



## 3Q2023 EARNINGS PRESENTATION

NOVEMBER 9, 2023

# VUZIX<sup>®</sup>

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Certain statements included in this presentation may be considered forward-looking. All statements in this presentation that are not historical facts are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements, and therefore these statements should not be taken as guarantees of future performance or results. We may use words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “could,” “seeks,” “estimates,” and variations of such words and similar expressions in identifying forward-looking statements. The forward-looking statements herein include, but not limited to, statements concerning: our possible or assumed future results of operations; our business strategies; our ability to attract and retain customers; our ability to sell additional products and services to customers; our cash needs and financing plans; our competitive position; our industry environment; our potential growth opportunities; expected technological advances by us or by third parties and our ability to leverage them; the effects of future regulation; and the effects of competition. These statements are based on our management’s beliefs and assumptions and on information currently available to our management. It is important to note that forward-looking statements are not guarantees of future performance, and that our actual results could differ materially from those set forth in any forward-looking statements. Due to risks and uncertainties, actual events may differ materially from current expectations. For a more in-depth discussion of these and other factors that could cause actual results to differ from those contained in forward-looking statements, see the discussions under the heading “Risk Factors” in the Company’s most recent annual report on Form 10-K and other documents that the Company has subsequently filed with the SEC. Vuzix disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

