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Spectra7 Targets High Growth 800Gbps AI Server Market

Cloud Giants Launching Specialized Servers Requiring Higher Speed Connections Such as Spectra7 Enabled Data Center Interconnects

SANTA CLARA, Calif., Feb. 9, 2023 /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 that it is targeting the high growth Artificial Intelligence (AI) server connectivity market with its new GC1122 product designed to support 800Gbps throughput.

New technologies like the chatbot ChatGPT and others are fueling the race to build out high-performance AI infrastructure. AI requires massive amounts of computing power from specialized server hardware connected in clusters by a very high bandwidth and low latency interconnect fabric, including Spectra7's 800Gbps technologies.

As Grand View Research cited in its latest Artificial Intelligence Market report[1]: "The global artificial intelligence market size was valued at USD 136.55 billion in 2022 and projected to expand at a compound annual growth rate (CAGR) of 37.3% from 2023 to 2030. The continuous research and innovation directed by tech giants are driving the adoption of advanced technologies in high-growth industry verticals, such as automotive, healthcare, retail, finance, and manufacturing".

Specialized AI servers in particular are expected to see high growth in the next few years, growing from 1.4 million units in 2022 to 4.7 million units in 2026[2]. The chips used in these servers are increasingly relying on 800Gbps ports to directly connect to the fabric.

"Spectra7's low power, low latency and low-cost approach to active copper interconnects is ideal for AI server connectivity applications," said Alan Weckel, Founder and Technology Analyst with 650 Group. "We see by 2026 the revenue from active copper cables in the data center market should hit USD 3 billion. The bulk of this will come from connections to these high-performance AI servers."

"As computing power and speed continue to climb, driven by increasingly data intensive operations such as AI, so does the need for high-speed and low-power interconnects to enable those systems," said Spectra7's CMO John Mitchell. "Spectra7's GaugeChanger™ chips bring the critical performance necessary to create the next generation of data center interconnects, and we are excited to be working with top Hyperscalers as they get ready for the shift to 800Gbps that we expect to commence later in 2023."

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.

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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 statements regarding the potential disruption of the market by AI technologies, the projected growth of the AI market, the Company's expectation that use of 800Gbps interfaces will increase, the ability of the Company's products to serve 800Gbps technologies, AI server market adoption of active cables, the forecast for the active copper cable market, 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.

NOTES:

[1] Grand View Research's report titled "Artificial Intelligence Market Size, Share & Trends Analysis Report by Solution, By Technology (Deep Learning, Machine Learning), By End-use, By Region, and Segment Forecasts, 2023-2030, available at: https://www.grandviewresearch.com/industry-analysis/artificial-intelligence-ai-market

[2] 650 Group Market Research report titled "Cloud CAPEX, Data Center, and Ethernet Switch 2Q22 Results anc September Forecast".

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CNW 07:30e 09-FEB-23