

VUZIX®

Augmenting the world

4Q & FY2023 EARNINGS PRESENTATION

APRIL 15, 2024



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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.

Call Participants and Agenda

Participants

Paul Travers

President and CEO

Grant Russell

CFO and Executive Vice President

Ed McGregor

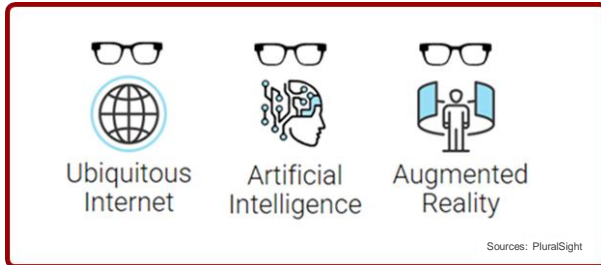
Director of Investor Relations

Agenda

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

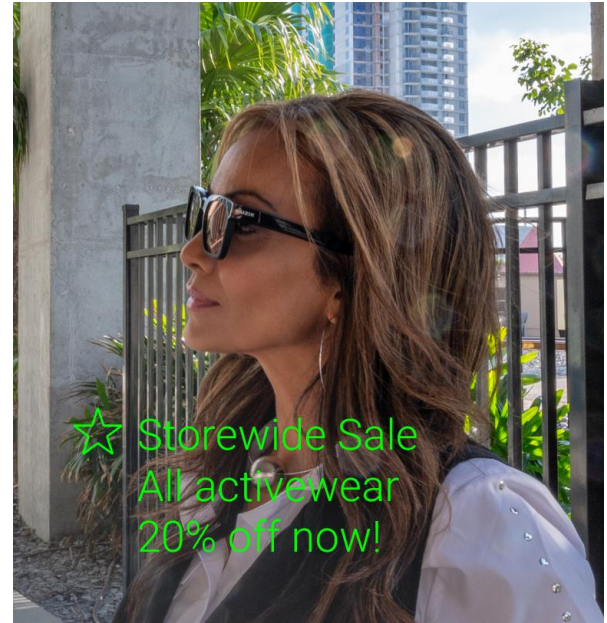
Opening Remarks

- Cost cutting initiatives will extend financial runway, improve margins and refocus efforts
- There are increasing signs that wearables adoption is finally starting to increase
- The advancement of our core products and technologies is becoming more evident
- 375+ patents and patents pending



Z100 AR Smart Glasses

- 48+ hours on a single charge
- Just 38 grams – standard eyeglasses weight
- For enterprise users, Z100 represents the first attractive, functional bridge between AI platform tools and human workers
- For the broad market, the Z100 is a better solution for a massive transferable user base
- 1.6B smart phones and 300M smart watches sold annually
- Biggest use cases are notifications, social media and soon mobile-connected AI
- Enthusiastically received and opening up new doors for Vuzix



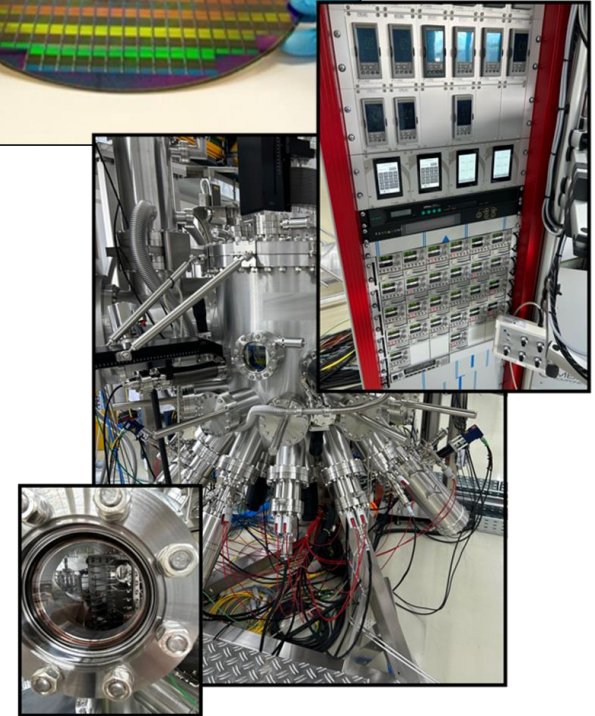
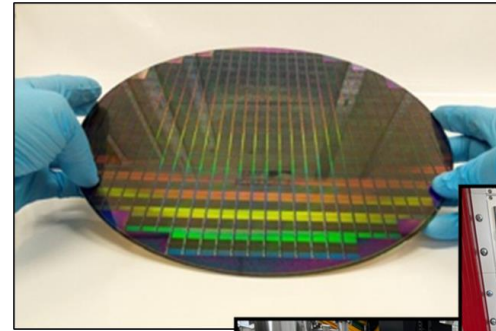
Waveguides

- Mega factory can quickly ramp production
- INCOGNITO virtually eliminates eye glow
- Prescription-based waveguides
- Ophthalmic Advisory Board



MicroLEDs - Atomistic

- ~\$30 million invested over past 24 months
- Atomistic has made great progress to date, achieving 6 of 10 milestones
- Progress expected to accelerate over the coming months with increased production of test samples and refinement of initial designs
- Started to engage with select potential customers, investing partners and organizations that have a vested interest to see μ LED technology finally commercialized



Business Outlook

- The list of SG use cases keeps growing as the enterprise industry matures
- Entering 2024 with a solid pipeline of smart glasses and OEM opportunities
- Multiple third-party ISVs and Moviynt planning to enable AI through use of Vuzix smart glasses
- Ongoing discussions with multiple industry leaders to provide them with components, subsystems and full white label designs
- One or more defense customers expected to be rolling into production this year
- Actively working with select US agencies to secure development grants
- Growing relationships with leading industry players regarding working with and potentially investing in Vuzix

FY2023 Operating Results

	2023	2022	% Change
Product Sales	\$10.76M	\$10.51M	+2%
Eng Serv Sales	\$1.37M	\$1.33M	+3%
Total Sales	\$12.13M	\$11.84M	+2%
Gross Profit*	\$1.72M	\$1.97M	-13%
Gross Margin*	14.2%	16.6%	-14%
Operating (Loss)	\$(50.15)M	\$(40.76)M	-23%
EPS (Loss)	\$(0.79)	\$(0.64)	-23%

* Prior to Inventory Obsolescence Reserves

Balance Sheet Highlights

	12/31/2023	12/31/2022
Cash	\$26.6M	\$72.6M
Current Assets	\$41.5M	\$90.6M
Working Capital	\$36.3M	\$75.3M
Long-Term Debt	0	0
Shareholder Equity	\$80.8M	\$115.5M

Additional Financial Comments

- Further cost reduction actions planned:
 - ✓ Further operating cost reductions and headcount freezes to further right-size costs
 - ✓ Delay or curtail discretionary and non-essential capital expenditures not related to near-term new products and R&D
 - ✓ Implementation of a voluntary cash salary reduction program offered to all employees in exchange for equity instruments
- Actively pursuing licensing and strategic opportunities around Vuzix' waveguide technologies with potential OEMs
- Vuzix may consider raising capital if favorable market conditions develop
- Management is confident that, over the next 12 months, it can fully alleviate the going concern cautionary note cited in the 10K

Q&A