

SPECTRA7[®]

Ticker: **SEV**



TSX Venture
Exchange



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This presentation contains forward-looking statements. These statements include statements about our plans, strategies, financial performance, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, the actual results, performance or achievements of Spectra7 Microsystems Inc. (“Spectra7,” “we,” “us,” “our,” and together with our subsidiaries and variable interest entities, the “Company”) may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” “continue,” “likely,” “will,” “would,” and variations of these terms and similar expression, or the negative of these terms or similar expressions. Such forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by the Company and its management team based on their experience are inherently uncertain. All statements in this presentation regarding our business strategy, future operations, financial position, prospects, business plans and objectives, as well as information concerning industry trends and expected actions of third parties are forward-looking statements. All forward-looking statements speak only as of the date as of which they are made. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions concerning future events that are difficult to predict.

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 presentation 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 presentation 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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Spectra7 at a Glance

Company Overview

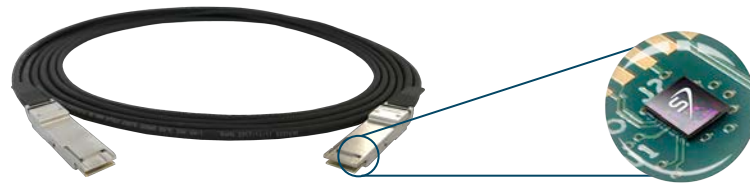


- Spectra7 Microsystems Inc. (“Spectra7” or “the Company”) is the leader in high-performance analog semiconductor products for broadband connectivity markets
- The Company has design centers and offices in San Jose, CA, Little Rock, AK, and Cork, Ireland, and sales operations and outsourced manufacturing in Dongguan, China and Taiwan
- **Ticker:** SEV (TSX)
- **Corporate HQ:** San Jose, CA
- **Incorporated:** 2010

What We Do

- Spectra7 manufactures high performance analog chips with patented advanced signal processing technology
- The Company’s chips are embedded in the connector of an active copper cable, enabling it to be ultra-thin with high-speed connectivity
- The active copper cables are in turn sold to end-users in the data center, VR / AR, and other consumer connectivity markets
- Spectra7 is the leader in the VR / AR market and is commercializing its technology with data center partners

Spectra7 Product Illustration



Blue-Chip End Users



FOXCONN®



htc lenovo MONSTER® SAMSUNG

Key Statistics



Share Price	\$ 0.035 CAD*
Market capitalization	\$ 20.7 M CAD*
TTM revenue (6/30/20)	\$ 1.6 M USD
TTM gross margin (6/30/20)	53%
Insider ownership	22% Est.**

	Shares	%
Common shares issued	592 M	100

*As of 11/12/20 Market Close

**As of 9/30/20

Investment Highlights

I

Large, addressable markets in VR / AR and data centers, which in aggregate are expected to reach over \$9 billion in 2023

II

Market leader in the consumer VR / AR market – Spectra7 currently has dominant market share of active copper cable PC-based VR platforms

III

Significant traction in the data center market leading to commercial revenues later this year and driving long-term growth

IV

Tier 1 customers and end users include Foxconn, Facebook / Oculus, Luxshare-ICT and Amphenol, among others

V

Capital light business model enables 60%+ long-term gross margins and near-term profitability

VI

New, experienced management team has a proven track record with similar semiconductor companies disrupting the cable industry

Industry Overview

- Cables inter-connect systems and also connect consumer devices to systems
- Copper cabling, in particular, is ubiquitous and has a very large end market

