

ViXS Announces Results of Shareholder Meeting and Provides Update Regarding Proposed Acquisition

TORONTO, ONTARIO (Marketwired – July 27, 2017) – ViXS Systems Inc. (TSX:VXS) (“**ViXS**”), a pioneer and leader in advanced media processing solutions, is pleased to announce the results of its 2017 Annual and Special Meeting of shareholders (the “**Meeting**”) held in Toronto, Ontario today.

At the Meeting, ViXS shareholders approved the proposed acquisition by Pixelworks, Inc. (NASDAQ: PXLW) (“**Pixelworks**”) of all of ViXS’ outstanding common shares pursuant to an arrangement agreement (the “**Arrangement Agreement**”) dated May 18, 2017 (the “**Arrangement**”) between ViXS and Pixelworks, as set forth in the Management Information Circular dated June 26, 2017 (the “**Circular**”) prepared for the Meeting. The resolution approving the Arrangement required the approval of 66 and 2/3% of the votes cast by ViXS shareholders present in person or represented by proxy. 98.66% of the votes cast at the Meeting voted in favour of the Arrangement.

Completion of the Arrangement is conditional upon, among other things, obtaining the final order of the Ontario Superior Court of Justice (Commercial List) (“**Final Order**”) and satisfaction or waiver of other required conditions, including obtaining certain third-party consents. The hearing to seek the Final Order approving the Arrangement will be held at 9:30 a.m. on July 31, 2017 at 330 University Avenue, Toronto, Ontario. Subject to obtaining the Final Order, as well as the satisfaction of all other conditions precedent, as set out in the Circular, it is anticipated that the Arrangement will be completed in early August of 2017.

Additional Meeting Results

All director nominees listed in the Circular were elected as directors of ViXS.

The detailed results of the voting at the Meeting were as follows:

Director	Vote type	Number of Votes	Percentage of Votes
Sohail Khan	For	52,909,964	96.29%
	Withheld	2,039,040	3.71%
Peter Currie	For	52,839,303	96.16%
	Withheld	2,109,701	3.84%
Tom Hearne	For	52,911,869	96.29%
	Withheld	2,037,135	3.71%
Andrew Olson	For	52,839,398	96.16%
	Withheld	2,109,606	3.84%
Philip Deck	For	53,117,869	96.67%
	Withheld	1,831,135	3.33%
Fred Shlapak	For	53,116,464	96.67%
	Withheld	1,832,540	3.33%

In addition, at the Meeting, ViXS shareholders reappointed Ernst & Young LLP as auditors of ViXS, and reapproved ViXS' long-term incentive plan, as is required every three years by the TSX.

The formal report on voting results with respect to all matters voted upon at the Meeting will be filed on SEDAR at www.sedar.com.

About ViXS Systems Inc.

ViXS is a pioneer and market leader in designing revolutionary media processing semiconductor solutions for video over IP streaming solutions, with approximately 470 patents issued and pending worldwide, numerous industry awards for innovation, and over 39 million media processors shipped to date. ViXS is driving the transition to Ultra HD 4K across the entire content value chain by providing professional and consumer grade chipsets that support the new High Efficiency Video Coding (HEVC) standard up to Main 12 Profile, reducing bandwidth consumption by 50% while providing the depth of color and image clarity needed to take advantage of higher-resolution content. ViXS' XCodePro 300 family is ideal for Ultra HD 4K infrastructure equipment, and the XCode 6000 family of system-on-chip (SoC) products achieve unprecedented levels of integration that enable manufacturers to create cost-effective consumer entertainment devices.

ViXS is headquartered in Toronto, Canada with offices in Europe, Asia and North America. VIXS™, the ViXS® logo, XCode®, XCodePro™, and Xtensiv™ are trademarks and/or registered trademarks of ViXS. XConnex™ and other trademarks are the property of their respective owners. For more information on ViXS, visit our website: www.vixs.com.

For further information, please contact:

Charlie Glavin
Chief Financial Officer
ViXS Systems Inc.
T: +1 416 646-2000
cglavin@vixs.com

Michael Michalyshyn
General Counsel
ViXS Systems Inc.
T: +1 416 646-2000
mmichalyshyn@vixs.com

Forward-Looking Statements

Certain statements in this press release which are not historical facts constitute forward-looking statements or information within the meaning of applicable securities laws ("**forward-looking statements**"). Such statements include, but are not limited to, statements regarding whether the Arrangement will be consummated, including whether conditions to the consummation of the Arrangement will be satisfied, and the anticipated timing for the closing of the Arrangement and regarding receipt of all necessary consents and approvals. The use of terms such as "may", "anticipated", "expected", "projected", "targeting", "estimate", "intend" and similar terms are intended to assist in identification of these forward-looking statements. Readers are cautioned not to place undue reliance upon any such forward-looking statements. Such forward-looking statements are not promises or guarantees of future performance and involve both known and unknown risks and uncertainties that may cause ViXS' actual results to be materially different from historical results or from any results expressed or implied by such forward-looking statements. Accordingly, there can be no assurance that forward-looking statements will prove to be accurate and readers are therefore cautioned not to place undue reliance upon any such forward-looking statements.

Factors that could cause results or events to differ materially from current expectations expressed or implied by forward looking statements contained herein include, but are not limited to: the ability of the parties to receive, in a timely manner and on satisfactory terms, stock exchange and Court approvals for

the Arrangement; the ability of the parties to satisfy, in a timely manner, the conditions to the closing of the Arrangement and other expectations and assumptions concerning the Arrangement; and other factors discussed in the “Risk Factors” section of the Circular. All forward-looking statements are qualified in their entirety by this cautionary statement. ViXS is providing this information as of the current date and does not undertake any obligation to update any forward-looking statements contained herein as a result of new information, future events or otherwise except as may be required by applicable securities laws.