

Spectra7 and Foxconn First to Demonstrate Next Generation 112G SFP-DD Data Center Solution

DesignCon Showcase of SFP-DD Active Copper Interconnect Brings Higher Speed, Density and Radix to Hyperscale and Enterprise Installations

SAN JOSE, Calif.--(BUSINESS WIRE)--January 29, 2019--Spectra7 Microsystems Inc. (TSX:SEV) ("Spectra7" or the "Company"), a leading provider of high-performance analog semiconductor products for broadband connectivity markets and Foxconn Interconnect Technology, Ltd. (FIT), a leading supplier of interconnect solutions will be demonstrating

Active Copper Cable (ACC) interconnects supporting the new SFP-DD standard for higher speed and higher density server connections. The cables use Spectra7's low-power analog GaugeChanger™ chips to enable 4X increase in bandwidth over currently deployed SFP28 interconnects in hyperscale and enterprise data centers. The companies will be showcasing this innovative solution at the DesignCon 2019 expo on January 31 thru February 1 in Santa Clara, California.

"Spectra 7 is a key technology partner for our high speed and high-density interconnect solutions," said Yan Margulis, VP Sales and Marketing at FIT. "We believe that the demonstration at DesignCon will be well received by our customers."

New interface standards such as SFP-DD and others are significantly increasing port density in data center switching and server systems but are also limiting the interconnect length that can be served by low-cost direct-attach copper (DAC) cables. Spectra7's GaugeChanger™ silicon allows copper cables up to three times the reach of passive copper cables.

Currently deployed SFP interconnects operate at 25-28 Gbps but will soon move to 56 Gbps PAM4 signaling. The new SFP-DD electrical interfaces are designed to support 2 lanes that operate up to 25 Gbps NRZ or 56 Gbps PAM4 per lane, providing solutions up to 50 Gbps or 112 Gbps PAM4 aggregate. By doubling the lane density and data speed of SFP transceivers, the SFP-DD specification addresses increased port density and scalability in next-generation applications.

"FIT is a leader in the data center interconnect market," said Spectra7 CEO Raouf Halim. "This joint demonstration at 112 Gbps of SFP-DD is another major milestone as we continue to leverage our technology in the latest data center standards."

GaugeChanger™ 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 25 Gbps NRZ and 50 Gbps PAM-4 enabling new connector standards of 100, 200 and 400 Gbps.

FIT will be showcasing products with Spectra7's GaugeChanger™ technology at Booth #700.

Spectra7 will be showcasing its GaugeChanger™ technology at Booth #307

ABOUT FOXCONN INTERCONNECT TECHNOLOGY, LIMITED ("FIT")

Foxconn Interconnect Technology, Limited focuses on the development, manufacturing and marketing of electronic and optoelectronic connectors, antennas, acoustic components, cables and modules for applications in computers, communication equipment, consumer electronics, automobiles, industrial and green energy field products. With offices and manufacturing sites located in Asia, the Americas and Europe, FIT is a global leader in the manufacturing of high precision interconnect components.

For more information, visit FIT's website: fit-foxconn.com/.

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 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, 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.

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