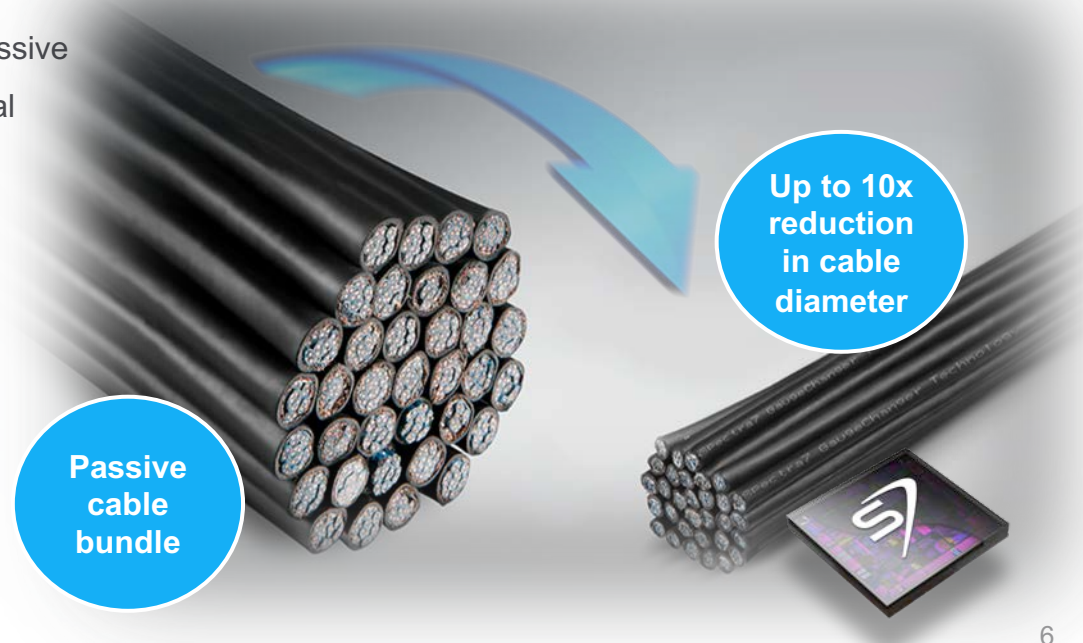
The Market Opportunity

- Passive copper cables limit applications – these cables cannot transmit high-speed data reliably over long lengths
- Optical cables have the ability to carry a larger amount of bandwidth over a greater distance at faster speeds
- However, optical cables have high upfront costs and experience energy inefficiencies resulting in high energy costs

The Solution

- Active copper cables are thinner and lighter than passive copper cables, and more energy efficient than optical cables, while still able to transmit high-speed data

Spectra7's proprietary high performance analog silicon solution is the market-leading technology for active copper cables



Active Copper Is High Performing and Cost Efficient

Passive Copper Cable

- ✓ Lengths 1-2 meters
- ✓ Lowest upfront cost
- ✓ Lower power consumption

Active Copper Cable

- ✓ Lengths 2-7 meters
- ✓ Lower upfront cost
- ✓ Lowest power consumption
- ✓ High quality data transmission at high speeds
- ✓ Thin, light and flexible

Active Optical Cable

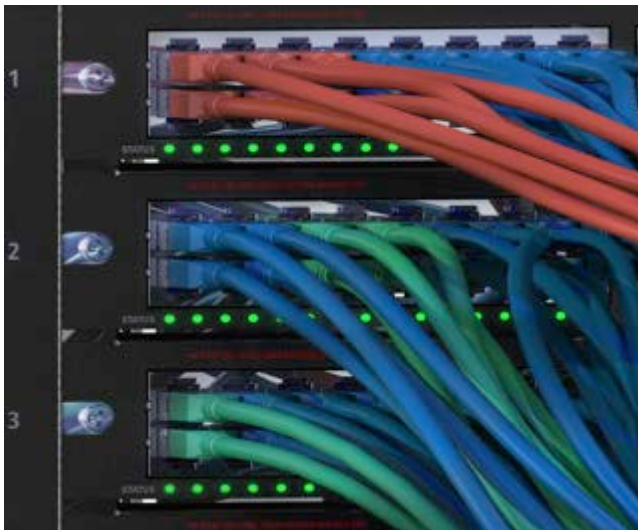
- ✓ Up to kilometers in length
 - ✓ High quality data transmission at high speeds
- ✗ Highest cost
 - ✗ Highest power consumption

- ✗ Limited to 2 meters at high data rates
- ✗ Bulky
- ✗ Difficult to route
- ✗ Blocks air-flow



