



## **SPECTRA7 ANNOUNCES GAUGECHANGER™ - THE INDUSTRY'S FIRST 200Gbps ACTIVE CABLE CHIPSET AND CABLE SOLUTION**

### **Processing Chip and Cable Technology Combine to Yield Extremely Thin, Fast Copper Interconnects for Use in High-Density Data Centers**

**January 20, 2016 – Santa Clara, CA** – (TSX:SEV) Spectra7 Microsystems Inc. today announced and demonstrated the establishment of the first of a new class of data center interconnects – the GaugeChanger™ at DesignCon® 2016 in Santa Clara, California. The product line is comprised of the GC2502 - an embedded analog signal processing chip, and GaugeChanger™ – a proprietary ultra-thin copper transmission link. These cables combine a high data rate of fiber with the low cost and low power consumption of copper, providing data centers with the best of both worlds. GaugeChanger™ supports the emerging 802.xxx QXFP standard on NRZ or Multilevel signaling for the majority of interconnect reaches in today's high-density data centers.

When used together, the GC2502 chip and the GaugeChanger™ combine to form what the Company believes to be one of the world's fastest, thinnest and lightest copper data center interconnects. For in-rack connection lengths of up to 1.5m, GaugeChanger™ provides an ultra-thin 3.8mm outside diameter. For intra-rack lengths of 2m to 5m, the Company's GaugeChanger Plus™ provides longer reach at the same ultra-thin diameter. Passive copper links at this speed are up to 70% bulkier by cross-sectional area and up to 3 times heavier, putting a significant burden on rack spacing, air flow and density. As consumers and businesses continue to move their data to the cloud, the need for larger and more efficient data centers is growing rapidly. According to *Canalys*, total global data center investment will reach US\$152 billion in 2016.

The Company's GaugeChanger™ technology also includes the GC2502 chip which processes per channel information at up to 14 GHz with peak response beyond 20 GHz to avoid any adverse phase effects on 28 Gbaud signals. The GC2502 complements existing transceivers by accommodating the tight channel constraints imposed by standard bodies with dramatically thinner cables. Since the GC2502 is analog and highly linear, dynamics such as line rate adjustment, multi-level signaling, intermittent line silence, transmit pre-emphasis or amplitude adjustment and receiver adaptivity are fully preserved. The GC2502 is packaged in an ultra-small 2.8mm x 2.8mm chip scale package making it easily embeddable in even the smallest of connectors.

"Our GaugeChanger™ cables are hyper-engineered, not just simply assembled," said Ebrahim Abunasrah, Vice President of Data Center Products. "From the raw materials, to the signal launch, to the electronic contacts, to the embedded silicon and packaging, every aspect of the GaugeChanger™ design has been meticulously engineered to deliver signal speed and quality far and above current industry standards."

At present, fiber is the only alternative for data centers seeking high-performance interconnects as copper is typically too bulky and inflexible at these speeds. GaugeChanger™, however, extends the life of copper with interconnects that are as fast and as thin as fiber, but at a dramatically lower cost and lower power consumption.

“Data center power consumption, density and cost are key issues for our customers,” said Tony Stelliga, Chief Executive Officer of Spectra7. “The 70% thinner form factor of GaugeChanger™ and dramatic weight reduction leaves considerably more room for airflow and provides a much tighter bend radius for close rack placement – a win-win for data center buildouts.”

GaugeChanger™ will be available to the Company’s growing list of Active Cable Manufacturing Partners (ACMP’s) this quarter.

## **ABOUT SPECTRA7 MICROSYSTEMS INC.**

Spectra7 Microsystems Inc. is a high performance consumer connectivity company delivering unprecedented bandwidth, speed and resolution to enable disruptive industrial design for leading consumer electronics manufacturers in virtual reality, augmented reality, wearable computing and ultra-HD 4K/8K Displays. Spectra7 is based in Palo Alto, California and Markham, Ontario with a Design Center in Cork, Ireland. For more information, please visit [www.spectra7.com](http://www.spectra7.com).

## **CAUTIONARY NOTES**

Certain statements contained in this press release constitute “forward-looking statements”. All statements other than statements of historical fact contained in this press release, including, without limitation, those regarding the Company’s future financial position and results of operations, strategy, proposed acquisitions, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “plan”, “continue”, “will”, “may”, “would”, “anticipate”, “estimate”, “forecast”, “predict”, “project”, “seek”, “should” or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only the Company’s expectations, estimates and projections regarding future events. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to the risk factors discussed in the Company’s annual MD&A for the year ended December 31, 2014 and the interim MD&A for the nine months ended September 30, 2015. Management provides forward-looking statements because it believes they provide useful information to investors when considering their investment objectives and cautions investors not to place undue reliance on forward-looking information. Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company. These forward-looking statements are made as of the date of this press release and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by law.

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