

2Q2023 EARNINGS PRESENTATION

AUGUST 8, 2023

VUZIX®

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Call Participants and Agenda

Participants

Paul Travers

President and CEO

Grant Russell

CFO and Executive Vice President

Ed McGregor

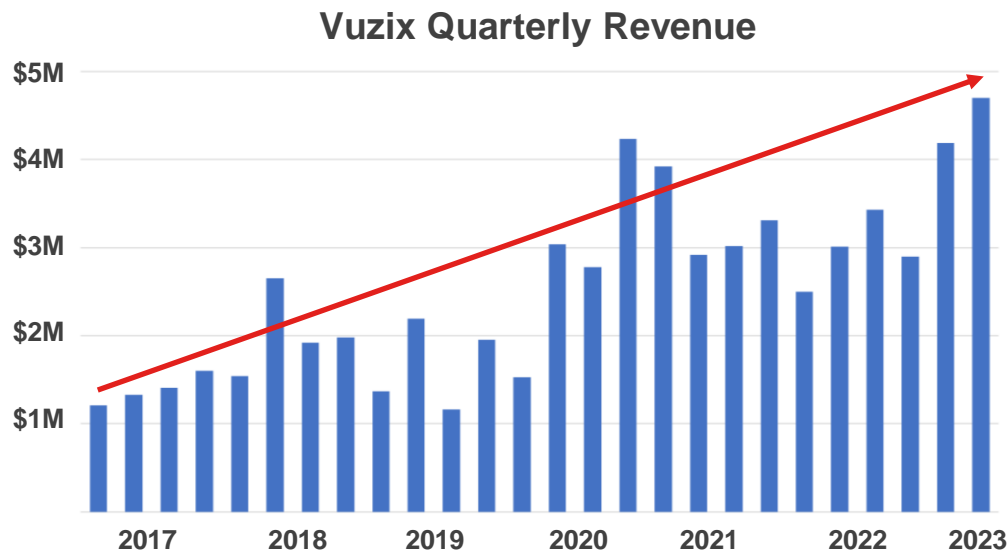
Director of Investor Relations

Agenda

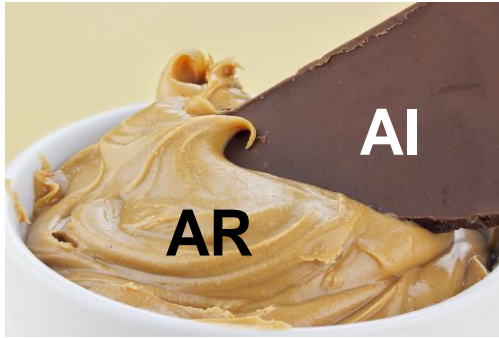
- Introduction
- Business review
- Financial review
- Closing Remarks
- Q&A

Opening Remarks and 2Q2023 Comments

- 2Q2023 revenue of \$4.7M rose 56% YOY and 12% sequentially
- Record 2Q2023 smart glasses sales of \$4.4M, up 51% YOY
- 2Q2023 OEM revenue of \$0.3M with the number of engagements continuing to expand
- Remain bullish on full year 2023 prospects; well positioned to achieve record revenues



Smart Glasses Comments



Visual search

Language Translation

Voice control


Hearing impaired solutions

Sign language

Human enhancement in enterprise

- The trend toward enterprise-wide rollouts among F100 companies remains exciting
- Numerous existing accounts are expected to continue their roll out plans in 2H23, especially in warehousing & logistics
- Continued expansion of Vuzix' global sales channel through the addition of value-added channel partners
- Seeing AR smart glasses with AI-enabled applications and use cases gain traction across broad market segments

OEM Comments

- Many opportunities in the queue with both new and existing customers
 - US-based ODM and OEM recognition by the market continues to expand
 - Vuzix' competitive advantages include fast turnaround times, broad solution flexibility, high volume capacity and a competitive cost structure
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- Already under contract with some customers in the defense, commercial aviation, enterprise and broader AR consumer markets
 - Vuzix has many major customers that have been or are developing our waveguides into their head mounted programs; several are expected to begin scaled production by 2023 year-end and going into 1H2024

