

## 3Q2021 EARNINGS PRESENTATION

NOVEMBER 8, 2021

# 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.

# 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
- 3Q2021 business review
- 3Q2021 financial review
- Q&A
- Closing remarks

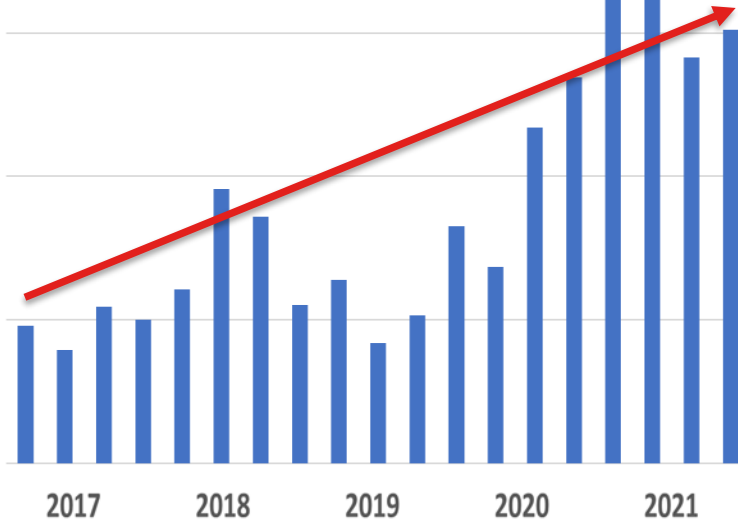
## Opening Remarks

- 3Q Smart Glasses revenue grew sequentially and YOY
- Expansion of distributor network across multiple regions
- Demand remains strong in the healthcare business segment
- Increased visibility toward large deployments in warehousing, logistics and training
- Pipeline of OEM opportunities continues to expand
- Ended 3Q with ~\$129M in cash



# Vuzix' Smart Glasses Revenue Continues to Grow

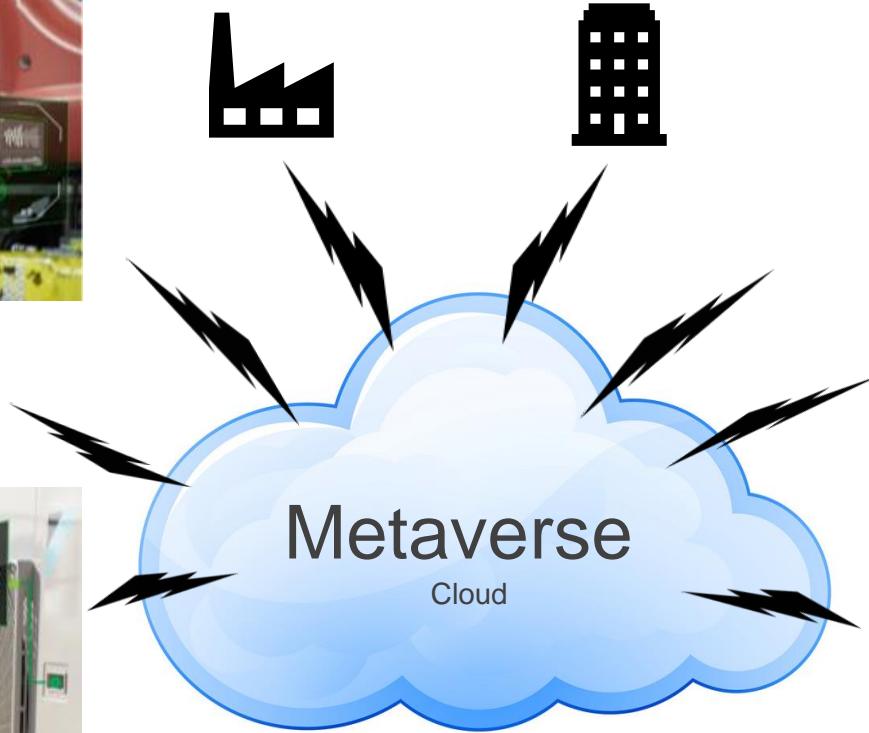
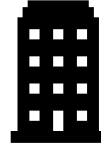
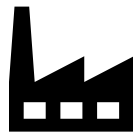
## Quarterly Revenue



