

VUZIX/ATOMISTIC CONFERENCE CALL

MAY 18, 2022

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.

Additionally, this presentation provides just a select summary of this transaction. For further details on this transaction and its related Agreements, interested parties should look at the 8-K the Company filed today with the SEC.

Call Participants and Agenda

Participants

Paul Travers

President and CEO

Grant Russell

CFO and Executive Vice President

Pete Jameson

COO

Ed McGregor

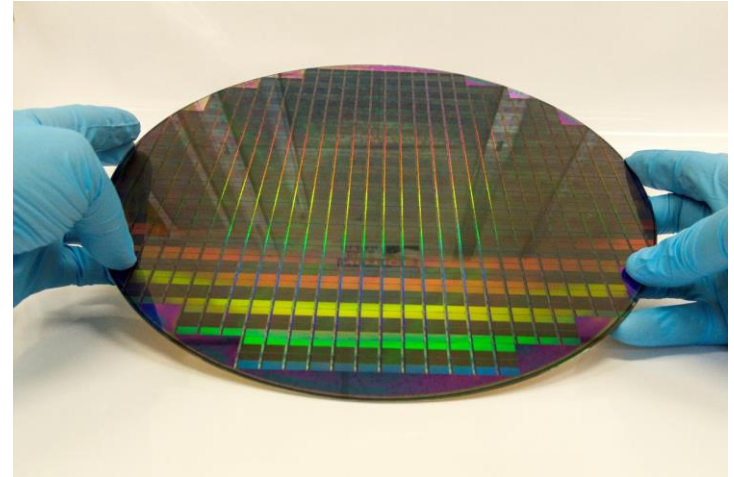
Director of Investor Relations

Agenda

- Management comments
- Q&A

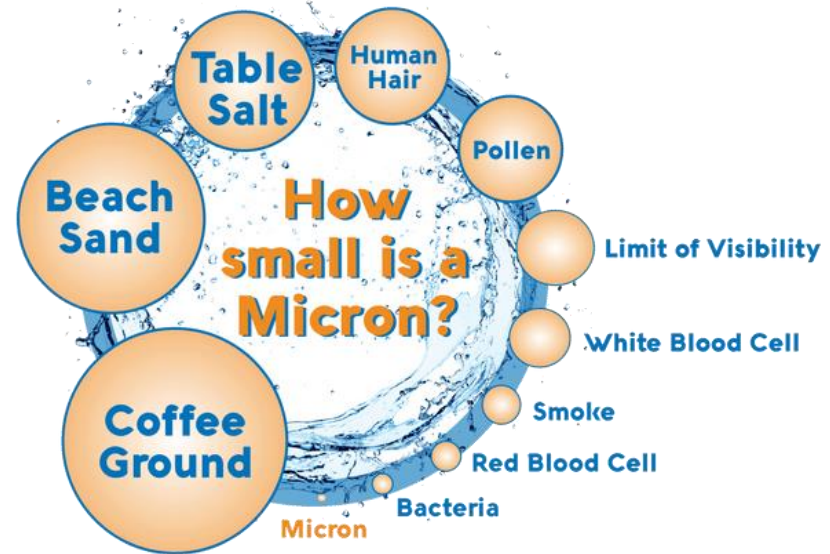
Opening Comments

- Vuzix has signed a series of agreements with Atomistic
- These agreements involve the exclusive licensing of key μ LED and μ Laser technologies, the design and tooling of a custom backplane and, dependent upon achievement of various technical stages, the full acquisition of Atomistic
- Atomistic has developed a novel approach to solving fundamental μ LED challenges



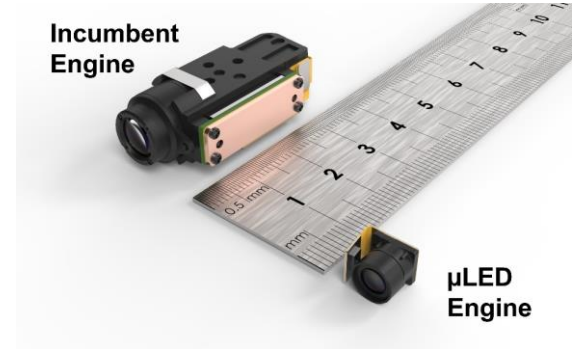
μLEDs 101 - What Are They?