OEM Comments – Con't

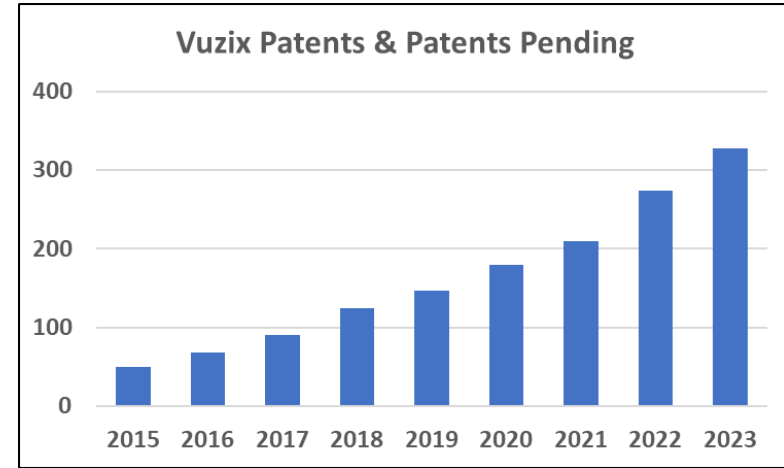
- The ability to produce large format waveguides should open up new markets for large format “heads-up” displays for use in conventional vehicles/aircraft cockpits
- In the consumer AR market, receiving strong interest from customers spanning fashions brands, telecoms, social media firms, and sports and gaming
- The expectation is that the consumer AR market will rapidly develop and ultimately become a multi-billion-unit market



- Vuzix Ultralite Platform-based solutions will be in production by year-end, and we expect will be going to market with several OEM brands through 2024

Patents, Patents Pending & Trade Secrets

- Vuzix' IP portfolio is steadily expanding
 - ✓ Now 325+, up 50%+ over the last 24 months
- Patents and patents pending cover a broad range of technologies:
 - ✓ Eyewear product designs, including Ultralite
 - ✓ Waveguide designs and fabrication
 - ✓ Optical coupling and fixed focus technology
 - ✓ Prescription capabilities and customization
- Patents AND trade secrets cover things like:
 - ✓ Nano imprinting and process equipment
 - ✓ Polymers, adhesion promoters, release agents
 - ✓ Replication and double-sided formats



Waveguide Comments

- New 12K ft² waveguide production facility is soon to be operational:
 - ✓ Required power infrastructure has been installed
 - ✓ Waveguide production equipment is being moved in and qualified
- Broad in-house capabilities:
 - ✓ Specification to design
 - ✓ Mold production
 - ✓ Replication
 - ✓ Test and system integration
- Small to large design sizes with quick turnarounds



μLEDs: Leading Suppliers & Atomistic

- Industry players remain challenged to design and produce acceptable RGB μLEDs
- Vuzix has established working relationships with several of the industry's most advanced vendors through both partnerships and investments
- Atomistic with its very novel approach is making great progress
- Atomistic uses customized and complex fabrication equipment that had to be designed from the ground up
- Potential to upend the entire smart glasses industry with full color, exceptional brightness and all-day battery performance in a fashion forward form factor



Recap

- Vuzix is one of the outstanding leaders in the AR industry today and it is evident in multiple areas:
 - ✓ Our business is seeing expanding top line growth
 - ✓ Vuzix has one of the fastest growing enterprise product solutions in the market
 - ✓ Vuzix has critical waveguide technology from design 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 uLED display technology available, solving for the critically needed, high efficiency full color displays for future AR glasses
- Bottom line - we are well positioned to win and see significant growth in our enterprise value going forward

2Q2023 Operating Results

	2Q2023	2Q2022	% Change
Total Sales	\$4.69M	\$3.01M	+56%
Gross Profit	\$0.97M	\$0.27M	+266%
Gross Margin	20.7%	8.8%	+135%
Total Expenses	\$10.58M	\$10.27M	+3%
Operating (Loss)	\$(9.61)M	\$(10.00)M	+4%
EPS (Loss)	\$(0.14)	\$(0.16)	+13%

Balance Sheet Highlights

	6/30/2023	12/31/2022
Cash	\$48.6M	\$72.6M
Current Assets	\$68.3M	\$91.2M
Working Capital	\$61.5M	\$76.0M
Long-Term Debt	0	0
Shareholder Equity	\$103.2M	\$116.7M

Q&A