



Spectra7 Announces Industry's First Chip to Enable Next Generation Dual Display Virtual Reality Headsets

VR7200 Increases Bandwidth by up to 80% for Lightweight, Ultra-thin Wearable VR Interconnects

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November 13, 2014— Palo Alto, CA and Toronto, ON – (TSX-V:SEV) Spectra7 Microsystems Inc. (“Spectra7” or the “Company”) today announced the VR7200, the industry’s first chip capable of feeding dual ultra-high resolution displays that support resolutions of over 500 Pixels per inch (PPI) in deep color at 80 Frames Per Second (FPS) at distances up to 5 meters from the source. The Company believes this latest product will enable and accelerate the broader commercial availability of the market’s first dual screen VR Head Mounted Displays (“HMDs”) without the burden of multiple, thick and incremental passive cables. This new product will expand the Company’s current VR7100 series which is already shipping in production volume.

KZero expects the Consumer Virtual Reality Market to reach \$5.2 billion by 2018 and with an installed base of over 250 million⁽¹⁾ VR-capable game consoles, the Company believes there is a growing need to deliver differentiated VR products that will appeal to the broadest mainstream consumer base. Dual screen configurations hold the potential to set a new industry benchmark for truly immersive virtual reality by vastly reducing perceptible latency and delivering enhanced audio fidelity and video resolution.

With more than 20 vendors developing immersive HMD devices, product differentiation in the tethered VR space is essential. Dual screen VR offers an even more immersive broader field of view but requires nearly twice the bandwidth and double the cabling complexity. Moreover, early dual screen platforms require two sets of bulky and heavy cables for power, video and data to each lens. With Spectra7’s new VR7200 chip which features the Company’s patented high-speed, active signal processing and power delivery technology, dual screen VR HMDs with a single super-thin cable and ultra-compact connector are now possible. Next generation VR interconnects built with Spectra7’s VR7200 are capable of dual 2560 x 1440 Wide Quad High Definition (WQHD) display resolution with 4:4:4 Chroma at up to 80FPS per screen without any image degradation as a result of Luma and/or Chroma subsampling and do not require a separate external HMD power connection.

"The recent surge in new VR product announcements underscores the growing need for differentiated products amongst leading OEMs and the emergence of Dual Screen VR takes this market to yet another level," said Tony Stelliga, CEO of Spectra7. "Spectra7's VR7200 reduces the current multi-cable requirements of Dual Display VR to a single unified connection with integrated power delivery, delivering a much lighter, more immersive experience for the VR enthusiast."

Samples of the VR7200 are expected to be available to Early Access Partners in December 2014.

ABOUT SPECTRA7 MICROSYSTEMS INC.

Spectra7 Microsystems Inc. is a high performance consumer connectivity company delivering unprecedented bandwidth, speed and resolution to enable disruptive industrial design for leading consumer electronics manufacturers in Virtual Reality, Wearable Computing and Ultra-HD 4K/8K Displays. Spectra7 is based in Palo Alto, California and Markham, Ontario with a Design Center in Cork, Ireland. For more information, please visit www.spectra7.com.

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Certain statements contained in this press release constitute "forward-looking statements" within the meaning of applicable securities laws. 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 and assumptions 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. Additional factors that could cause actual results, performance and 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, 2013. Actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. 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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