FTTH (sometimes called fiber to the premises, or FTTP) systems involve the installation of optical fiber cable directly to the home or business environment from a central point, bringing high-speed services to premises at a greater distance from a central switch than DSL.

Gateway device - A fully-integrated device that uses a modulator/upconverter and other components to process video streams from central servers, to provide security scrambling of those signals and then transmits the video streams to subscribers over cable.

Global Positioning System (GPS) - is a radio navigation system that allows land, sea, and airborne users to determine their exact location, velocity, and time 24 hours a day, in all weather conditions, anywhere in the world.

HD/SD – High Definition (HD) is a television system providing an image resolution that is substantially higher than that of standard-definition (SD) television.

Hybrid Fiber Coax (HFC) - a telecommunications industry term for a broadband network that combines optical fiber and coaxial cable.

Internet Protocol (IP) - The method or protocol by which data is sent from one computer to another on the Internet.

Internet Protocol Television (IPTV) - A system through which television services are delivered using the Internet protocol suite over a packet-switched network such as a LAN or the Internet, instead of being delivered through traditional terrestrial, satellite signal, and cable television formats.

Multi-Dwelling Unit (MDU) - One or a collective of buildings where people reside or live. Examples include apartments and condominiums.

Multiple System Operators (MSOs) - Cable television, broadband wireless systems and telecommunications companies that operate multiple systems in different geographic areas.

Original Equipment Manufacturers (OEMs) - A manufacturer that sells equipment to a reseller for rebranding or repackaging.

Over-the-Top (OTT) - the delivery of audio, video, and other media over the Internet without the involvement of a multiple-system operator in the control or distribution of the content.

Passive Optical Network (PON) - a telecommunications technology that implements a point-to-multipoint architecture, in which unpowered Fiber Optic Splitters are used to enable a single optical fiber to serve multiple end-points such as customers, without having to provision individual fibers between the hub and customer.

Quadrature Amplitude Modulation (QAM) - A modulation technique that generates four bits out of one baud. For example, a 600-baud line (600 shifts in the signal per second) can effectively transmit 2,400 bits using this method. Both phase and amplitude are shaped with each baud, resulting in four possible patterns.

Radio Frequency (RF) - The range of electromagnetic frequencies above the audio range and below visible light. All broadcast transmission, from AM radio to satellites, falls into this range, which is between 30 KHz and 300 GHz.

Set-top Box (STB) - A device that enables a television set to become a user interface to the Internet and to receive and decode digital television broadcasts.

Video On Demand (VOD) - The ability to deliver a movie or other video program with high-quality digital picture and sound to an individual web browser or TV set whenever the user requests it. VOD provides subscribers with pause, play, fast-forward and reverse functionality.

Voice over Internet Protocol (VoIP) - A category of hardware and software that enables people to use the Internet as the transmission medium for telephone calls.

APPENDIX B – AUDIT COMMITTEE MANDATE

PURPOSE

The Board of Directors (the “Board”) of Vecima Networks Inc. (the “Corporation”) have established the Audit Committee (the “Committee”) for the purpose of assisting the Board in meeting its oversight responsibilities in relation to: (a) the integrity and reliability of the Corporation’s accounting and financial reporting processes; (b) the establishment by management of an adequate system of internal controls and procedures; (c) disclosure controls and procedures; (d) the qualifications, independence and performance of the Corporation’s external auditors; (e) identification and monitoring of financial risks; (f) the compliance by the Corporation with legal and regulatory requirements relating to accounting, internal controls and auditing matters; and, (g) monitoring of the Corporation’s code of ethical conduct.

The primary function of the Committee is oversight, as such, the Committee shall be entitled to rely on the expertise, skills and knowledge of management and the Corporation’s external auditors and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities.

CHAIR

The Board will appoint one member, from among its independent members, to be Chair of the Committee until the time when a successor is needed. If the Board does not appoint a Chair of the Committee, the incumbent Chair of the Committee will continue in office until a successor is appointed.

COMPOSITION

- a) The Committee shall be composed of at least three directors, each of whom the Board has determined has no material relationship with the Corporation which could, in the view of the Board, be reasonably expected to interfere with the exercise of such director’s independent judgment, and who otherwise satisfies the definition of “independent” as that term is defined under the requirements of applicable securities laws (including National Instrument 52-110 – Audit Committees) and any other applicable securities laws, rules or requirements of any stock exchange upon which the Corporation’s securities are listed.
- b) Each member of the Committee must be “financially literate”. “Financially literate” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and

complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

- c) The Board may fill vacancies on the Committee by appointment from among its independent members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office and there are at least three remaining members. Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a director. Subject to the foregoing, each member of the Committee shall remain as such until the next annual meeting of shareholders after that member's election.

