

Spectra7 Receives Multiple Orders from Cable Partners for First Data Center Deployments in China

Company's GaugeChanger™ Product Line Builds Momentum and Moves into Production

SAN JOSE, Calif.--(BUSINESS WIRE)--September 11, 2018--Spectra7 Microsystems Inc. (TSX:SEV) ("Spectra7" or the "Company"), a leading provider of high-performance analog semiconductor products for broadband connectivity markets, today announced that it has received significant product orders from two leading cable assembly partners in China for the company's GC2502 chips. These innovative Spectra7 active copper cable ("ACC") devices will enable cable assemblers to deliver lower power and lower cost interconnects to major data center operators in China starting in Q4 2018.

"We have had extensive discussions with China's leading data center operators as well as cable assembly partners about how they can capitalize upon Spectra7's lower power and cost for their hyperscale data centers," said Spectra7 CEO Raouf Halim. "Our partners appreciated our ACC value proposition and engaged with us immediately. We expect these to be the first of many orders over the next few months as we ramp to mass production."

Spectra7's GaugeChanger™ technology is an innovative and disruptive technology that allows copper to extend much longer lengths without the cost and power penalty of optics. It works equally well at 25Gbps NRZ and 50Gbps PAM4 supporting Ethernet standards of 25/50/100/200/400 Gbps.

Spectra7's GaugeChanger™ enabled ACC's can replace Active Optical Cables ("AOC") 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 prices¹ could reduce operating expenses by up to \$20 million a year per data center). A large data center using Spectra7 technology can save several megawatts and over 10,000 metric tons² per year of carbon emissions by incorporating ACCs over AOCs.

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 expected data center orders, 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, 2017. 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.

References:

¹ www.datacenterknowledge.com (Annual cost of \$5,000 per KW)

² Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

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