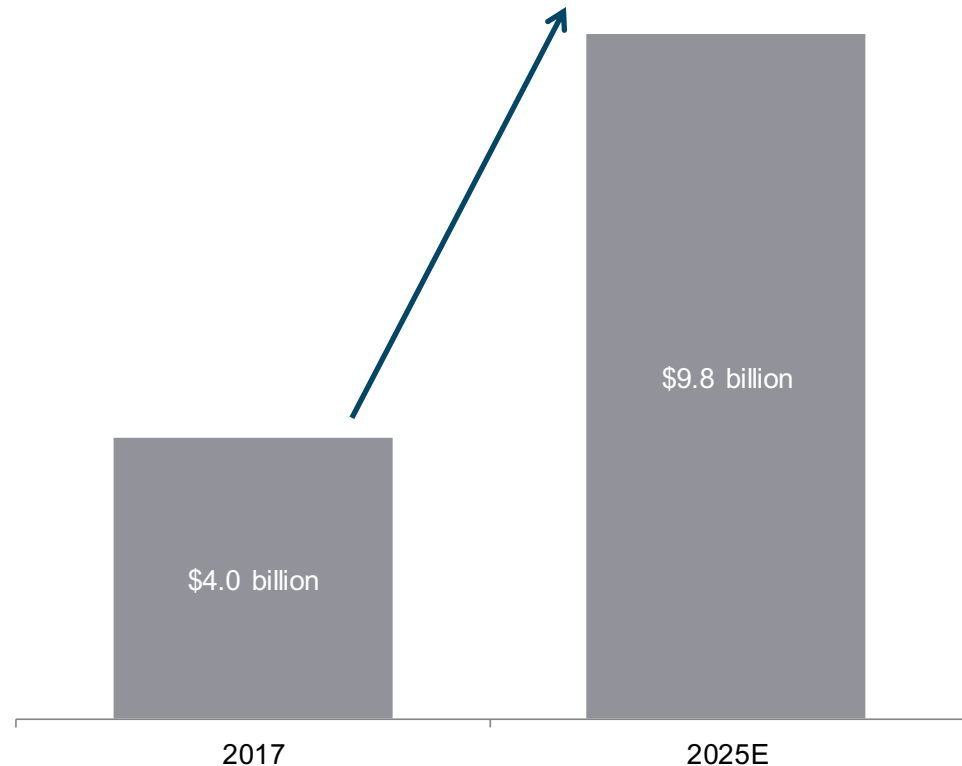
High Gross Margin / Single Sourced / Secured by over 50 Patents

Data Centers: High Growth and High Margin Opportunity



The Global Data Center Interconnect Market is Expected to Reach \$9.8 billion by 2025

Global Data Center Interconnect Market Size



Source: Research and Markets.

A Growing Global Opportunity Pipeline

“Hyperscale Operator Capex
Jumps 43% in 2018...to \$120B”