# Call Participants and Agenda

## Participants

Paul Travers

*President and CEO*

Grant Russell

*CFO and Executive Vice President*

Ed McGregor

*Director of Investor Relations*

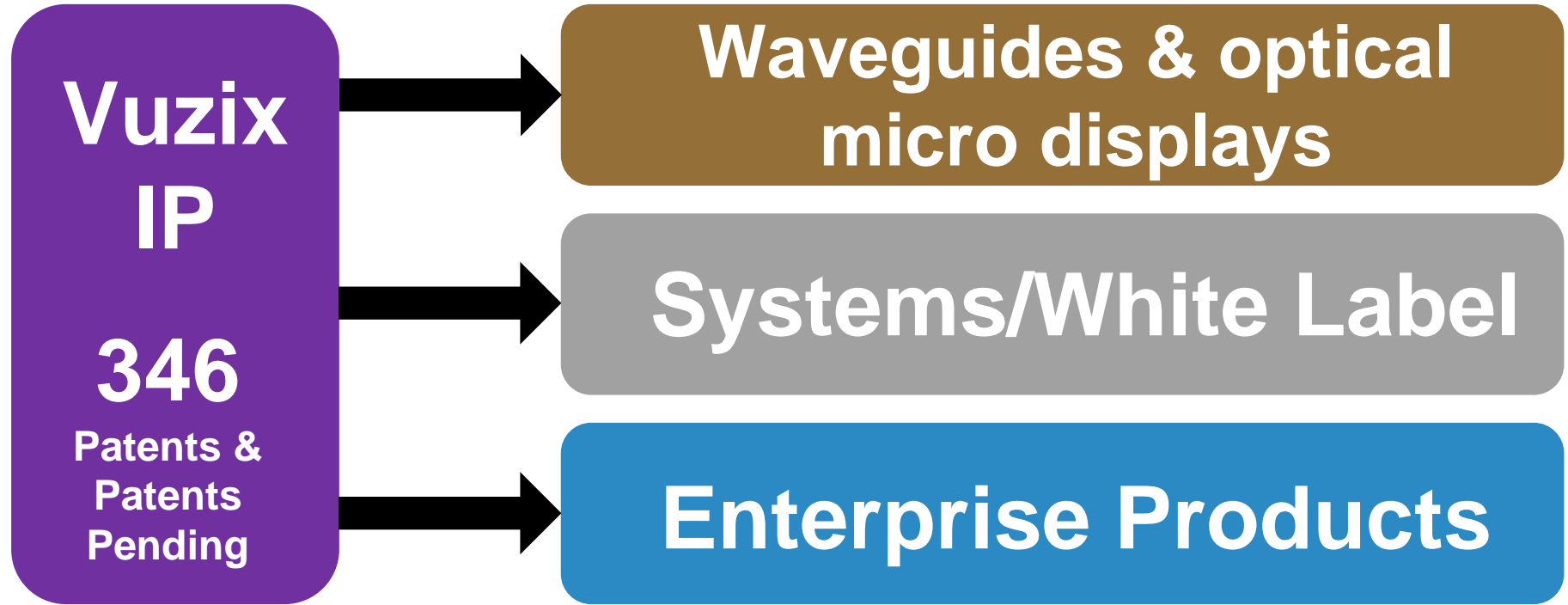
## Agenda

- Introduction
- Business review
- Financial review
- Closing Remarks
- Q&A

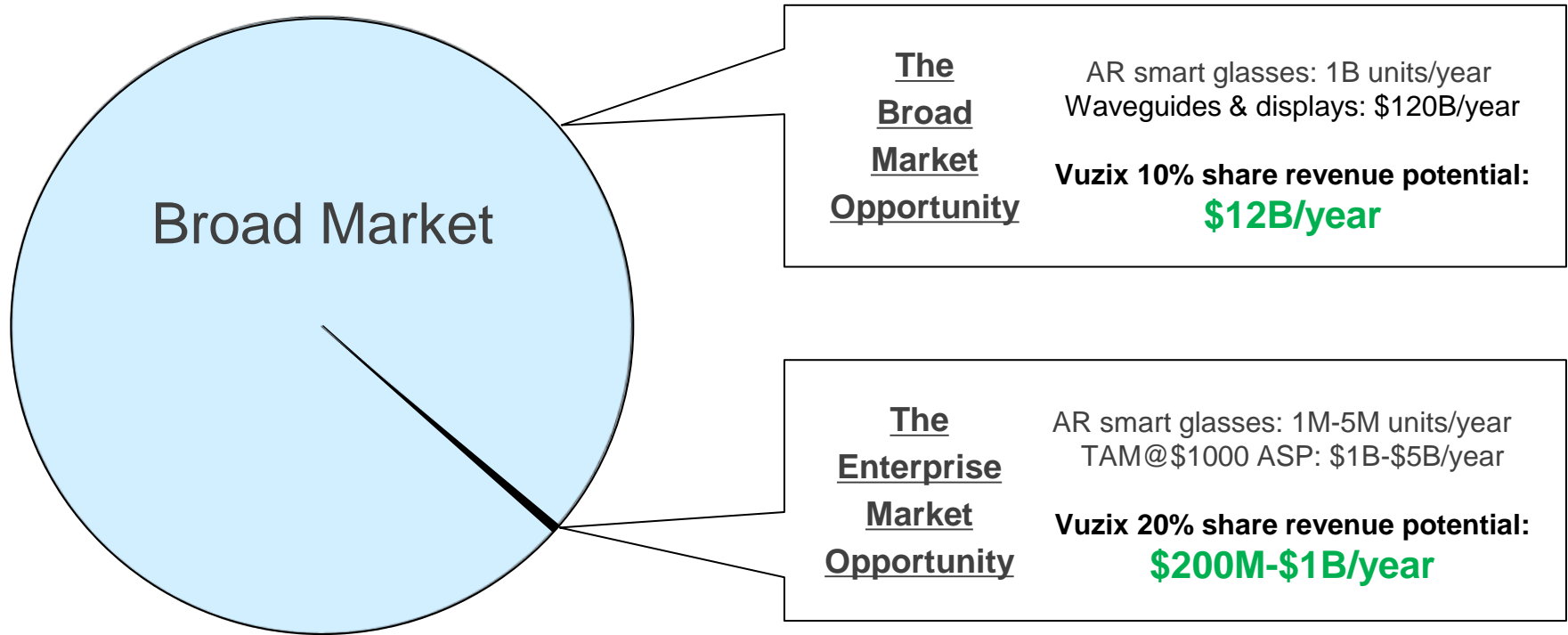
## Opening Remarks and 3Q2023 Comments

- Lower than planned smart glasses sales primarily due to order placement timing associated with several larger channel partner deals; most are expected to close in the coming months or quarter
- Some OEM sales were also delayed by a few large corporations; we expect we will close the bulk of these transactions over the next several quarters
- We have the largest pipeline of SG sales opportunities ever
- Our OEM group ended 3Q2023 with our largest OEM order backlog ever
- We are making changes to lower annual operating costs by as much as 20% once fully implemented; focused on becoming more efficient, lowering cash operating burn and creating a faster more visibly path to profitability

## Vuzix IP Drives Value Creation

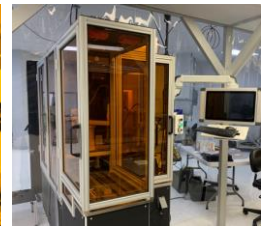
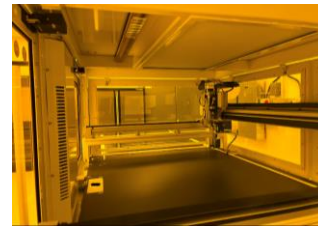
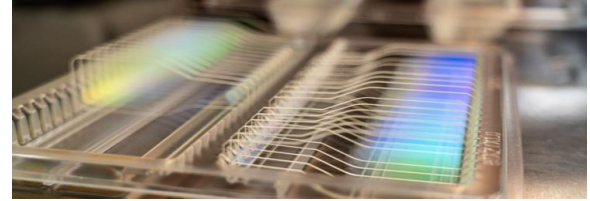


