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

- **Year Founded**: Company was founded in 1997, IPO in 2009
- **Headquarters**: West Henrietta, NY (suburb of Rochester)
- **Company Overview**: Leading provider of next-generation Smart Glasses and augmented reality (AR) wearable display technology
- **Offices**: US & Canada, UK, Japan
- **Financial Statistics**: Share price: $2.45 (1)  
  Market Cap: $81 million (1)  
  Cash: $16 million (2)
- **Ownership**: CEO and CFO together own ~11%  
  Intel Corporation (~13% Ownership) – Series A Preferred

(1): As of November 30, 2019. Market Cap does not include Intel preferred stock on an as converted basis.
(2): As of September 30, 2019.
The AR Market Opportunity – Everyone Agrees the Numbers Will Get HUGE…

More than 40M smart glasses will be shipped by 2023 – ABI Research, August 2019

The global market for smart AR glasses will grow to 20M units annually by 2025, representing a compound annual growth rate of 112% – Tractica, August 2019

The smart glasses market is projected to reach $22B by 2025 - Market Expertz, August 2019

The global augmented reality market is expected to rise to an estimated value of $91B by 2026 – Data Bridge Market Research, August 2019

Total AR headset shipments are expected to jump to 32M units by 2023 – IDC, April 2019

The Augmented Reality market is expected to reach $61B worldwide by 2023 – Markets and Markets, April 2019
...and Vuzix Has a Broad Mix of Revenue Growth Drivers within this Market

M300XL/M400 Direct Enterprise Sales
M300C/M400IS OEM Channel Enterprise Sales

Blade for Enterprise
Blade for First Responders and Security
Blade for Prosumers (wireless carriers, 5G, retail market)

OEM Custom Waveguide Projects
VUZIX M-SERIES SMART GLASSES
Enterprise (B2B + B2C) Represents Tens of $Millions of Potential through 2020

- Rollouts in process with companies across multiple industries including Pharma, Insurance, Electrical Equipment Supply and others
- Rollouts expected soon with large Retail/Brick and Mortar customers
- Expanding new sales channels with select partners like Verizon, Eaton and others
- Expectation of growing commercial rollouts from VAR/VIP channel partners
- OEM partnerships with Dynabook, Eaton and others
Vuzix Already Has a Tremendous Enterprise Smart Glasses Footprint…

<table>
<thead>
<tr>
<th>Fortune 100 Customers</th>
<th>Value Added Resellers</th>
<th>Enterprise Customers</th>
<th>Sample of Key Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>40+</td>
<td>200+</td>
<td>2,000+</td>
<td>DHL, Honeywell, SIEMENS, Sprint, Walmart</td>
</tr>
</tbody>
</table>
...and we Offer More Accessories and Mounting Options than any Competitor

Prescriptions  Hard hat  Remote battery  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.


<table>
<thead>
<tr>
<th>Competitors</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vuzix M-Series</td>
<td>$999-$1499</td>
</tr>
<tr>
<td>Google Glass EE2</td>
<td>$999</td>
</tr>
<tr>
<td>Meta 2</td>
<td>$949 (Needs a PC)</td>
</tr>
<tr>
<td>Magic Leap One</td>
<td>$2295-$3290</td>
</tr>
<tr>
<td>Microsoft Hololens 2</td>
<td>$3500</td>
</tr>
<tr>
<td>RealWear HMT-1</td>
<td>$2500</td>
</tr>
</tbody>
</table>
Key Applications and Example ROIs for Smart Glasses in Enterprise

- **Remote Field Service**: 300% improvement in efficiency
- **Machine Repair**: 60% faster and reduced travel cost
- **Manufacturing**: 500% increase in productivity with error rate reduced to zero
- **Warehousing**: 25% improvement in picking efficiency
Smart Glasses for Remote Support

https://www.youtube.com/watch?v=PYAn5HtMVo0&feature=youtu.be&t=15
Vuzix M300 Smart Glasses Successfully Power Verizon’s Pilot Program

Verizon operates America’s premier wireless and all-fiber networks and delivers integrated solutions to businesses worldwide.

Participants: Verizon Vuzix
Ubimax Augmate

Pilot Program: Remote support for service and maintenance for fiber and copper technicians

Customer Goals: Improve response time and safety and reduce training time and errors

Results: 88% Perceived job relevance
86% Faster task completion
77% Error reduction assist
Vuzix M300 Smart Glasses Provide Productivity Boost to A1 Telekom Workers

A1 Telekom Austria Group is the largest communications provider in Austria and is successfully positioned on international markets.

