



SPECTRA7 ANNOUNCES HIGHEST BANDWIDTH ACTIVE CABLE MODULE SET FOR ULTRA-THIN AUGMENTED REALITY/VIRTUAL REALITY INTERCONNECTS AT CES 2017

Modules support HDMI 2.0 at 18Gbps plus USB 3.1 at up to 10Gbps in each direction, providing an aggregate of 38Gbps and enabling most immersive user experience to date.

JANUARY 5, 2017 – Las Vegas, NV – Spectra7 Microsystems Inc. (TSX:SEV) (“Spectra7” or the “Company”), a leading provider of high-performance analog semiconductor products for virtual reality (“VR”), augmented reality (“AR”), data center and other connectivity markets today announced a pair of new modules for tethered AR and VR head mounted display (“HMD”) active cables. These new modules support nearly double the bandwidth of the Company’s current modules enabling a more immersive user experience. Specifically, these modules will support higher display resolution, color depth and frame rate.

“We are already seeing traction with tier-one customers for these higher data rate modules to support AR, VR and most recently MR (mixed reality) headsets. These new HMDs will support holographic displays, inside-out tracking and 6DoF (six degrees of freedom), all of which require much more bandwidth,” said Spectra7 CEO Raouf Halim. “The timing is ideal for Spectra7 to bring these breakthrough solutions to market.”

The Company will be providing details of its new DreamWeVR™ Module Set to interested OEMs and cable manufacturing partners at the Consumer Electronics Show (“CES”) to be held in Las Vegas, NV from January 5 to 8, 2017.

The new DreamWeVR™ Module Set consists of the following modules:

- **DreamWeVR™ VR8150-M-41 featuring HDMI 2.0 and USB 3.1; and**
- **DreamWeVR™ VR8050-M-01 featuring USB 3.1.**

These modules feature the Company’s latest AR/VR optimized high-performance analog IC’s which the Company believes represent the industry’s broadest range, highest performance, lowest power and smallest size devices including:

- **VR8181 - HDMI 2.0 Embedded Cable Processor**
 - Delivers HDMI bandwidth of up to 18Gbps at 4K60 resolution;
- **VR8050 - USB 3.1 Gen 1 Embedded Cable Processor**
 - Delivers up to 5Gbps of sensor/camera data for positional tracking and gesture recognition; and



- **VR8051 - USB 3.1 Gen 2 Embedded Cable Processor**

- Delivers up to 10Gbps of sensor/camera data for positional tracking and gesture recognition.

These module designs will enable AR/VR OEMs and cable assembly partners to quickly and cost-effectively bring products to market. The VR8150-M-41 is intended for embedded applications and features an industry-standard board-to-board connector. The VR8050-M-01 features an industry-standard USB Type A connector.

Spectra7 is a leader in active cable technology with a strong patent portfolio covering core technology necessary for delivering active cables. These include 36 patents in the field of active cables, 22 applicable to HDMI and four relating to power harvesting.

The Company will be holding one-on-one meetings with customers interested in previewing these reference designs at the Consumer Electronics Show (CES) 2017 held in Las Vegas, Nevada. Send your inquiry to Sylvia@spectra7.com to schedule a meeting. Space is limited so reservations are granted on a first-come first-served basis.

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 VR, AR, data centers and other connectivity markets. Spectra7 is based in Palo Alto, California with design centers in Markham, Ontario, Cork, Ireland, and Little Rock, Arkansas. For more information, please visit www.spectra7.com.

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 Company's future financial position and results of operations, strategy, proposed acquisitions, 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 MD&A for the year ended December 31, 2015 and the interim MD&A for the nine months ended September 30, 2016. 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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