



2Q2021 EARNINGS PRESENTATION

AUGUST 9, 2021

VUZIX®

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Call Participants and Agenda

Participants

Paul Travers

President and CEO

Grant Russell

CFO and Executive Vice President

Ed McGregor

Director of Investor Relations

Agenda

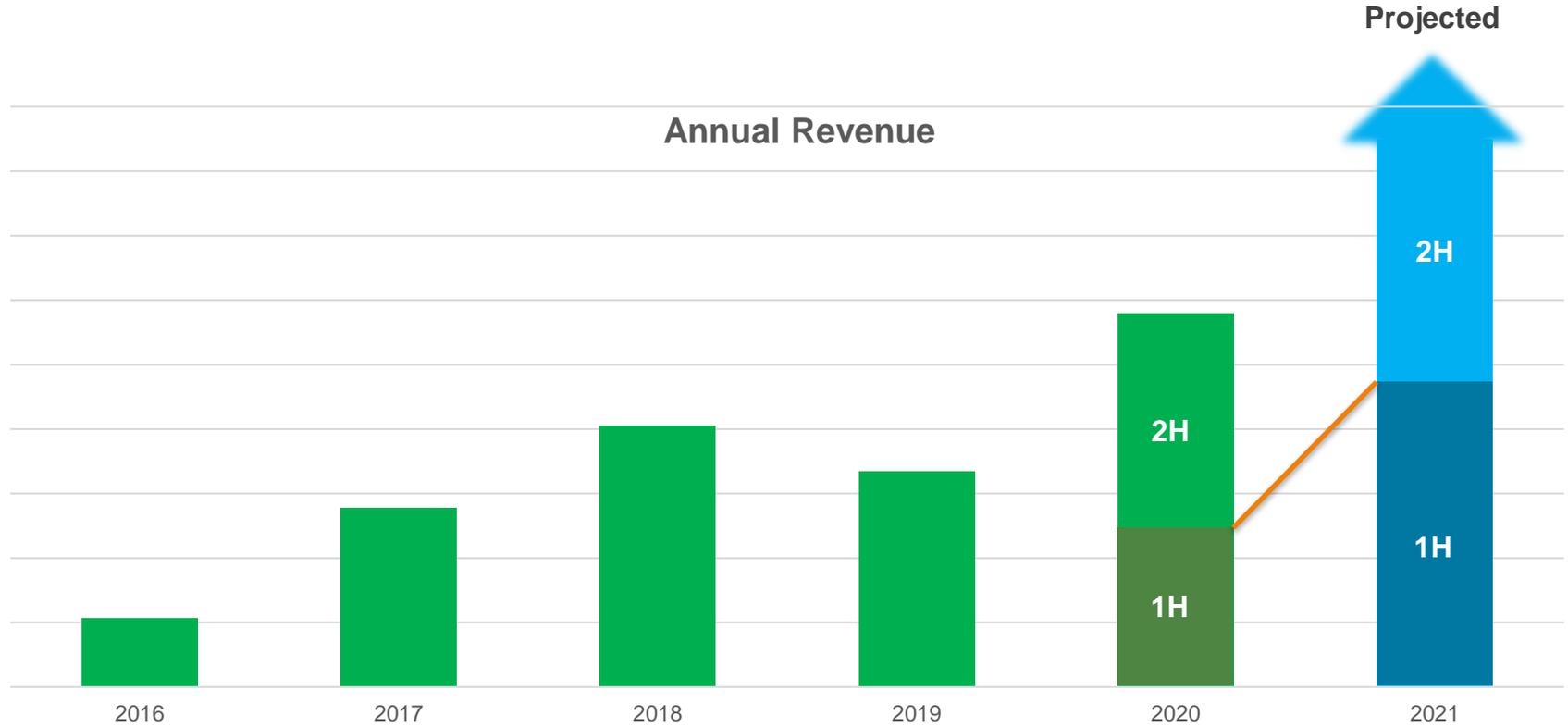
- Introduction
- 2Q2021 business review
- 2Q2021 financial review
- Q&A
- Closing remarks

