

# Spectra7 Microsystems Announces Closing of Asset Sale to Parade Technologies

SAN JOSE, Calif., April 22, 2025 /CNW/ -- Spectra7 Microsystems Inc. (TSXV: SEV) (OTCQB: SPVNF) ("**Spectra7**" or the "**Company**") is pleased to announce the closing of its previously announced sale transaction of substantially all of the assets (the "**Assets**") of Spectra7 and its subsidiaries (the "**Sale Transaction**") to Parade Technologies, Ltd. (TPEX: 4966.TWO) ("**Parade**"), an arm's length party and a leading supplier of video display, touch controller, and high-speed interface ICs, pursuant to the terms and conditions of the asset purchase agreement dated March 7, 2025 (the "**Purchase Agreement**"). The Assets include intellectual property (IP), products, designs, inventory, and other specified items.

## SALE TRANSACTION & SPECIAL DISTRIBUTIONS

The purchase price (the "**Purchase Price**") for the Assets was US\$9,000,000 (approximately CDN\$12,438,000<sup>1</sup>) in cash. The net cash payment paid by Parade to Spectra7 at closing of the Sale Transaction (the "**Closing**") was US\$6,443,773 (approximately CDN\$8,905,294), representing the Purchase Price less: (i) US\$756,226 (approximately CDN\$1,045,104) in bridge loans made by Parade to Spectra7 and interest thereon, and (ii) US\$1,800,000 (approximately CDN\$2,487,600) (the "**Escrow Amount**"). The Escrow Amount was deposited into escrow with a third-party escrow agent to cover certain potential indemnity claims by Parade until the date that is one year after Closing (the "**Escrow Release Date**"). There can be no certainty as to the quantum of the Escrow Amount to be released.

As previously announced, it is the intention of Spectra7 to distribute all of the net proceeds received from the Sale Transaction to its shareholders (other than dissenting shareholders) (the "**Spectra7 Shareholders**") and holders of pre-funded warrants. Spectra7 anticipates making a special distribution (the "**Special Distribution**") to the Spectra7 Shareholders and holders of pre-funded warrants of all of the net cash proceeds received at Closing and one non-interest bearing contingent value right (each, a "**CVR**") for each common share or pre-funded warrant held on the record date for the Special Distribution, being April 28, 2025. The distribution of the available Escrow Amount and any unused proceeds from the Sale Transaction shall be made to the holders of CVRs on a date to be determined by Spectra7 as soon as possible following the Escrow Release Date. The cash portion of the Special Distribution shall be equal to the proceeds received by Spectra7 at the Closing less: (i) transaction costs including fees for financial and legal advisors, costs of the special meeting of Spectra7 Shareholders held to approve the Sale Transaction, escrow agent fees and fees payable to the TSX Venture Exchange (the "**TSXV**"); (ii) accounts payable and any employee severance and bonus costs; (iii) funds used for Spectra7's ordinary course expenses prior to Closing; and (iv) funds used by Spectra7 to continue to exist until on or after the Escrow Release Date, including governance, maintenance and wind-down costs for the Company's international operations.

The cash portion of the Special Distribution is estimated to be approximately US\$1,070,000 (approximately CDN\$1,478,740), or approximately US\$0.0039 per share based on the share information below, and is expected to be made within two weeks after Closing. Assuming the Escrow Amount is released in full, the distribution to CVR holders is estimated to be US\$1,800,000 (approximately CDN\$2,487,600) or approximately US\$0.0065 per share, and is expected to be made shortly following the Escrow Release Date.

As of the date of this release, the number of common shares of Spectra7 outstanding (assuming the exercise in full of all of the 100,035,411 outstanding pre-funded warrants and settlement of all outstanding restricted share units, but excluding the exercise or conversion of any other outstanding securities of Spectra7 previously issued by Spectra7) is 276,622,494 common shares.

## DELISTING

Spectra7 has commenced the process of delisting its common shares from the TSXV (the "**Delisting**"). As previously announced, shareholders of Spectra7 approved the Delisting, conditional upon the approval and completion of the Sale Transaction, at Spectra7's annual and special meeting held on April 17, 2025. The Delisting remains subject to TSXV approval, but is expected to be effective on or about April 28, 2025.

## ABOUT SPECTRA7 MICROSYSTEMS INC.

Spectra7 is a leader in high-performance analog semiconductors for powering the AI revolution in broadband connectivity markets, hyperscale data centers, and Spatial Computing. Spectra7 is based in San Jose, California with a design center in Cork, Ireland and a technical support location in Dongguan, China (<https://www.spectra7.com/>).

For further information please contact:

Darrow Associates  
Matt Kreps  
214-597-8200  
[ir@spectra7.com](mailto:ir@spectra7.com)

Spectra7 Microsystems Inc.  
Omar Javaid  
Chief Executive Officer  
(408) 770-2915  
[ir@spectra7.com](mailto:ir@spectra7.com)

## Forward-Looking Statements

*Statements in this press release contain forward-looking information. Such forward-looking information may be identified by words such as "anticipates", "plans", "proposes", "estimates", "intends", "expects", "believes", "may" and "will". The forward-looking statements included in this press release, including statements regarding the release of the Escrow Amount, the ultimate quantum and timing of the*

*distributions payable to Spectra7 Shareholders and release of the Escrow Amount and the timing of completion of the Delisting, as well as receipt of final approval of the TSXV for same.*

*In respect of the forward-looking statements and information included in this press release, Spectra7 has provided such in reliance on certain assumptions that it believes are reasonable at this time. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond Spectra7's control. Such risks and uncertainties include but are not limited to risks that the full Escrow Amount shall not be available to be distributed to holders of CVRs as a result of successful claims made against the Company under the Purchase Agreement.*

*When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Readers are cautioned that the foregoing list of factors is not exhaustive. Except as otherwise required by applicable securities statutes or regulation, Spectra7 expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.*

**Neither the TSXV nor its regulation services provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.**

<sup>1</sup> The US\$/CDN\$ exchange rate used throughout this press release is CDN\$1.3820 to US\$1.00 based upon the Bank of Canada exchange rate as at April 21, 2025.

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