Disclaimers

Cautionary Statements

This management presentation is intended to provide an overview of the business of Spectra7 Microsystems Inc. (“Spectra7,” “we,” “us,” “our,” and together with our subsidiaries and variable interest entities, the “Company”). It has been prepared for information purposes only and does not purport to be complete. It is not intended to be relied upon as advice to or as a solicitation from investors or potential investors in connection with a distribution of securities of the Company and does not take into account the investment objectives, financial situation or needs of any particular investor. The financial projections were not prepared with a view toward compliance with published guidelines of the International Financial Reporting Standards or American Institute of Certified Public Accountants and have not been examined, reviewed or compiled by the Company’s accountants or auditors. The financial projections represent our estimates as of the dates indicated thereon.

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 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. 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 Information Form for the year ended December 31, 2019.

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.

Statutory Rights of Action

Securities legislation in certain provinces of Canada may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor. For further details, please see Appendix: Statutory Rights of Action.
Notice to United States investors

This information contained herein does not constitute a general offer to the public, or the general solicitation from the public, of offers to subscribe or purchase any of the Company’s securities in the United States. The distribution of this information and the offer and sale of the securities in certain jurisdictions in the United States may be restricted by law. Persons into whose possession this information comes are required to inform themselves about and to observe any such restrictions. This presentation is not, and shall not be deemed, to be, an offer to sell, or the solicitation of any offer to buy, any securities of the Company nor shall there be any sale of the Company’s securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The Company’s securities have not been and will not be registered under the U.S. Securities Act of 1933 (the “U.S. Securities Act”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless an exemption from such registration is available. The Company will not offer or sell securities within the United States, except to persons reasonably believed to be “accredited investors” within the meaning of Rule 501(a) under the U.S. Securities Act, and in each case in compliance with applicable state securities laws. The financial statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and are subject to Canadian auditing and auditor independence standards. IFRS differs in some respects from United States generally accepted accounting principles and thus may not be comparable to financial statements of United States companies.

This presentation may have been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission. You are responsible for protecting against viruses and other destructive items. Your receipt of this electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. As a consequence of the above, neither the Company nor any director, officer, employee or agent of any of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the presentation distributed to you in electronic format and the hard copy version that may be made available to you.

This presentation and its contents are confidential and are being supplied to you solely for your information and may not be reproduced, further distributed or published in whole or in part by any other person. Neither this presentation nor any copy of it may be taken or transmitted into or distributed in any other jurisdiction which prohibits the same except in compliance with applicable laws. Any failure to comply with this restriction may constitute a violation of applicable securities law. Recipients are required to inform themselves of, and comply with, all such restrictions or prohibitions and the Company does not accept liability to any person in relation thereto. By receiving a copy of this presentation, you hereby agree to be bound by the foregoing provisions.

The presentation presents certain non-GAAP ("GAAP" refers to Generally Accepted Accounting Principles) financial measures to assist readers in understanding the Company’s performance. These non-GAAP measures do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Management uses these non-GAAP measures to supplement the analysis and evaluation of operating performance.]
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 headquarters is in San Jose, CA, with sales and operations support in Dongguan, China.
- Ticker: SEV (TSX-V)
- 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 Active Copper Cable market and is deploying its technology with data center partners.

Spectra7 Product Illustration

Blue-Chip Cable Partners and End Users
# Key Statistics

<table>
<thead>
<tr>
<th>Share Price</th>
<th>$0.035 CAD*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market capitalization</td>
<td>$29.2 M CAD*</td>
</tr>
<tr>
<td>TTM revenue (9/30/20)</td>
<td>$1.6 M USD</td>
</tr>
<tr>
<td>TTM gross margin (9/30/20)</td>
<td>55%</td>
</tr>
<tr>
<td>Insider ownership</td>
<td>22% Est.**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shares</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common shares issued</td>
<td>833 M</td>
</tr>
</tbody>
</table>

*As of 4/09/21 Market Close
**As of 3/31/21
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

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</td>
</tr>
<tr>
<td>✓ Lower power consumption</td>
<td>✓ Lowest power consumption</td>
<td>transmission at high speeds</td>
</tr>
<tr>
<td>× Limited to 2 meters at high data rates</td>
<td>✓ High quality data transmission at high speeds</td>
<td>× Highest cost</td>
</tr>
<tr>
<td>× Bulky</td>
<td>✓ Thin, light and flexible</td>
<td>× Highest power consumption</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

---

**Considerations**

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

---

[Spectra7 logo]
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.
AGrowing Global Opportunity Pipeline

“Hyperscale Operator Capex Jumps 43% in 2018...to $120B”
- Synergy Research Group

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

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

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

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 GC2801 IC to support extended temperature mobile infrastructure applications.

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

New GC3282 GaugeChanger™ Solution Targeted at New Generation of High-Performance Artificial Intelligence and Machine Learning Servers

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 GC3282 IC to support longer reach data center server interconnect applications.

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

Company Continues Innovating Industry-leading Active Copper Cable Solutions

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 1.0Tbps 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.

“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 at 650 Group. “We see the ACCs and active copper cables as a major opportunity for both hyperscale and enterprise.”
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
- -40°C to 85°C Temp Range
- Lower Cost
- Lower Power
- Lower Latency

**5G Applications**

- Radio Unit Interconnect
- Mobile Edge Computing
- Network Edge
- Core Routing
Investment Highlights

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

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

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

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

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

6. **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.
Statutory Rights of Action

Securities legislation in certain provinces of Canada provide certain purchasers of securities pursuant to an offering memorandum with a right of action for damages or rescission, in addition to any other rights they may have at law, where the offering memorandum contains a “misrepresentation”, as defined in the applicable securities legislation. A “misrepresentation” is generally an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. A “material fact” is a fact that would reasonably be expected to significantly affect the market price or value of the Interests.

