

SPECTRA7 TO SHOWCASE OEM READY AR/VR HEAD MOUNT DISPLAY CABLE REFERENCE DESIGNS AT CES 2017

*Featuring Company's Chips that Enable Longest, Thinnest and Highest Performance
Interconnect Solutions for Second-Generation HMD's*

Palo Alto, CA- December 19th- (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 the Company will be showcasing its DreamWeVR™ reference designs for the rapidly growing AR/VR HMD market at the Consumer Electronics Show (CES) to be held in Las Vegas, NV from January 5th thru the 8th, 2017. Furthermore, the company is announcing that it has already achieved significant design wins with these configurations.

Four DreamWeVR™ reference design configurations are immediately being made available to OEM customers:

- **DreamWeVR™ VR9e-Embedded featuring HDMI and USB 3.0**
- **DreamWeVR™ VR9e-Embedded featuring DisplayPort and USB 3.0**
- **DreamWeVR™ VR9c-Connectorized featuring HDMI and USB 3.0**
- **DreamWeVR™ VR9c-Connectorized featuring DisplayPort and USB 3.0**

These reference designs feature the company's latest AR/VR optimized high-performance analog IC's that represent the industry's broadest range, highest performance, lowest power and smallest size devices including:

- **VR7100 - HDMI 1.4 Embedded Cable Processor**
 - Delivers HDMI bandwidth of up to 10.4Gbps at 4K30 resolution;
- **VR8181 - HDMI 2.0 Embedded Cable Processor**
 - Delivers HDMI bandwidth of up to 18Gbps at 4K60 resolution;
- **VR8200 - DisplayPort HBR2 Embedded Cable Processor**
 - Delivers DisplayPort bandwidth of up to 21.6Gbps at 4K resolution;
- **VR8300 - DisplayPort HBR3 Embedded Cable Processor**
 - Delivers HDMI bandwidth of up to 32.4Gbps at 5K resolution for stunning 15 million pixel cinema grade video;
- **VR8050 - USB 3.1 Gen 1 Embedded Cable Processor**
 - Delivers up to 5Gbps of sensor/camera data for positional tracking, and gesture recognition;

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

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

These reference designs enable AR/VR OEMs to quickly and cost-effectively bring products to market. VR9e configurations are for embedded applications and feature an industry-standard board-to-board connector. VR9c configurations are for customer pluggable connectorized applications featuring an industry standard shielded cable-to-board connector.

Spectra7 is the leader in active cable technology with a very 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.

“As the undisputed market-leader of high-performance semiconductors for AR/VR interconnects, we intend to expand our market share by accelerating time-to-market for our OEM customers,” said Spectra7 CEO Raouf Halim. “Backed by a very strong patent portfolio, our semiconductors and reference designs offer the industry’s highest performance, thinnest and longest solutions.”

The company will be holding invitation-only 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-serve 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 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.

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