

Spectra7 Launches Eco-Link Initiative to Lower Hyperscale Data Center Carbon Footprint

Cloud Operators Can Reduce Carbon Emissions by Deploying Active Copper Interconnect Technology – And Reduce Capital Expenses at the Same Time

SAN JOSE, Calif.--(BUSINESS WIRE)--August 1, 2018--Spectra7 Microsystems Inc. (TSX:SEV) ("Spectra7" or the "Company"), a leading provider of high-performance analog semiconductor products for broadband connectivity markets, today launched its Eco-Link initiative aimed at reducing the carbon emissions in data centers. The Company believes that high-speed interconnects are becoming one of the fastest growing contributors to data center carbon emissions. Spectra7's Eco-Link initiative aims to reduce carbon emissions by 1 million metric tons by 2022.

"The Green Data Center Market is projected to reach a revenue of over USD \$25 billion by 2024. The high focus of government bodies across the world pushing organizations to reduce their carbon footprint and electricity consumption is driving the demand for the green data center market. For instance, the growth of the Chinese digital economy and the rise in conventional data center construction projects in the country have led to the government launching initiatives to enforce the adoption of energy-efficient technologies," reports Digvijay Deshmukh, Researcher at Marketstudyreport.com¹.

Spectra7's GaugeChanger™ enabled Active Copper Cables (ACCs) can replace Active Optical Cables (AOCs) for lengths up to 7m, which account for over 90% of the links in a typical data center. At a savings of 28 watts per interconnect, this adds up to almost 900 watts per 32 port Top-of-Rack switch (which depending on electricity prices² could reduce operating expenses by up to \$20M a year per data center). A large data center using Spectra7 technology can save several megawatts and over 10,000 metric tons³ per year of carbon emissions by incorporating ACCs over AOCs.

"We believe that our GaugeChanger ACCs offer significant power advantages over AOCs," said Spectra7 CEO Raouf Halim. "We are launching our Eco-Link initiative at this time to help accelerate acceptance of our technology and expect that initial production of our GaugeChanger ACCs will start in the fourth quarter of this year."

About Spectra7 Microsystems Inc.

Spectra7 Microsystems Inc. is a high-performance analog semiconductor company delivering unprecedented bandwidth, speed and resolution to enable disruptive industrial design for leading electronics manufacturers in virtual reality, augmented reality, mixed reality, data centers and other connectivity markets. Spectra7 is based in San Jose, California with design centers in Markham, Ontario, Cork, Ireland, and Little Rock, Arkansas. For more information, please visit 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, 2016. 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.

Reference:

¹
<https://trueindustrynews.com/green-data-center-market-industrial-applications-witness-fastest-growth-up-to-2024/>

²
www.datacenterknowledge.com (Annual cost of \$5,000 per KW)

³
Greenhouse Gas Equivalencies Calculator
<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

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