Opening Remarks

- 2021 has been and will continue to be a transformative year for Vuzix
- 1H2021 product revenue rose 80% year-over-year on 53% unit growth with revenue growth from Vuzix' top 20 customers up 73%
- Ended 2Q with ~\$138M in cash
- Established a new software integration solutions business unit
- Evaluating potential strategic acquisitions with due diligence underway



Vuzix' Smart Glasses Revenue Continues to Grow Year-Over-Year



Steady Progress with Both Existing and New Blue Chip Customers

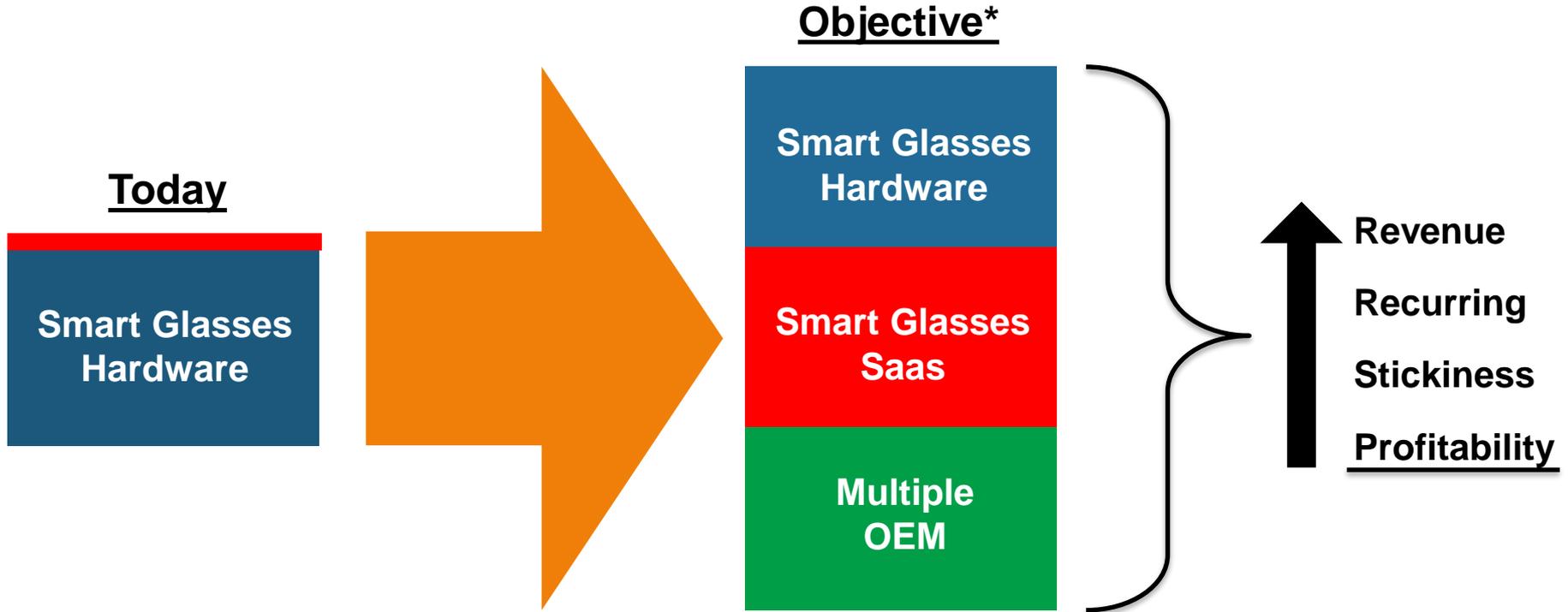
- Top 2% of customers have accounted for almost half of smart glasses sales over the last 18 months
- Deploying customers include Medtronic, USAA, Clorox, Johnson & Johnson, KDDI, Becton Dickinson and others
- Within logistics, retail stores, distribution centers, 3rd party logistics, warehousing and inventory management, customers are focused on deploying smart glasses



