

CORPORATE PRESENTATION

JUNE 2020

VUZIX®

Cautionary Note Regarding Forward Looking Statements

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.

Vuzix Corporation: A Leading Augmented Reality Smart Glasses Company

History	<ul style="list-style-type: none">• Company was founded in 1997, IPO in 2009
Headquarters	<ul style="list-style-type: none">• West Henrietta, NY (suburb of Rochester)
Executive Management	<ul style="list-style-type: none">• Paul Travers: CEO, President• Grant Russell: CFO, EVP and Treasurer
Offices	<ul style="list-style-type: none">• US & Canada• UK• Japan
Financial Statistics	<ul style="list-style-type: none">• Share price: \$2.50 ⁽¹⁾• Market Cap: \$98 million ⁽¹⁾• Cash: \$16.5 million ⁽²⁾
Ownership	<ul style="list-style-type: none">• CEO and CFO together own ~11%• Intel Corp. owns ~13% via Series A Preferred• Institutional investors own ~26%

(1): As of June 4, 2020. Market Cap does not include Intel preferred stock on an as converted basis.

(2): Pro forma as of March 31, 2020 including net proceeds received from May, 2020 equity raise

Vuzix is a pioneer in wearable computing, augmented reality, optics and display engines and has been delivering solutions to customers for over 20 years.



The AR Market Opportunity – Everyone Agrees the Numbers Will Get HUGE...

The global smart glasses market is expected to reach \$95B by 2025 – Fortune Business Insights, March 2020

The global augmented reality (AR) market is projected to reach \$125B by 2026 – Market Insights Reports, May 2020

The AR smart glasses market is expected to exceed \$100B by 2024– ABI Research, March 2020

The global AR market is expected to \$84B by 2025 – Fior Markets, February 2020

The global AR market is estimated to reach \$73B by 2024 – ResearchAndMarkets, January 2020

The global AR market has the potential to grow by \$77B during 2020-2024 – Technavio, January 2020

The AR market is estimated to reach \$73B by 2024 – MarketsandMarkets, January 2020

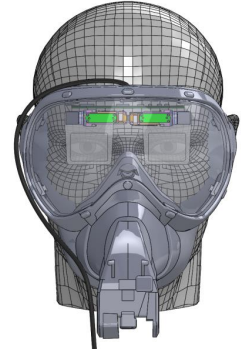
...and Vuzix Has a Broad Solution Set in Place to Address This Market



**Vuzix M-Series
Smart Glasses**



**Vuzix Blade
Smart Glasses**



OEM Solutions

End Market(s)

Enterprise

Enterprise, security/first responders, prosumer

Custom projects across multiple industries

Market Status

Rapidly Emerging

Emerging

Developing

Market Opportunity

\$10B+

\$1B+

\$100M+

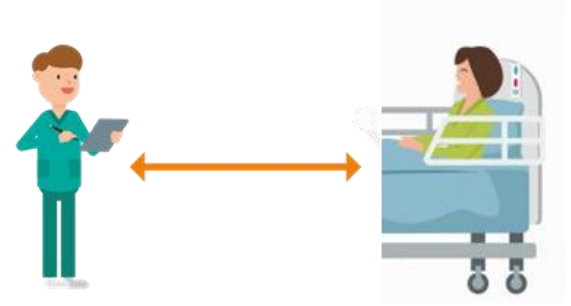
The COVID-19 Pandemic Has Accelerated Interest in Smart Glasses Usage...



Firms have implemented strict travel restrictions between their locations and also those of their customers



Stay-in-place trends include work-from-home programs, tele-education and other forms of virtual support



Virtual care is limiting the interaction between infected or compromised patients and healthcare professionals

These developments have quickly become growth catalysts for smart glasses usage across telemedicine, remote support and business continuity applications

... and Vuzix has Seen Telemedicine Demand for its Smart Glasses Accelerate

- Vuzix reseller 1 Minuut has placed multiple volume orders for Vuzix M400s this year due to strong interest in Europe for their healthcare and telemedicine solutions
- Vuzix reseller GemVision recently placed a replenishment order for Vuzix M400s to support remote healthcare needs in the Netherlands
- Johns Hopkins Hospital is using the Vuzix M400 to help with patient intubation and to host virtual patient rounds
- The University of Louisville School of Medicine is currently testing the M400 across six different facilities and has plans to deploy Vuzix glasses across their network and expand the program in educational training in addition to patient care
- In Thailand, Vuzix Blade Smart Glasses are now being used for COVID-19 patient care at one of the country's main hospital sites used for quarantined COVID-19 patients