## Annual Revenue



# The Metaverse Will Be a Significant Positive for Vuzix and the Industry





# Key Verticals: Logistics Is Emerging and Healthcare is Accelerating

- Seeing smart glasses demand growth across all major geographies
- Within logistics, retail stores, distribution centers, 3<sup>rd</sup> party logistics, warehousing and inventory management customers are focused on deploying smart glasses
- Within healthcare, smart glasses use for patient care, medical training and education and surgery are all gaining traction



# Ohana One

[Ohana One International Surgical Aid and Education Launches Virtual Surgical Sight Smart Glasses Program with Vuzix](#)

[The Ohana One Surgical Sight Smart Glass program continues to expand](#)



1Q2021

2Q2021

3Q2021

4Q2021



[Ohana One International Virtual Surgical Sight Program Utilizing Vuzix Smart Glasses Now Live in 35 Countries Worldwide](#)

*september* 2021

- ONBOARDED**  
5 new surgical mentors & mentees
- Brought virtual surgical training to 3 new hospitals!
- 223 minutes on Vuzix smart glasses
- 51 calls on Help Lightning's Remote Assistance Software

**OHANAONE**  
International Surgical Aid and Education



# Medacta

Hospital for Special Surgery utilizes Augmented Reality platform and Vuzix Blade Smart Glasses for knee replacement surgery

Vuzix Blade Smart Glasses Successfully Supporting Medacta's NextAR Surgical Platform - Volume follow-on orders for Vuzix Blades received as a proven hardware solution of choice

Completion of the first shoulder surgeries with NextAR Shoulder technology in France



1Q2021

2Q2021

3Q2021

4Q2021

Medacta Announces the Registration of the Knee, Shoulder and Spine Applications of its NextAR Augmented Reality Surgical Platform in Europe, and the Shoulder Application to the American Market

Medacta Announces Successful Completion of First Reverse Shoulder Arthroplasties using NextAR Augmented Reality Surgical Platform



In Parma, Italy, the first shoulder prosthetic surgery with augmented reality

# Pixee Medical

[Vuzix Receives Follow-on Smart Glasses Orders from Pixee Medical to Support European Commercialization of their Augmented Reality Smart Glasses Solution](#)



[Clinical Pilot Study Confirms the Accuracy and Effectiveness of Pixee Medical's Knee+ Solution Using Vuzix M400 Smart Glasses for Total Knee Arthroplasty](#)

[First Knee+ Surgery in the USA for Pixee Medical](#)

1Q2021

2Q2021

3Q2021

4Q2021

[Pixee Medical Surgery Solution Has Received Clearance to Enter U.S. Knee Surgery Market with Vuzix AR M400 Smart Glasses - Pixee places follow-on M400 volume order to support an expanding rollout](#)



[At the Fontvert Elsan Clinic in Sorgues, France, Doctor Jean-Pierre Perrier, orthopedic surgeon and traumatologist, one of the French pioneers of computer-assisted surgery, now operates with augmented reality glasses.](#)

# Rods & Cones

[Vuzix Expands its Global Smart Surgeries Presence by Collaborating with Rods & Cones for M-Series Smart Glasses Platform Support](#)

1Q2021

[Vuzix Receives New Orders for Over \\$1.2 million of Smart Glasses from Rods & Cones to Support Virtual Surgical Collaboration Rollout](#)

2Q2021

[A mitral valve surgery proctoring session, set up with the usage of our remote access service to the OR, was led by Prof. Dr. Med Jörg Kempfert in the Deutsches Herzzentrum Berlin \(DHZB\) to the team of Dr Marco Solinas in Massa Carrara.](#)

3Q2021

[Vuzix Receives Initial Smart Glasses Deployment Order from Healthcare and Surgical Training Provider](#)



[Gynaecologists Dr. Martine Wassen and Dr. Nicol Smeets were the first in the Netherlands to perform vNOTES at the Zuyderland Hospital; this state-of-the-art technique is now being taught to residents, who reported to have a more complete view of the theatre than as if they would be in the operating room.](#)

[Full robotic esophagectomy live streamed from University Medical Center Utrecht for advanced course by Bernard Dallemagne Silvana Perretta.](#)



# Medtronic



Medtronic UK & Ireland



Prof Ganesh Manoharan and Dr Saber Hassan on the first remote proctored case in the UK & Ireland today at the Mater Private Network Hospital in Dublin.



