

SPECTRA7 DEMONSTRATES INDUSTRY'S FIRST QSFP28 DOUBLE DENSITY (QSFP28-DD) ACTIVE COPPER MODULES FOR 400G ETHERNET APPLICATIONS

Major industry equipment makers are rapidly adopting new data center standard as a way to double switch density.

January 31, 2017 – DESIGNCON - Santa Clara, CA (TSX:SEV) Spectra7 Microsystems Inc. ("Spectra7" or the "Company"), a leading provider of high performance analog semiconductor products for virtual reality, augmented reality, data center and other connectivity markets today announced that it will be demonstrating the world's first QSFP28 Double Density (QSFP28-DD) Active Copper Cable (ACC) utilizing the Company's new GaugeChanger Plus™ GC2502 silicon. Spectra7 will begin sampling GaugeChanger Plus™ QSFP28-DD active copper modules this quarter to major data center cable assembly companies.

The QSFP28-DD standard doubles the number of copper conductors in the same physical interface dimensions as QSFP28. This significantly reduces the conductor size (known as wire gauge) that can be used. By utilizing Spectra7's active cable silicon technology, the signals in the data center can be transmitted 3-5 times as far using the same low cost copper media.

Due to the linear design of the GC2502, these modules support both NRZ and PAM-4 signaling, enabling either 200G or 400G ethernet transmissions over the same cable.

"As density increases, the advantage of our active copper technology is more compelling due to our low power consumption," said Spectra7 CEO Raouf Halim. "Many AOC vendors will struggle to fit within the power envelope and physical footprint of this new standard."

The Company will demonstrate QSFP28-DD ACCs with these modules at the DesignCon Expo to be held in Santa Clara, CA from January 31, 2017 to February 2, 2017.

To inquire about sampling the new GaugeChanger Plus™ QSFP28-DD modules, visit Spectra7 Microsystems at booth 803 at DesignCon or contact Sylvia@spectra7.com.

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 virtual reality, augmented reality, 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.

For more information, please contact:

Spectra7 Microsystems Inc.
Sean Peasgood
Investor Relations
416-565-2805
ir@spectra7.com

Spectra7 Microsystems Inc.
Rob Chalmers
Capital Markets
647-402-7552
ir@spectra7.com

Spectra7 Microsystems Inc.
David Mier
Chief Financial Officer
925.858.7011
pr@spectra7.com

28357889.2