Cautionary Note on Forward Looking Statements

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.

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IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF ANY OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES OR ANY CANADIAN PROVINCIAL SECURITIES REGULATOR PASSED ON THE ACCURACY OR ADEQUACY OF THIS PRESENTATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.
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

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

- Ticker: SEV (TSX)
- Corporate HQ: San Jose, CA
- Incorporated: 2010
## Key Statistics

**Ticker:** SEV

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Price</td>
<td>$0.025 CAD*</td>
</tr>
<tr>
<td>Market capitalization</td>
<td>$13.8M CAD*</td>
</tr>
<tr>
<td>TTM revenue (3/31/20)</td>
<td>$3.4 M USD</td>
</tr>
<tr>
<td>TTM gross margin (3/31/20)</td>
<td>56%</td>
</tr>
<tr>
<td>Insider ownership</td>
<td>22% Est.</td>
</tr>
<tr>
<td>Common shares issued</td>
<td>553 M 100%</td>
</tr>
</tbody>
</table>

*As of 5/21/20 Market Close
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

Source: BI Intelligence, Cisco Global Cloud Index, DigiCapital, Statistics MRC, Wall Street Research.
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

<table>
<thead>
<tr>
<th>Passive Copper Cable</th>
<th>Active Copper Cable</th>
<th>Active Optical Cable</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Lengths 1-2 meters</td>
<td>✓ Lengths 2-7 meters</td>
<td>✓ Up to kilometers in length</td>
</tr>
<tr>
<td>✓ Lowest upfront cost</td>
<td>✓ Lower upfront cost</td>
<td>✓ High quality data transmission at high speeds</td>
</tr>
<tr>
<td>✓ Lower power consumption</td>
<td>✓ Lowest power consumption</td>
<td>✓ Highest cost</td>
</tr>
<tr>
<td>× Limited to 2 meters at high data rates</td>
<td>× High quality data transmission at high speeds</td>
<td>× Highest power consumption</td>
</tr>
<tr>
<td>× Bulky</td>
<td></td>
<td></td>
</tr>
<tr>
<td>× Difficult to route</td>
<td></td>
<td></td>
</tr>
<tr>
<td>× Blocks air-flow</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Benefits**

- High Gross Margin /
- Single Sourced /
- Secured by over 50 Patents
Advantages of Spectra7’s chip technology compared to passive copper cable solutions include:

✓ Lighter, flexible cable
✓ Lower power consumption results in lower energy costs
✓ Higher performance

Spectra7 designed into 100% of PC-based VR platforms

Typically three Spectra7 chips per cable
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
- Google
- Microsoft Azure
- Amazon Web Services (aws)
- Facebook
- IBM
- Apple

BAT
- Baidu
- Alibaba Group
- Tencent

Market Drivers
- Cloud Services
- Artificial Intelligence
- Deep Learning
- 5G Roll-out
- Big Data Growth
Active copper cable solutions utilizing Spectra7’s chips are used to connect servers, racks and computing infrastructure within a data center. Over 90% of hyperscale data center interconnects require cables between 2-7M and can be addressed with Spectra7’s GaugeChanger technology.
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.

Data Center Connection Speed

- 1G
- 10G
- 100G
- 400G

Active Optical

Active Copper

OSFP\(^{(1)}\)

QSFP-DD\(^{(2)}\)

QSFP-DD\(^{(2)}\) & OSFP\(^{(1)}\)

2.4W

3.0W

24W

30W

(1) Short for “Octal Small Form Pluggable”.
(2) Short for “Quad Small Form Factor-Double Density”.
Power Savings For Data Centers Add Up

- 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](http://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:
  - Amphenol
  - FIT
  - molex
  - LEONI
  - LUXSHARE ICT

- Key achievements include:
  - Total of 21 Cable Assemblers (73 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
Recent News:

Spectra7 Reports Over $1,000,000 in Orders for Data Center Products

Company Overall Product Order Backlog at 2-Year Record High

June 03, 2020 08:00 AM Eastern Daylight Time

SAN JOSE, Calif.--(BUSINESS WIRE)--Spectra7 Microsystems Inc. (TSXV:SEV) (“Spectra7” or the “Company”), a leading provider of high-performance analog semiconductor products for broadband connectivity markets, announced today that cable assembly customers have ordered over $1.0 million in Spectra7 products in the second quarter to support ramping demand from Hyperscaler Data Center Operators both in China and the US.

“The Spectra7’s revenue ramp in the large, high growth data center market has begun”

The Global Data Center Networking Market size is expected to reach $40.3 billion by 2025, rising at a market growth of 12.3% CAGR during the forecast period.1 As data rates increase and the need for low power and cost effective solutions become more critical, the direct market that Spectra7 is serving is anticipated to be worth over $200 million in 20212.
Large, addressable markets in VR / AR and data centers, which in aggregate are expected to reach over $9 billion in 2023.

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

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

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

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

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