- A μLED is a bright self-illuminating display with micron-sized pixels
- μLEDs are ideally suited to work with waveguides
- The thinner the waveguide, the smaller the input to the waveguide and the smaller the display can be
- A completed high definition μLED display can be built measuring <math><0.25''</math> on the diagonal and 1 millimeter thin



Incumbent Versus μ LED Technology

- An incumbent display engine is $\sim 4\text{cm}^2$ vs $\sim 0.3\text{cm}^2$ for a μ LED-based display engine



	LED-backlit LCD	Mini-LED	OLED	MicroLED
Display type	Backlit	Backlit	Emissive	Emissive
Contrast	Low to medium	Medium	High	High
Response time	Low (ms)	Low (ms)	High (μs)	Very High (ns)
Power efficiency	Medium	Medium-high	Medium	High
Only lit pixels draw power	No	No	Yes	Yes
Lifetime	Long	Long	Medium	Long
Sunlight visibility	Medium	Medium	Medium	High
Operating temperature	~ -20 to 80 C	~ -20 to 80 C	~ -30 to 70 C	~ -100 to 120 C
Need for encapsulation	No	No	Yes	No
Brightness	Medium	Medium	Low-Medium	High
Flexibility	Low	Low	High	Medium-high
Viewing angles	Low	Low	High	High
Tech maturity	High	Medium-High	Medium-High	Low

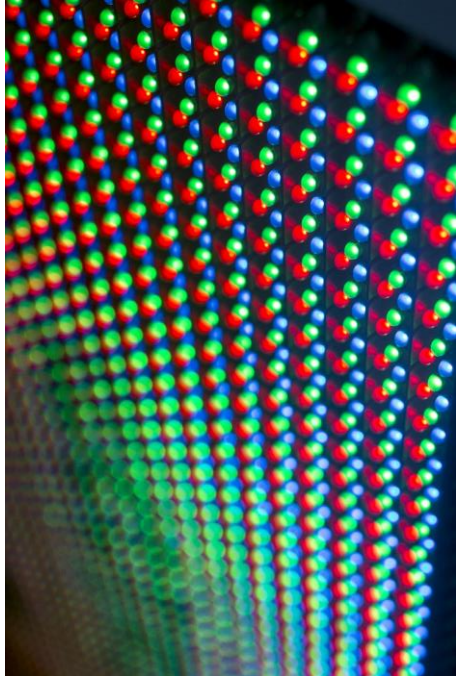
- Incumbent display engines consume as much as 100x the power of a μ LED solution based on the content being displayed