Recent Business Activity Has Been Strong

- Vuzix experienced strong growth in smart glasses sales in April and May and expects this growth to continue
- As companies are trying to get back to work, broad demand is being seen from new customers, existing customers, and Vuzix resellers
- Increases in customer order frequency and average order size have been occurring on a globally basis
- Including the completion of engineering programs already in place, Q2-2020 revenues are increasing significantly over Q1-2020



VUZIX M-SERIES SMART GLASSES

VUZIX®

Vuzix M400 Enterprise Smart Glasses

- One of the most powerful standalone smart glasses available
- Android operating system with Qualcomm SXR1 platform
- OLED display, GPS, multi-finger touchpad, 8-core ARM64 processor and 6GB LPDDR4 of memory
- Includes full voice control for apps and OS, allowing true hands-free operation
- 12.8MP camera with image stabilization and phase-detect auto focus for faster scanning with a larger scanning range.
- Supported by a broad line of wearable accessories



- Ruggedized IP67 water and dust rated. Drop tested 2 meters
- Standard USB-C connector for external battery connection
- Higher streaming video framerate with 2x+ resolution improvement
- **STATUS: CURRENTLY SHIPPING**

All M-Series Models Offer More Common and Ergonomic Mounting Options than Anyone



Prescriptions



Hard hat



Safety glasses



Head band



Left or right
eye mountable

New universal hat
mounting clips fit most
baseball hats, visors
and safety bump caps



Baseball hats



Visors



Safety bump caps

Enterprise Usage Dynamics and Players

In the enterprise environment, most shifts are typically **8 hours long**

Vuzix' M-Series provides an optimal mix of key metrics:
Battery – Comfort – Display – Functionality
Price – Software – Support – Weight

Vuzix M-Series
\$999-\$2499



Google Glass EE2
\$999



Epson BT-30C
\$499 (Ext. CPU req)



Competitors

Magic Leap One
\$2295-\$3290



Microsoft Hololens 2
\$3500



RealWear HMT-1
\$2500



Vuzix M4000 Enterprise Smart Glasses

- An enterprise solution that uses a Vuzix optical waveguide to provide a completely non-occluded see-through heads-up display
- The M4000 comes with all the same features and performance of the market-leading M400
- The M4000 represents the second Vuzix Smart Glasses solution to use the Qualcomm SXR1 platform
- Ruggedized and waterproofed for wide-ranging applications where safety and durability are needed most
- Increased resolution to WVGA with a 16x9 aspect ratio and a larger field of view (FOV)
- **STATUS: AVAILABLE 2H2020**



A Strong Software Team Enables the Sale of a Total Solution Package Both Hardware and SaaS with Recurring Revenues



- Vuzix has a significant software development team (40% of R&D team headcount) that remains focused on:
 - ✓ Churning out smart glasses applications
 - ✓ Assisting third party developers
 - ✓ Keeping products current with OS feature enhancements and security updates
- Goals
 - ✓ Promote both monthly and annual software subscriptions for Vuzix smart glasses
 - ✓ Increase total revenues from each hardware sale and try to create annuities with software subscriptions, both through the Vuzix App Store and software bundles
 - ✓ Increase the software attachment rate, both internally developed and resold from the partner developer network

Key Applications for Smart Glasses in Enterprise

Warehouse Logistics

Barcode Scanning
Order Picking & Fulfillment
Video Recording



Manufacturing

Work Instructions
Video/Step Confirmation
& Quality Assurance



Tele-Medicine

Remote Video & Recording
Procedure Assistance



Field Service

Remote Support
Field Service
Training



With superior speech recognition and noise cancelling implementations, Vuzix' products are truly hands-free to operate in near any environment

Beyond Enabling Frontline and Remote workers During Pandemic, The ROI for General Enterprise Use Cases Support Widespread Adoption

Customer



Vuzix Smart Glasses Usage Case

Remote support for service and maintenance for fiber and copper technicians

Remote field service support for installation and maintenance

Real time expert troubleshooting without a troublesome cross border commute and extended wait time

600+ smart glasses deployed on the tarmac at the Changi Airport for baggage and cargo handling