- Synergy Research Group

GMAFIA

BAT

Google

Microsoft
Azure

aws

facebook

IBM



Baidu 百度

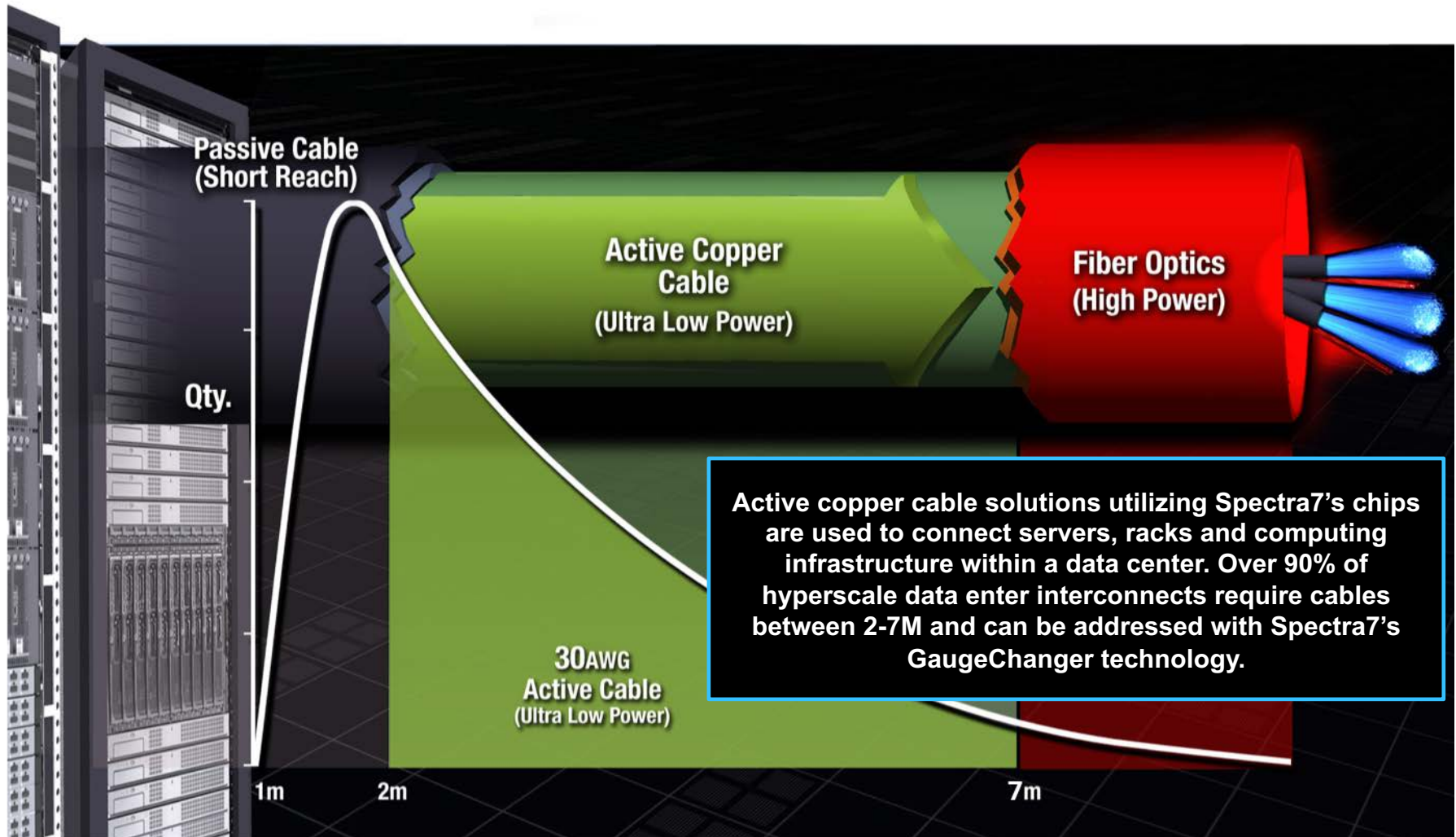
Alibaba Group

Tencent

Market Drivers

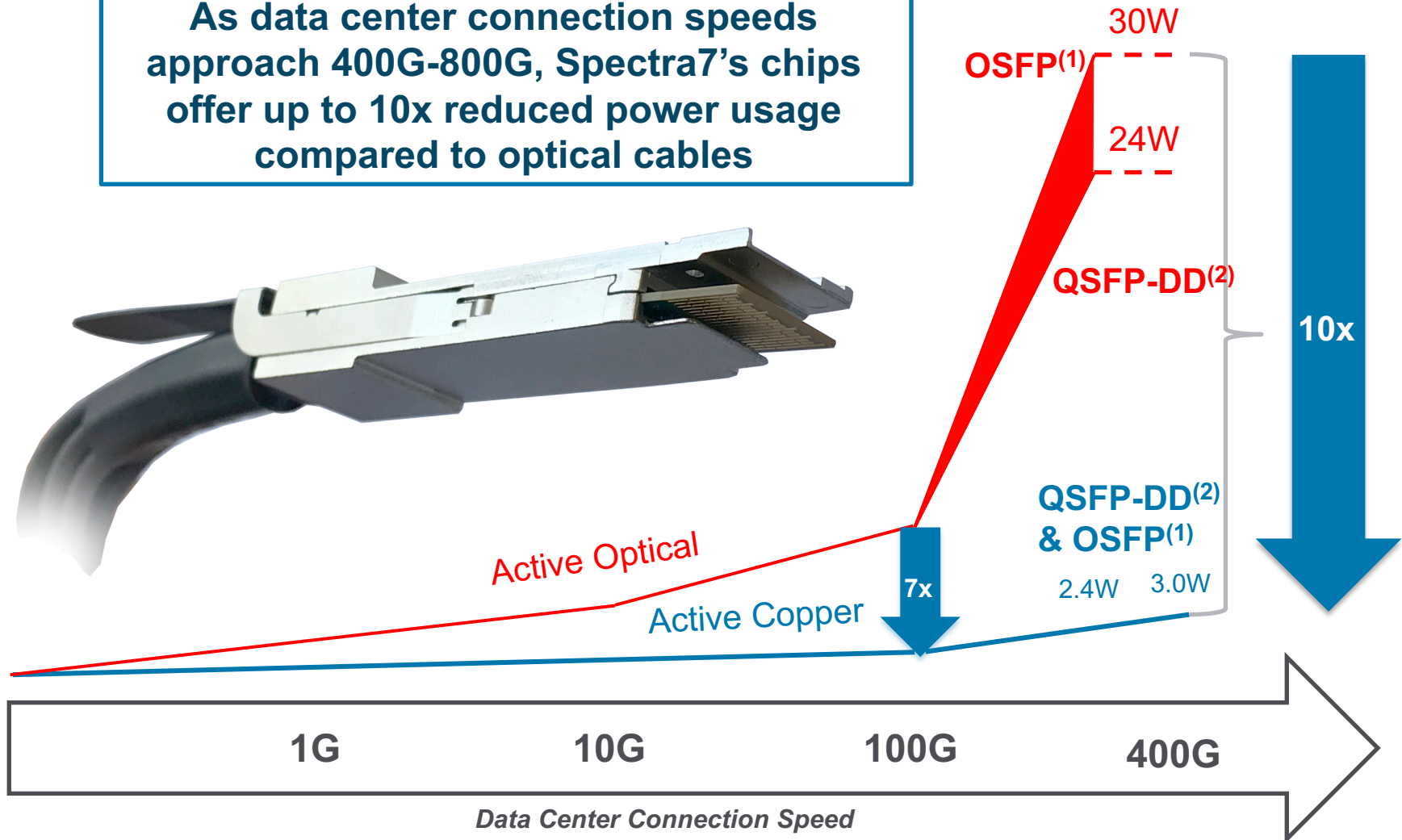
- Cloud Services
- Artificial Intelligence
- Deep Learning
- 5G Roll-out
- Big Data Growth