AUTHORITY

The Committee has the authority to:

- a) retain, at the Corporation's expense, its own legal counsel, accountants and other advisors that the Committee believes are needed to carry out its duties and responsibilities;
- b) conduct or authorize investigations into any matter within its scope of responsibility;
- c) pre-approve permitted non-audit services performed by the Corporation's external auditor;
- d) mediate any disagreements between management and the Corporation's external auditors regarding financial reporting;
- e) seek any information it requires from employees of the Corporation, all of whom will be directed by management to co-operate with the Committee's requests;
- f) meet and communicate directly with the Corporation's officers, external auditors, outside counsel and consultants, all as the Committee may deem necessary;
- g) undertake any other activity that may be reasonably necessary in order for the Committee to carry out its responsibilities as set out in this Mandate.

MEETINGS

- a) The Committee will meet at least once every fiscal quarter, with authority to convene additional meetings, as circumstances require. The Chair will determine the time, place and procedures for calling and conducting Committee meetings, subject to the requirements of this Mandate, of the bylaws of the Corporation, and of the Canada Business Corporations Act (CBCA).

- b) A majority of the members of the Committee will constitute a quorum. Members of the Committee may participate in a meeting through any means which permits all parties to communicate adequately with each other. Any members not physically present but participating in the meeting through such means is deemed to be present at the meeting.
- c) The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings and provide information pertinent to any matter being discussed. Any director of the Corporation is entitled to attend Committee meetings, however, only members of the Committee are eligible to vote or establish a quorum. The Committee will periodically meet in camera alone and separately with each of the external auditors and management.
- d) The Chair will ensure that meeting agendas are prepared and provided in advance to members of the Committee, along with appropriate briefing materials. The Committee will keep and approve minutes of each meeting which record the decisions reached by the Committee. Once approved, the minutes will be distributed to Committee members with copies provided to the Board, the Chief Executive Officer, the Chief Financial Officer, the Corporate Secretary and the external auditors.

DUTIES AND RESPONSIBILITIES

The operation of the Committee will be subject to the provisions of the articles of the Corporation, the CBCA and National Instrument 52-110, each as in effect from time to time.

To implement the Committee's purpose, the Committee shall, to the extent the Committee deems necessary or appropriate, be charged with the following functions and processes with the understanding, however, that the Committee may supplement or (except as otherwise required by applicable laws or rules) deviate from these activities as appropriate under the circumstances:

Financial Reporting

- a) Review with management and the external auditors any items of concern, any proposed changes in the selection or application of major accounting policies and the reasons for the change, any complex or unusual transactions, any issues requiring management judgment, proposed changes to or adoption of disclosure practices, and the effects of any recent or proposed regulatory or accounting initiatives or pronouncements, all to the extent that the foregoing may be material to financial reporting.

- b) In reviewing with management and the external auditors the results for the year-end audit, and management's responses, review any problems or difficulties experienced by the external auditors in performing the audit, including any restrictions or limitations imposed by management and resolve any disagreements between management and the external auditors regarding these matters.
- c) Review with management and the external auditors and legal counsel, if necessary, any litigation, claim or other contingency that could have a material effect on the financial position or operating results of the Corporation, and the manner in which these matters have been disclosed or reflected in the financial statements.
- d) Review the results of the external auditors' audit work including findings and recommendations, management's response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.
- e) Review and discuss with management and the external auditors the annual audited financial statements and related MD&A, and press release; make recommendations to the Board with respect to approval thereof, before being released to the public.
- f) Review and recommend the approval of the quarterly unaudited financial statements and the related MD&A and press release prior to their release to the public.
- g) Review with management the Corporation's tax status, significant tax issues and reviews by tax authorities.

Disclosure Controls

- a) Review and consider the adequacy and effectiveness of the Corporation's disclosure controls and procedures, including any material non-compliance with such controls and procedures.
- b) Review and approve the disclosure policy of the Corporation and periodically assess the adequacy of such policy for completeness and accuracy.
- c) Ensure that adequate procedures are in place for the review of all audited or unaudited financial information extracted or derived from the Corporation's financial statements which is to be contained in public disclosure documents.
- d) Monitor the activities of the Corporation's Disclosure Committee quarterly and review the composition of the committee at least annually.
- e) Review, and in some instances recommend approval to the Board, material financial disclosures prior to their public release or filing with securities regulators that are contained

within the following documents:

- i) any prospectus or offering document;
- ii) annual information forms (AIF);
- iii) all material financial information required by securities regulations; and,
- iv) news or press releases containing audited or unaudited financial information, including the type and presentation of information and in particular any pro-forma or non-GAAP information.