Results

86% faster task completion,
77% error reduction assist

Supervisor sign-offs completed in 1/4th of the previous time

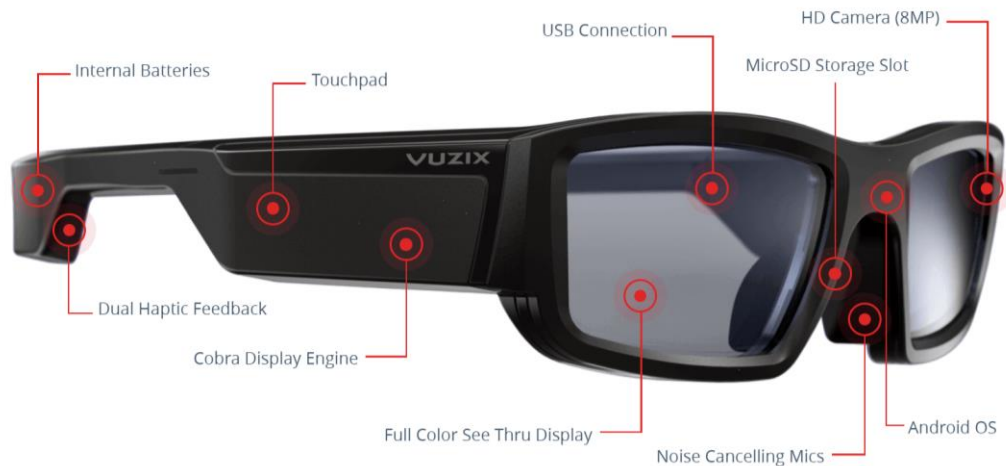
60% faster machine repairs,
reduced travel costs

Aircraft turnaround times cut by up to 15 minutes per flight

VUZIX BLADE[®] SMART GLASSES

VUZIX[®]

The Vuzix Blade is Well Positioned for Adoption Across Multiple Key Markets



- ✓ **Enterprise B2B and B2C**
- ✓ **Security and First Responders**
- ✓ **ANSI Z87.1**

- First augmented reality smart glasses featuring advanced waveguide optics for hands-free mobile computing and connectivity
- Perfectly balances enterprise and prosumer demands as it is built for industry operations and designed for all-day comfort
- **STATUS: CURRENTLY SHIPPING** **Coming soon: built-in stereo audio and auto-focus camera**

Blade for First Responder and Security Markets: Protecting the Public

- The Blade's form factor makes it by far the best (and possibly only) solution available for these markets
 - ✓ Allows for hands-free movement and interaction
 - ✓ Ideal for covert facial recognition or weapons detection
- Proof-of-concept discussions and demonstrations have taken place with numerous fire and police departments, many of which are also evaluating usage with drones



TENSORMARK

- Vuzix has already announced multiple security partners and these firms have been actively addressing this market
- Deliveries to these security firms have started and are expected to progress through 2020
- **Security alone could represent tens of thousands of units annually**

Blade for Prosumers: Leave Your Phone in Your Pocket



- The Blade Companion app seamlessly supports and manages the connection between the Blade and smart phone (supports both iOS and Android)
- Vuzix App Store supports paid and free apps and basic mobile device management for in-field updates and application installation
- Over 80 apps currently available with more being added every month
- Can currently be purchased online from Vuzix and Amazon

OEM SOLUTIONS

VUZIX®

OEM Solutions Represent a Significant Opportunity for Vuzix Moving Forward

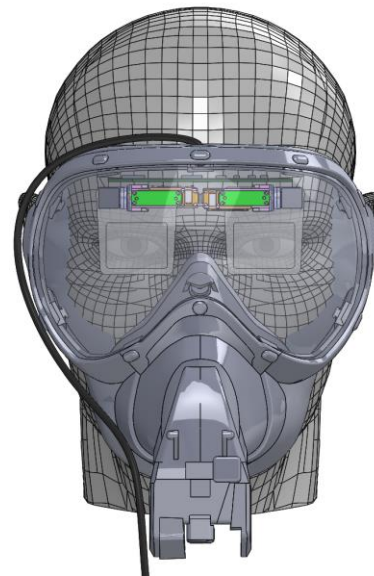
Major technology companies have chosen and will continue to choose to partner with Vuzix for its proprietary technology and wealth of industry experience.