Data Center Interconnect Options



Spectra7 Interconnects: Lower Power Usage at High Speeds

As data center connection speeds approach 400G-800G, Spectra7's chips offer up to 10x reduced power usage compared to optical cables



(1) Short for "Octal Small Form Pluggable".

(2) Short for "Quad Small Form Factor-Double Density".

Power Savings For Data Centers Add Up

Power Savings



22W



~800W



~4.4MW

- Each cable using Spectra7's chips reduces power usage by 22W
- Spectra7 can save almost 800W per Tomahawk 3 Switch with SpectraLinear™ Technology
- For a hyperscale data center with 100k servers, this can add up to 4.4MW

Saves up to \$20M in electrical operating costs per year*

* Source: www.datacenterknowledge.com (Annual cost of \$5,000 per KW)

Compelling Efficiency Gains and Economics Driving Adoption of Spectra7 Technology in the Data Center

- Spectra7's data center chips first introduced to cable manufacturers in 2017
- Culminated in interconnect partnerships with:



- Key achievements include:
 - Total of 23 Cable Assemblers (77 cable designs) now using Spectra7 Technology for ACC

Tencent has selected Spectra7 Active Copper Cable technology and is currently deploying production quantities of these interconnects in their Data Center networks.

Tencent and Spectra7 Launch CRX Consortium



- Announced by Tencent and Spectra7 at Optinet Conference in Beijing on June 13, 2019
- Members will include a complementary mix of partners spanning the entire supply chain for data centers.
- Goals:
 - Accelerate Adoption of Active Copper Cable technology
 - Create a Standard for Multi-Source Cable Supply
 - Support All Cable Form Factors



Volume Deployment of CRX Interconnects enabled by Spectra7 technology started in 2nd Half of 2019

SPECTRA7

Spectra7 Announces Entry into 5G Mobile Infrastructure Market with its GaugeChanger™ Technology

Spectra7 Announces Entry into 5G Mobile Infrastructure Market with its GaugeChanger™ Technology

New GC2801 Solution to Support Extended Temperature Requirements of Interconnects for Mobile Operators

October 19, 2020 07:50 AM Eastern Daylight Time

SAN JOSE, Calif.--(BUSINESS WIRE)--(TSX-V:SEV) Spectra7 Microsystems Inc. ("Spectra7" or the "Company"), a leading provider of high-performance analog semiconductor products for broadband connectivity markets, today announced that it has entered into the 5G mobile infrastructure market with its GaugeChanger™ technology.