Use of Vuzix-Supported Surgical Solutions Continues to Expand



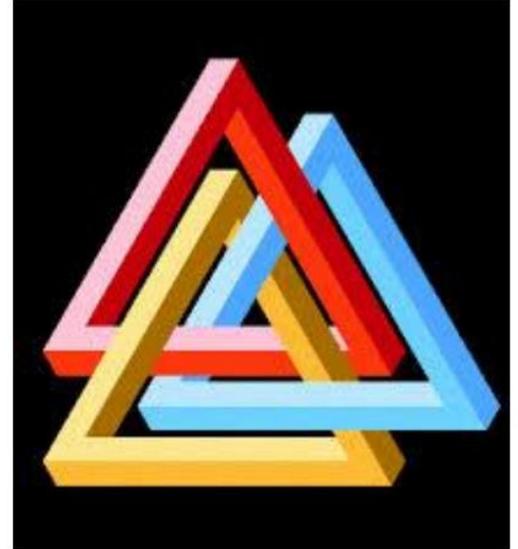
3 Segments Will Drive Vuzix' Long-Term Growth and Profitability



* Segment sizes are not to expected scale

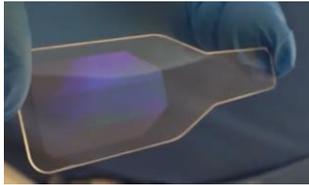
We Will Get There Using a 3-Prong Approach

- Invest in core business including smart glasses, software and customer service
- Pursue both organic and inorganic opportunities for enterprise business solutions to expand participation in the overall value chain
- Advance core technologies to enable Vuzix products, grow the OEM customer base and supply to the broader markets



Leverage, Expand and Monetize Core Technologies

Optics



Displays



Systems



- 210 patents and patents pending
- Control and ownership of key technologies will significantly enhance shareholder value
- Evaluating the acquisition of a disruptive nano electro optical technology

We Are Making Progress Against Our 2021 Goals

- Continuing to see follow-on orders from Vuzix' customer base and expect year-over-year revenue growth over the remainder of 2021
- Established an Integrated Solutions Business Unit and completing due diligence related to a potential SaaS-based acquisition in the medical space
- Planned introduction of next gen glasses and versions of core smart glasses products remains on track
- OEM program engagements are progressing; follow-on NRE programs and product supply agreements with initial production shipments expected this year
- YTD, IP portfolio of patents and patents pending has risen from 184 to 210

2Q2021 Operating Results

	2Q2021	2Q2020	% Change
Revenue: Smart Glasses	\$2.83M	\$2.34M	+21%
Eng. Services	\$0.08M	\$0.70M	-80%
Total	\$2.92M	\$3.04M	-4%
Gross Profit	\$0.58M	\$0.80M	-27%
Gross Margin	19.9%	26.2%	-24%
Total Expenses	\$6.72M*	\$5.03M	+34%*
Operating (Loss)	\$(6.17)M*	\$(4.24)M	-46%*
EPS (Loss)	\$(0.10)*	\$(0.13)	+23%*

* Excludes \$2.57M of non-cash Long Term Incentive Plan expenses

Balance Sheet Highlights

	6/30/2021	3/31/2021	12/31/2020
Cash	\$137.6M	\$132.7M	\$36.1M
Current Assets	\$151.0M	\$144.1M	\$45.1M
Working Capital	\$147.9M	\$140.5M	\$42.0M
Long-Term Debt	0	0	0
Preferred Stock	0	0	4.96M shares*
Shareholder Equity	\$155.7M	\$146.9M	\$48.3M

* Preferred conversion shares

Q&A