

Spectra7 Announces Upsizing of Convertible Debenture Financing to \$9.0 Million

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TORONTO, Aug. 23, 2022 /CNW/ -- (TSXV:SEV) (OTCQB:SPVNF) Spectra7 Microsystems Inc. ("**Spectra7**" or the "**Company**"), a leading provider of high-performance analog semiconductor products for broadband connectivity markets, announced today that it intends to increase the size of its previously announced non-brokered private placement of 14% unsecured convertible debentures (the "**Debentures**") from \$8.0 million to \$9.0 million (the "**Offering**"). All dollar amounts referenced in this release are in Canadian dollars.

Each \$1,000 principal amount of Debentures will be sold at a subscription price of \$980 for expected gross proceeds of up to \$8,820,000. The Debentures shall mature on December 31, 2024 (the "**Maturity Date**") and the principal amount of each Debenture will be convertible into common shares of the Company (each, a "**Common Share**") at the option of the holder at any time prior to the close of business on the last business day immediately preceding the Maturity Date, at a conversion price of \$1.02 per Common Share, subject to adjustment upon certain customary events. Holders converting their Debentures will receive accrued and unpaid interest thereon for the period from and including the date of the latest interest payment date to, and including, the date of conversion.

The net proceeds from the Offering will be used for the repayment of the existing convertible debentures and working capital of the Company.

The increase in size of the Offering remains subject to approval by the TSX Venture Exchange and current holders of Debentures. All securities issuable in the Offering are subject to a statutory hold period until the date that is four months and one day from the date of issuance. Approval of the TSX Venture Exchange is required prior any conversion of Debentures that would result in a holder holding more than 9.9% of the issued and outstanding Common Shares of the Corporation and prior to the settlement of any interest payment in Common Shares. The second tranche of the Offering is expected to close on or before August 25, 2022.

The Offering will be subject to finder's fees and finder's warrants (each, a "**Finder's Warrant**") to arm's length parties, including Cormark Securities Inc. Each Finder's Warrant entitles the holder to purchase one Common Share at a price of \$1.02 for a period of two years from issuance.

*This news release does not constitute an offer to sell or the solicitation of an offer to buy the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws and may not be offered or sold in the United States or to U.S. Persons unless registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration 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 data centers, 5G infrastructure, virtual and augmented reality, 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, the Company's anticipated closing date of a second tranche of the Offering and the Company's ability to sell the remaining Debentures in the Offering, 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, 2021. 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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