SPECTRA7

Spectra7 Announces Brokered Private Placement

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR RELEASE, PUBLICATION, DISTRIBUTION OR DISSEMINATION DIRECTLY, OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES

TORONTO, April 12, 2021 /CNW/ -- (TSXV:SEV) Spectra7 Microsystems Inc. ("**Spectra7**" or the "**Company**"), a leading provider of high-performance analog semiconductor products for broadband connectivity markets, announces that it intends to sell, on a brokered private placement basis, in one or more tranches, up to 220,000,000 units (the "**Units**"). The Company has engaged Cormark Securities Inc. (the **"Agent"**) to offer the Units for sale on a best efforts agency basis. The issuance price of the Units will be determined in the context of the market.

Each Unit will consist of one common share in the capital of the Company (each, a "**Common Share**") and one common share purchase warrant (each, a "**Warrant**") with each Warrant being exercisable into one Common Share at an exercise price of $0.05 for a period of five years from the date of issuance, subject to adjustment upon certain customary events. The expiry date of the Warrants can be accelerated by the Company at any time following the date that is four months and one day after the closing of the Private Placement and prior to the expiry date of the Warrants if the closing price of the Common Shares on the TSX Venture Exchange is greater than $0.08 for any 10 non-consecutive trading days. Interest in the Units has been expressed by both insiders of the Company as well as outside investors at $0.03 per Unit.

The Agent is entitled to receive a cash commission equal to 7% of the aggregate proceeds raised in the Private Placement and broker warrants entitling the Agent to purchase such number of Units as is equal to 7% of the aggregate of number of Units issued in the Private Placement at the issue price for a period of two years from closing.

The Offering is expect to close on or about May 7, 2021. The net proceeds from the Private Placement are intended to be used for working capital to support revenue growth, the payment of interest on its outstanding convertible debentures and for general corporate purposes.

"Our outlook is for significant revenue growth in the second-half of this year and into 2022, driven by strong adoption of Spectra7 Active Copper Cable solutions in next-generation Data Centers", said Raouf Halim, CEO of Spectra7. "We expect that proceeds from this Private Placement will fund our working capital needs to support our growth to cash profitability and beyond".

Pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Private Placement constitutes a "related party transaction" as insiders of the Company are expected to subscribe for up to 25% of the Units. The Company is relying on exemptions from the formal valuation and minority approval requirements of MI 61-101.

The closing of the Private Placement is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange.

All dollar amounts in this news release are denominated in Canadian dollars unless otherwise indicated.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the *securities in the United States nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**"), or any state securities laws and may not be offered or sold in the United States unless registered under the 1933 Act and any applicable securities laws of any state of the United States or an applicable exemption from the registration requirements is available.*

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 a design center in Cork, Ireland and technical support location in Dongguan, China. For more information, please visit www.spectra7.com.

Neither the TSX Venture Exchange nor its regulation services provided (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 Private Placement and the intended use of proceeds thereof, and the Company's strategy, 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 Information Form for the year ended December 31, 2019. 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.

For more information, please contact:

Spectra7 Microsystems Inc.
James Bergeron
Investor Relations
650-269-3043
ir@spectra7.com

Spectra7 Microsystems Inc.

David Mier
Chief Financial Officer
925-858-7011
pr@spectra7.com

SOURCE Spectra7 Microsystems Inc.

View original content to download multimedia: http://www.newswire.ca/en/releases/archive/April2021/12/c7031.html

%SEDAR: 00031105E

CO: Spectra7 Microsystems Inc.

CNW 08:55e 12-APR-21