Atomistic makes this box green



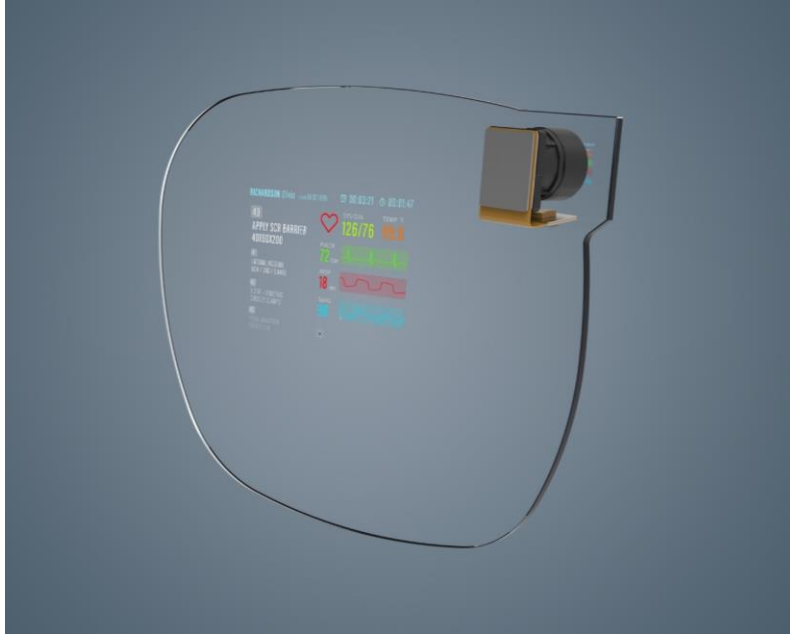
Source: OLED-info.com

What Atomistic Brings



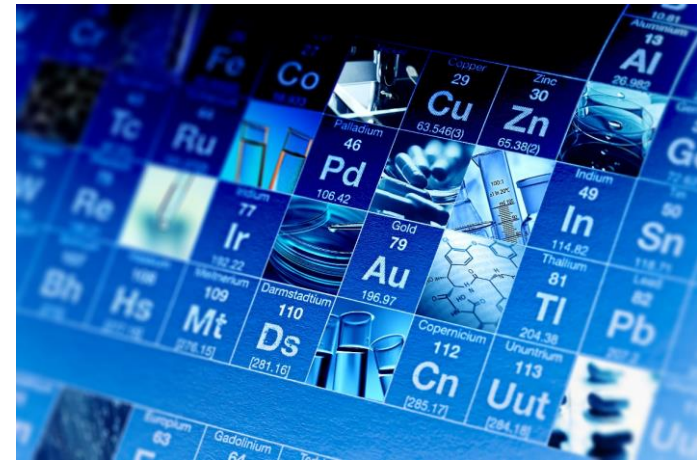
- Atomistic has developed a novel approach to solving fundamental challenges associated the μ LEDs
 - ✓ Emitters for red, green and blue (RGB) spectral wavelengths based on a single epitaxial structure transferred to a CMOS backplane, enabling RGB pixels on a single backplane
 - ✓ High brightness capabilities
 - ✓ Industry leading efficiency at small pixel pitches
- The Atomistic team are experts at delivering on the design and implementation of state-of-the-art backplanes
- Atomistic's approach is optimally designed to solve the critical issues that challenge the μ LED display industry today

Waveguides + μ LEDs = The Holy Grail for AR Smart Glasses



Atomistic Background

- Atomistic was established for the sole purpose of delivering next generation μ LEDs and μ Lasers based on novel material science innovations
- Principal founders:
 - ✓ **Jonathan Sachs, PhD** – brings broad knowledge of semiconductor materials and their applications to high temperature and high-speed electronics, optoelectronics, electrical and optical properties of materials (LEDs, lasers), device physics, and design of CMOS integrated circuits
 - ✓ **Jerry Woodall, PhD** - cited for the invention and development of technologically and commercially important compound semiconductor heterojunction materials, processes and related devices, such as red and infrared LEDs, lasers, ultra-fast transistors and solar cells



Transaction Summary

- For payments totaling \$30M over the next 24 months, Vuzix receives an exclusive royalty-free license to all:
 - ✓ Intellectual property of Atomistic
 - ✓ The custom design and delivery of a backplane mask set
 - ✓ Other elements required for the production of a state-of-the-art backplane
- Vuzix has also entered a Stock Purchase Agreement with the two founders of Atomistic under which it will buy shares of Atomistic Series B Preferred shares owned by them, by the payment of \$2.5M and the issuance of at least 1.75M Vuzix common shares, based on the achievement of 7 performance-based milestones expected to be achieved over the next 24-36 months, ultimately resulting in Vuzix ownership of Atomistic

Q&A