"We are excited to bring our GaugeChanger™ technology to the 5G mobile infrastructure market. This technology will enable our customers to meet the demanding requirements of 5G mobile infrastructure applications, such as extended temperature requirements for interconnects in mobile operators' networks."

SPECTRA7

SPECTRA7 ANNOUNCES Longer Reach Active Copper Cable Solution for Data Center Connectivity Applications

Spectra7 Announces Longer Reach Active Copper Cable Solution for Data Center Connectivity Applications

New GC2802 GaugeChanger™ Solution Targeted at new Generation of High-Performance Artificial Intelligence and Machine Learning Servers

November 10, 2020 08:00 AM Eastern Standard Time

SAN JOSE, Calif.--(BUSINESS WIRE)--(TSX-V:SEV) Spectra7 Microsystems Inc. ("Spectra7" or the "Company"), a leading provider of high-performance analog semiconductor products for broadband connectivity markets, today announced the GC2802 IC to support longer reach data center server interconnect applications.

"We have several customers ready to start building qual samples with these new parts and anticipate production revenue in 2021 from this new product."

In 2019, The Worldwide Data Center Server market size was USD 42,630 million and it is expected to reach USD 58,810 million by the end of 2026.¹ The majority of this growth is driven by demand from Hyperscalers.

New Artificial Intelligence (AI) and Machine Learning (ML) architectures are driving the need for longer and higher bandwidth server interconnects.

Additionally, as Hyperscalers transition from 32 port switches to higher radix 64 port switches, interconnect lengths to servers will

GaugeChanger | GC2802

SPECTRA7

WHITE PAPER ON Next Generation Data Center High Speed Copper Cables ANNOUNCED AT ODCC

Alibaba Group 阿里巴巴集团

Tencent 腾讯

Alibaba and Tencent Chart Path Forward With Spectra7 Enabled Active Copper Cable Technology

White Paper on Next Generation Data Center High Speed Copper Cables Announced at ODCC

October 13, 2020 08:00 AM Eastern Daylight Time

SAN JOSE, Calif.--(BUSINESS WIRE)--(TSX-V:SEV) Spectra7 Microsystems Inc. ("Spectra7" or the "Company"), a leading provider of high-performance analog semiconductor products for broadband connectivity markets, today announced that Alibaba and Tencent have jointly authored a white paper on next generation data center high speed copper cables, announced at ODCC.

"We are excited to see Alibaba and Tencent leading the way in next generation data center high speed copper cables. This technology will enable our customers to meet the demanding requirements of next generation data center applications, such as high speed copper cables in hyperscale data centers."

SPECTRA7

800GBPS CONNECTIVITY

For the Next Generation of Hyperscale Data Centers

Spectra7 Announces New GaugeChanger™ Product for Next Generation 800Gbps Data Center Interconnects

Company Continues Innovating Industry-leading Active Copper Cable Solutions

October 06, 2020 07:50 AM Eastern Daylight Time

SAN JOSE, Calif.--(BUSINESS WIRE)--(TSX-V:SEV) Spectra7 Microsystems Inc. ("Spectra7" or the "Company"), a leading provider of high-performance analog semiconductor products for broadband connectivity markets, today announced the GC1122 IC to support the next generation data rates of 112Gbps using PAM4 signaling that is required for 800Gbps connections. At these rates, Active Copper Cables ("ACCs") are anticipated to be deployed for up to 50% of data center network connections.

"Both we and our cable partners believe that 800Gbps will represent a significant milestone in the world's next generation of data center connectivity."

"Customers continue to demand copper as they are quickly moving to next-generation 25.6 Tbps and 800G switching solutions," said Alan Weckel, Founder and Technology Analyst with 650 Group. "We see the 800Gbps as a real milestone. Fibers and switches are not providing enough bandwidth for the next generation of data center connectivity."

GaugeChanger | GC1122

Spectra7's Active Copper Cable Technology for 5G

Replace **Expensive Optical**
Interconnects with **Cost Effective**
Active Copper Cables (ACCs)

- Supports eCPRI and Ethernet
- Robust lengths up to 12m
- -40C to 85C Temp Range
- Lower Cost
- Lower Power
- Lower Latency



5G Applications

Radio Unit Interconnect

Network Edge

Mobile Edge Computing

Core Routing

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