# The Big Picture – Relative Opportunity Size



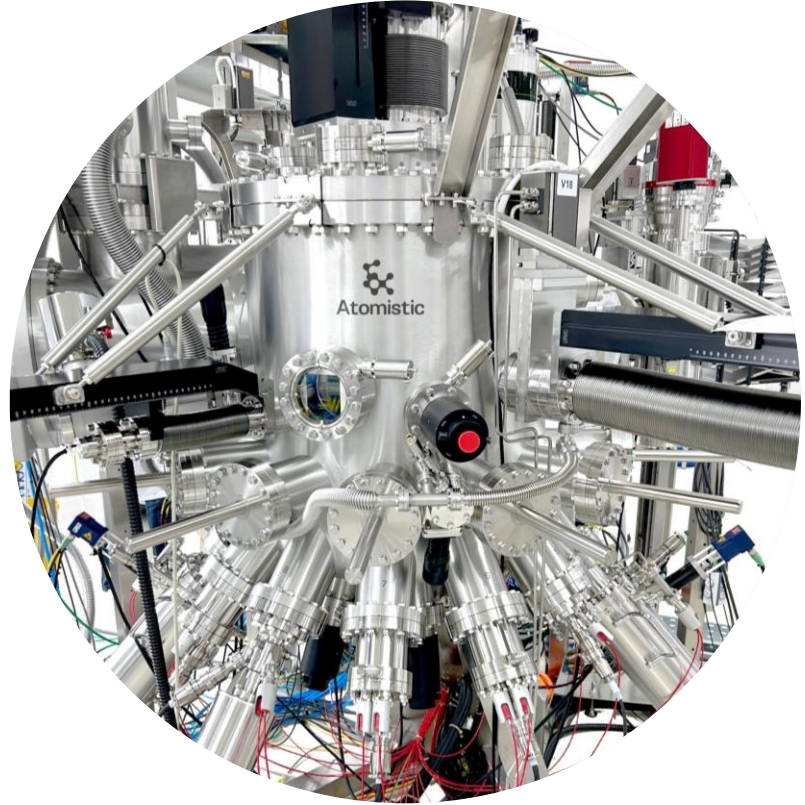
# Waveguide Comments

- Vuzix waveguide mega factory is now operational
- Facility increases waveguide unit capacity, lowers manufacturing costs and utilizes more advanced processes
- Can make large format and direct view heads-up displays for in-vehicle use and other use cases
- INCOGNITO is a game-changer:
  - ✓ Manages internal light reflection
  - ✓ Minimizes forward light leakage
  - ✓ Enhanced low light optical performance
  - ✓ Significantly advances forward light ratio
  - ✓ Improves the contrast of virtual images



# Atomistic – A Brighter Future for AR

- Still operating in stealth mode but making excellent against multiple key milestones
- Atomistic's highly specialized fabrication equipment is nearing completion and is on track to be qualified in the coming months
- Atomistic's website is now live and can be accessed at [www.atomistic.com](http://www.atomistic.com)
- The Atomistic website will be periodically updated over the coming year as further progress is made





# Smart Glasses Comments

- Our current smart glasses pipeline is arguably our largest ever with key accounts across all key markets
- Beginning to see traction coming from emerging applications utilizing AI
- AI-enabled smart glasses can deliver rich new experiences to support education, e-commerce, healthcare, communications, defense and security



## OEM Comments

- Vuzix has a growing list of companies under contract and opportunities in the queue with new and existing customers
- Our investments into new manufacturing and research equipment and enhanced production processes are beginning to yield fruit in the OEM portion of our business



- We continue fielding new interest to develop waveguide-based solutions for the defense, commercial aviation, enterprise and even the broader AR consumer markets
- We continue to anticipate several of these defense accounts to move from R&D projects and begin scaled production by the end of this year and going into the first half of 2024

## Recap

- We feel that Vuzix is one of the outstanding leaders in the AR industry today as evident in multiple areas
- Vuzix has critical waveguide technology from design right through to a one-of-a-kind mega factory for high volume production at broad market enabling price points
- Vuzix has a major stake in what should prove to be the most advanced microLED display technology available, solving for the critically needed, high efficiency full color displays for the ultimate AR glasses solution of the future
- We feel we are positioned well to win and see significant growth in a market touted by industry experts to ultimately be greater than a trillion dollars plus within a decade

## 3Q2023 Operating Results

	3Q2023	3Q2022	% Change
Total Sales	\$2.18M	\$3.43M	<b>-36%</b>
Gross Profit	\$(0.24)M	\$0.87M	<b>nm</b>
Gross Margin	(10.9)%	25.3%	<b>nm</b>
Total Expenses	\$11.19M	\$10.83M	<b>+3%</b>
Operating (Loss)	\$(11.43)M	\$(9.97)M	<b>-15%</b>
EPS (Loss)	\$(0.17)	\$(0.15)	<b>-13%</b>

## Balance Sheet Highlights

	9/30/2023	12/31/2022
Cash	\$38.0M	\$72.6M
Current Assets	\$59.6M	\$91.2M
Working Capital	\$54.5M	\$76.0M
Long-Term Debt	0	0
Shareholder Equity	\$95.7M	\$116.7M

# Q&A