**Participants:**
- A1 Telekom
- Vuzix
- Upskill
- Nagarro

**Pilot Program:**
Remote field service support for maintenance technicians

**Customer Goals:**
Perform high-quality remote reviews and legally valid remote sign-offs on work orders

**Results:**
Sign-offs completed in 1/4th of the previous time
A Partner’s Enterprise Case Study: Vuzix, Ubimax and Becton Dickinson*

**CHALLENGE**
BD needed real time expert troubleshooting advice without a troublesome cross border commute and extended wait time

**SOLUTION**
Ubimax’s intuitive voice activated xAssist software running on Vuzix M300 smart glasses

**BENEFITS**
- Machine repair speed increased by approximately 60%
- Immediate time and money savings
- Benefits of hands-free remote support
- Improved work life balance for employees
- Helped workers feel empowered, knowing they can quickly and efficiently solve problems

* Source: Ubimax, April 2019
Cuts aircraft turn around times by up to 15 minutes per flight

Increased accuracy and improved efficiency

Revolutionizes airport operations related to baggage and cargo handling

Customer: SATS, a leading provider of gateway services and food solutions for 60 airports in 62 cities across Asia and the Middle East
Vuzix M400 Enterprise Smart Glasses

- The M400 is one of the most powerful standalone smart glasses available.
- Android 8.1 operating system with Qualcomm SXR1 platform
- Supported by a line of wearable accessories
- Ruggedized IP67 water and dust rated. Drop tested 2 meters.
- OLED display, GPS, multi-finger touchpad, 8-core ARM64 processor and 6GB LPDDR4 of memory
- 12.8MP with image stabilization and phase-detect auto focus for faster scanning with a larger scanning range.
- Standard USB-C connector for external battery connection
- Higher streaming video framerate with 2x+ resolution improvement

NOW SHIPPING
M-Series Intrinsically Safe Enterprise Smart Glasses

- Vuzix ATEX Smart Glasses co-branded and co-marketed with Eaton Crouse-Hinds
- Designed for use in potentially explosive atmospheres
- Supported by a line of wearable M-Series accessories
- Android 8.1 operating system with Qualcomm SXR1 platform
- 12.8MP with image stabilization and phase-detect auto focus for faster scanning with a larger scanning range.
- Higher streaming video framerate with 2x+ resolution improvement
- Standard USB-C connector for external battery connection
- Ruggedized IP67 water and dust rated. Drop tested 2 meters.
DynaEdge™ AR Smart Glasses is a wearable, hands-free, Windows 10-based Augmented Reality solution

Enables multiple usage scenarios, including See-What-I-See, Remote Expert, Document Retrieval, Workflow Instructions and Real-Time Data Capture

Follow-on OEM purchase order received in March, 2019 for approximately $1 million in M300C smart glasses. Order falls under the 3-year supply agreement between Vuzix and Dynabook

* Formerly Toshiba America Client Solutions, Inc., purchased by Foxconn/Sharp
VUZIX BLADE® SMART GLASSES
The Vuzix Blade is Well Positioned for Adoption Across Multiple Key Markets
Blade for Enterprise Users: “One of a Kind” Form Factor for B2B and B2C

- Developers are actively building enterprise applications for Vuzix Blade for B2B and B2C customers
- Many of our current VIPs already support the Blade
- Machine operators are using Vuzix Blade to receive hands-free work instructions to reduce errors
- Vuzix Blade supports see-what-I-see applications for field service, security and asset management, field inspection, etc.
- B2C applications include telemedicine, close captioning, outdoor entertainment, consumer facing retail stores
Blade Safety Glasses for Enterprise

- Blade Safety Glasses is the main ask for larger deployments
- Vuzix Blade ANSI Z87.1 safety rated smart glasses for enterprise users
- $999 price point
- Currently shipping
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
- Proof-of-concept discussions and demonstrations have taken place with numerous fire and police departments, many of which are also evaluating usage with drones
- 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 grow significantly through 2020
- **Security alone could represent tens of thousands of units annually**
Three Security Opportunities Using the Blade Have Been Announced to Date

- World’s first Augmented Intelligence biometric-enabled Smart Glasses platform
- SaaS application developed by ST and integrated with Vuzix Blade, enabling hands-free and non-intrusive identification and scanning
- Hands-free facial scanning, real-time cross-referencing against a central database of persons of interest and displaying route maps of potential criminal suspects in the vicinity