An “offering memorandum” generally means a document, together with any amendments to that document, purporting to describe the business and affairs of an issuer that has been prepared primarily for delivery to and review by a prospective purchaser so as to assist the prospective purchaser to make an investment decision in respect of securities being sold pursuant to an exemption from the requirement to prepare and file a prospectus contained in applicable securities law, but does not include a document setting out current information about an issuer for the benefit of a prospective purchaser familiar with the issuer through prior investment or business contacts.

These rights, or notice with respect to thereto, must be exercised or delivered by the purchaser within the time limits prescribed by applicable securities legislation. Each purchaser should refer to the complete text of the relevant provisions of the applicable securities legislation for the particulars of these rights or consult with a legal adviser.

The rights of action for rescission or damages described herein are in addition to and without derogation from any other right or remedy that a purchaser may have at law.

Set out below are descriptions outlining the rights of action available to purchasers resident in Ontario, Saskatchewan, New Brunswick and Nova Scotia which are required to be disclosed and are subject to the express provisions of the securities legislation of the applicable jurisdiction.

Rights for Purchasers in Ontario

Under Ontario securities legislation, a purchaser resident in Ontario who purchases securities offered by an offering memorandum during the period of distribution will have, subject to certain limitations and statutory defences, a statutory right of action for damages or, while still the owner of the securities, for rescission against the issuer in the event that the offering memorandum contains a misrepresentation, without regard to whether the purchaser relied on the misrepresentation. The issuer is not liable for a misrepresentation in forward-looking information if certain requirements are satisfied. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first has knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for the securities. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for the securities. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, no person will be liable. In the case of an action for damages, the issuer will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the securities as a result of the misrepresentation relied upon.
Rights for Purchasers in Saskatchewan

Under Saskatchewan securities legislation, in the event that an offering memorandum is sent or delivered to a purchaser of securities resident in Saskatchewan and contains a misrepresentation at the time of purchase, such purchaser will have, subject to certain limitations and statutory defences and without regard to whether the purchaser relied on the misrepresentation, a statutory right of action for rescission against the issuer or for damages against: (i) the issuer; (ii) every promoter or director of the issuer at the time the offering memorandum was sent or delivered to such purchaser; (iii) every person who, or company that, sells securities on behalf of the issuer under the offering memorandum; (iv) every person who signed the offering memorandum; and (v) every person whose consent was filed in connection therewith (only in connection with statements made by that person). Similar rights are provided in respect of advertising or sales literature and verbal statements. Saskatchewan securities legislation provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities and the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if such securities are sold in Saskatchewan in contravention of Saskatchewan securities legislation or a decision of the Saskatchewan Financial Services Commission. No action to enforce a right of rescission may be commenced more than 180 days after the date of the transaction that gave rise to the cause of action and a purchaser must commence an action for damages within the earlier of (i) one year after such purchaser first had knowledge of the facts giving rise to the cause of action or (ii) six years after the date of the transaction that gave rise to the cause of action.

Rights for Purchasers in New Brunswick

Under New Brunswick securities legislation, a purchaser resident in New Brunswick who purchases securities offered by an offering memorandum will have, subject to certain limitations and statutory defences, a statutory right of action for damages or, while still the owner of the securities, for rescission against the issuer in the event that the offering memorandum contains a misrepresentation at the time of purchase, without regard to whether the purchaser relied on the misrepresentation. Similar rights are provided in respect of advertising or sales literature and verbal misrepresentations. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the issuer. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, no person will be liable. No action to enforce a right of rescission may be commenced more than 180 days after the date of the transaction that gave rise to the cause of action and in the case of any action, other than an action for rescission, such action shall be commenced before the earlier of (i) one year after the purchaser first had knowledge of the facts giving rise to the cause of action and (ii) six years after the date of the transaction that gave rise to the cause of action.
Rights for Purchasers in Nova Scotia

Under Nova Scotia securities legislation, a purchaser resident in Nova Scotia who purchases securities offered by an offering memorandum that is sent or delivered to such purchaser resident in Nova Scotia will have, subject to certain limitations and statutory defences, a statutory right of action for damages against the issuer, every person who signed the offering memorandum and every director of the issuer or, while still the owner of the securities, for rescission against the issuer, in the event that the offering memorandum contains a misrepresentation at the time of purchase, without regard to whether the purchaser relied on the misrepresentation. A similar right is provided in respect of advertising or sales literature, on which a purchaser is deemed to have relied. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages. In no case will the amount recoverable in any action exceed the price at which the securities were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, no person will be liable. No action to enforce a right of rescission may be commenced more than 180 days after the date of the transaction that gave rise to the cause of action; or in the case of any action other than an action for rescission, the earlier of (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. Notwithstanding the foregoing, no action to enforce the foregoing rights may be commenced more than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made, where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Rights for Purchasers in Manitoba, Prince Edward Island and Newfoundland and Labrador

Securities legislation in Manitoba, Prince Edward Island and Newfoundland and Labrador provides certain purchasers with rights of action similar to those described above, a detailed description and disclosure of which is not required to be disclosed.

Rights for Purchasers in British Columbia, Alberta and Quebec

The securities legislation of British Columbia and Quebec do not provide or require an issuer to provide to purchasers resident in these jurisdictions any rights of action in circumstances where an offering memorandum contains a misrepresentation. The securities legislation of Alberta does not provide or require an issuer to provide to purchasers resident in that jurisdiction any rights of action in circumstances where an offering memorandum contains a misrepresentation and the “accredited investor” exemption is relied upon.