- Vuzix has a proven track-record of providing products and solutions
- Vuzix is a world-leader in the optical science of waveguides
- OEM opportunities can range from derivative designs to fully customized solutions
- Products are designed and mostly assembled in-house at Vuzix' Rochester, New York facility
- Vuzix' faculty is ISO 9001 certified and uses advanced custom-designed robotics

Custom Waveguide-Based OEM Opportunities in 2020

- Vuzix is becoming a solution provider of choice for next generation waveguide-based solutions
- **MANUFACTURED AND DESIGNED IN THE USA**
- The programs currently being pursued could result in Non-Recurring Engineering fees for Vuzix in the millions of dollars
- In some cases, discussions have already begun around supply contracts for finished devices
- These programs span the defense, aviation, industrial and consumer/automotive sectors



NEW PRODUCTS & TECHNOLOGIES

VUZIX®

Integrating Advanced Technologies into Next Generation AR Smart Glasses

Vuzix Custom Display Engines

+

Vuzix Optical Waveguides

+

Qualcomm XR Platform

- MicroLED-based display engine
- A fraction of the size of anything available
- Highly efficient with significantly more brightness
- Reduced energy consumption and improved battery life
- Reduced cost and improved optical performance

- Thinner and lighter
- Reduced light leakage
- Wider fields-of view (FOV)

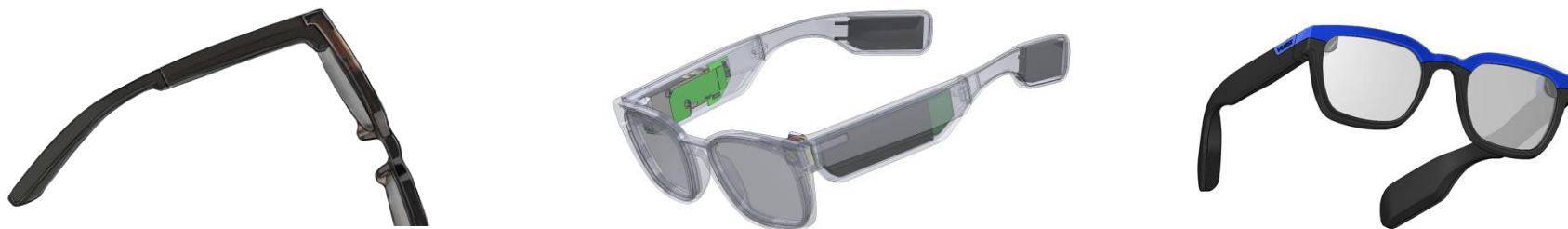


- ARM-based multicore CPU
- Optimized for AR
- Artificial intelligence capabilities
- Improved interactivity
- Better power consumption
- Enhanced thermal efficiency



Taken Together Vuzix Technology is Delivering on the Fashion Glasses Promise

Vuzix technology from displays to waveguide are designed for advanced fashion glasses ID possibilities!



- Smallest pixel-sized microLED display engines available today
- High brightness microLEDs with low power that reduces battery requirements
- Thin and low-cost optical waveguides
- Designed with the intent of supporting fashion based ergonomic industrial designs

Vuzix Next Generation Waveguide-Based AR Smart Glasses

- Advanced ultra-thin waveguides
- microLED based full color displays
 - ✓ Low power, Low cost, Slim form factor
- Designed around latest eyeglasses materials and industrial design
- Flexible for multiple sizes and fashion forward models
- Built around Vuzix smart glasses ecosystem platform supporting development tools, cloud APIs and Vuzix App Store
- Other advanced sensors for AR and UI applications
- LTE and 5G cellular options in the queue



RECAPPING THE PAST & PRESENT

VUZIX®

2019 Was a Transitional Year for Vuzix

- We completed the transition of our M-Series smart glasses manufacturing from China
- We commenced volume production of our Vuzix M400 and Blade Smart Glasses
- We achieved ISO 9001:2015 certification of our West Henrietta production facility
- We greatly expanded the number of applications for our smart glasses
- We successfully migrated many of our earlier M-Series customers to the M400



2020 Operating Objectives



- Continue to lead in the enterprise smart glasses market
- Expand the sales and deployment size of orders for our M-Series Smart Glasses
- Commence volume shipment of our M4000 Smart Glasses during the second half of 2020
- Further ramp production of our waveguides for Vuzix' own products, defense and other OEM customers
- Increase the software attachment rate and total revenues for each sale of smart glasses
- Secure new Engineering Services and OEM relationships for new and growing sources of revenue with eventual multi-year production programs
- Continue to develop our next generation waveguide and display engine technologies around microLEDs

Maximizing 2020 Cash Flow Opportunities

- Grow product and software sales + manage expenses = reduce quarterly cash burn
- Pursue engineering service fees for project-based OEM business
- Pursue supply agreements and strategic investment opportunities with OEMs around our waveguide, display engine technologies and smart glasses solutions





Investor Contact

Ed McGregor, CFA
Director of Investor Relations
Vuzix
585-359-5985
ed_mcgregor@vuzix.com

THANK YOU!