- The world’s first mobile IoT threat detection device built on top of the iPhone platform
- Threats and notifications detected by the SWORD™ will be pushed directly to the Vuzix Blade
- SWORD™ has also struck strategic partnerships Verizon, FaceFirst, FLIR Systems and others
- Customers include schools, security firms, banks and large venue operations

- iFalcon Face Control™ Mobile is the world’s 1st fully autonomous AI-powered face recognition system
- The Blade’s camera detects faces and transmits the information to a wearable portable computer
- Designed for discrete screening by law enforcement officers and security guards on patrol
- 50 Vuzix Blades have been delivered to NNTC and are currently deployed in Dubai
SWORD Order

➢ $7.1 million order received for Vuzix Blade Smart Glasses from Sword to support their 3Q2020 launch of their Enterprise Solution

➢ Vuzix expects additional purchases of Blades from Sword in early 2020 to support ongoing internal development and customer testing
Vuzix Smart Glasses Have an Infrastructure That’s Built for Scale

- Customers from Enterprise to consumer expect a fully integrated solution
- Vuzix has been building exactly that for its Smart Glasses product lines
- Companion app seamlessly supports and manages connection between smart glasses 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
- Simple login and device registration process to add or delete apps
- Companion app handles login and settings configuration and manages media content from glasses to phone
- Keyboard functionality for login and data entry screens
- Trackpad feature to navigate applications and webpages almost effortlessly
- App Store, Companion App and device can easily be localized into different languages
Vuzix has an Established Development Center with Robust Tools

Supports Application Development from Design Guideline to Example Code Sets
Blade Now Supports many of the most Popular Android Applications…
Blade Now Supports Language Translation

https://www.youtube.com/watch?v=23tG5HOQ1qs
Blade Now Supports DJI Drones
Live Streaming and Image Capture

https://www.youtube.com/watch?v=paoAmvgtsul&feature=youtu.be
WAVEGUIDE-BASED OEM OPPORTUNITIES
Volume Production of Blades Commences for OEM Partner Ride-On

- Ride-On’s new Smart Ski Goggles are based on the Vuzix Blade
- Initial volume shipments of Blades to Ride-On scheduled to start in Q4 2019
- Shipments to Ride-On expected to expand in Q1 2020 to fulfill their seasonal reseller orders
- Ride-On Smart Ski Goggles bring AR to the slopes with the world’s first product offering hands-free interaction, navigation of the mountain's slopes, recording of one's time on the slopes and an audio player – all fully controlled by the goggles
Vuzix’ Custom Project OEM Opportunities Span Numerous Industry Verticals

- Automotive
- Aviation
- Consumer
- Courier Services
- Defense
- 3D Direct View Display

Near to mid-term NRE revenue opportunities of $10+ million

Longer-term potential for $100s of millions in product revenues

In 2Q2019, Vuzix received two follow-on development orders from a global aerospace firm for a custom waveguide-based HMD system.
Integrating Advanced Technologies into Next Gen Blade Products

Vuzix/Plessey Custom Display Engine
- 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

Vuzix’ Optical Waveguides

Qualcomm’s XR1 platform
- ARM-based multicore CPU
- Optimized for AR
- Artificial intelligence capabilities
- Improved interactivity
- Better power consumption
- Enhanced thermal efficiency
Vuzix Next Gen Waveguide-Based AR Smart Glasses

- Advanced ultra-thin waveguides
- Custom large field of view (FOV) display engine
- Next generation processor
- Designed around latest eyeglasses materials and industrial design
- Flexible for multiple sizes and fashion forward models
- Supporting both monocular and binocular viewing systems
- Built around Vuzix smart glasses ecosystem platform supporting development tools, cloud APIs and Vuzix App Store
- Other advanced sensors for AR and UI applications
Vuzix Blade

A fashionable design – similar to popular glasses worn today
Production Update

- 3Q19 production glitches have been solved
- Production manufacturing rates continue to grow for all our products in our NY facility
- M-Series production shift from Asia to NY will improve costs and control
- Additional equipment and process changes are going through final qualification to more than double the production capacity of waveguides and thus Blades
To Recap: Vuzix Is Well Positioned for Success Within the AR Market

- M300XL/M400 Direct Enterprise Sales
- M300C/M300IS OEM Channel Enterprise Sales
- Blade for Enterprise
- Blade for First Responders and Security
- Blade for Consumers (wireless carriers, 5G, retail market)
- OEM Custom Waveguide Projects
THANK YOU!

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