Internal Controls

- a) Review and consider the adequacy of the internal controls over financial reporting that have been adopted by the Corporation to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records and any special audit steps adopted in light of material control deficiencies.
- b) Understand the scope of any internal audits and the external auditors' review of internal control over financial reporting and obtain reports on significant finding and recommendations, together with management's responses.
- c) Obtain from the Chief Executive Officer and the Chief Financial Officer confirmation that each is prepared to sign all required annual and quarterly certificates under applicable securities law in relation to internal controls over accounting and financial reporting. Review any disclosures made regarding significant deficiencies or material weaknesses in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Corporation's internal controls.

External Audit

- a) Recommend to the Board the selection, appointment, retention, compensation and replacement of the external auditors for the Corporation.
- b) Oversee the work and evaluate the qualifications and performance of the external auditors and report its finding to the Board.
- c) Ensure that the external auditors report directly to the Committee and that they are ultimately accountable to the Committee and to the Board, as representatives of shareholders of the Corporation.
- d) Confirm that the external auditors have direct and open communication with the Committee and that the external auditors meet regularly with the Committee without management present

to discuss any matters that the Committee or the external auditors believe should be discussed privately.

- e) On an annual basis, review and discuss with the external auditor all significant relationships they have with the Company to determine their independence.
- f) Review and pre-approve all non-audit services to be provided to the Corporation by the external auditors and the engagement fees in respect of such services, provided that the Chair of the Committee, on behalf of the Committee, is authorized to pre-approve an amount of \$20,000 per engagement. At the next Committee meeting, the Chair will report to the Committee any such pre-approval given;
- g) Monitor the rotation of the partners of the external auditors on the Corporation's audit engagement team;
- h) Review and approve the Corporation's hiring policies regarding the hiring of partners, employees and former partners and employees of the Corporation's present and former external auditors;
- i) Determine and approve the engagement of the external auditors, prior to the commencement of such engagement, to perform the annual audit (including review of the proposed scope of and plans for the audit and compensation to be paid to the external auditors).

Financial Risk Management

- a) Review the Corporation's major financial risk exposures and approve the Corporation's policies to manage such financial risk;
- b) Monitor management of hedging, insurance, debt and credit, and make recommendations to the Board respecting policies for management of such risks, and review the Corporation's compliance with the same;
- c) Obtain regular updates from management regarding any investigations of fraudulent activities.

Legal and Regulatory Compliance

- a) Obtain regular updates from management regarding financial, tax and securities law regulations and the process in place to monitor such compliance;
- b) Review, with corporate counsel where required, any litigation, claims, tax assessments, that could have a material impact on financial statements;
- c) Monitor compliance by the Corporation with all payments and remittances required to be

made in accordance with applicable law.

Other Responsibilities

- a) Review on an annual basis the expenses submitted for reimbursement by the Chief Executive Officer.
- b) Review the appointment and replacement of the Chief Financial Officer and review with the Chief Financial Officer the appointment and replacement of other members of senior management who will be involved in financial reporting.
- c) In conjunction with the Corporate Governance and Compensation Committee, review succession plans for the Chief Financial Officer and the VP Finance.
- d) Review and evaluate, at least annually, the adequacy of its mandate and recommend any proposed changes to the Corporate Governance and Compensation Committee.
- e) Participate in an annual performance evaluation by the Corporate Governance and Compensation Committee, the results of which will be reviewed by the Board.
- f) Review, on an annual basis, any remuneration received by directors from the Corporation for activities in other than their capacity on the Board.

CODE OF BUSINESS CONDUCT AND ETHICS

- a) Establish procedures for:
 - i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- b) In conjunction with the Corporate Secretary, investigate possible violations of the Code of Business Conduct and Ethics Policy.
- c) Review the Code of Business Conduct and Ethics Policy, Corporate Disclosure Policy, Insider Trading Policy as well as the Whistleblower Policy and make recommendations of changes to the Board, if any. The Chair and members of the Committee are responsible to fulfill their requirements and compliance with these policies.

DEFINITIONS

Terms not otherwise defined herein have the meanings attributed to them in National Instrument 52-110