Mr Neil Davidson, Alder Hey Hospital, is the first UK spinal surgeon to utilize the cutting edge Vuzix smart glasses with Medtronic for remote support of a live clinical spinal procedure



Medtronic Netherlands

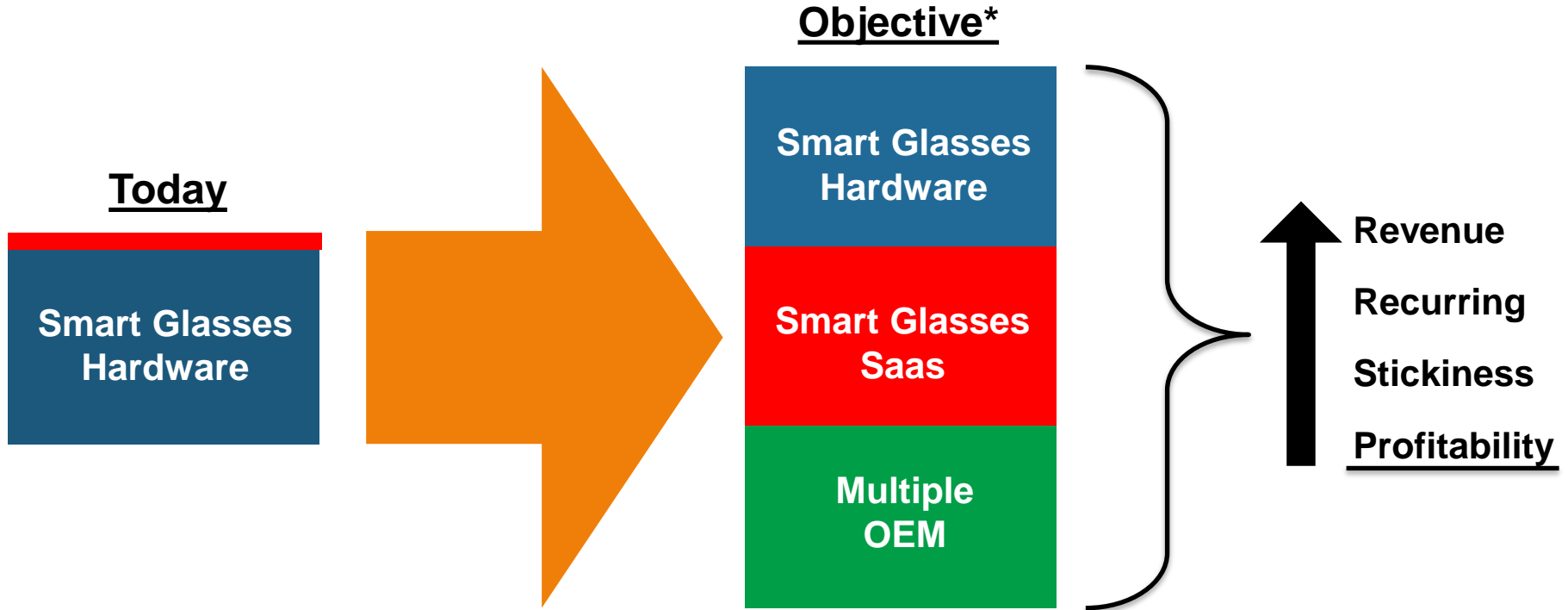


MedtronicUK enabling collaborative surgery along side technology and procedure proctorship and peer to peer teaching at both under- and post-grad level at Matersurgery



Vascular surgeons Robin Hulsebos and Joost Bekken at Noordwest Ziekenhuisgroep hospital in Netherlands were the first vascular surgeons worldwide to have X-ray screening images viewed remotely. This innovative technology is currently being tested within Medtronic in collaboration with several hospitals to provide remote support and training and education purposes

# 3 Segments Will Drive Vuzix' Long-Term Growth and Profitability



\* Segment sizes are not to expected scale

# Ongoing Hardware and Software Developments

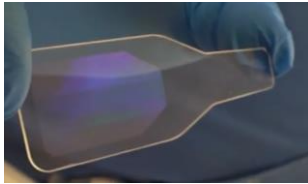
- Vuzix remains on track to deliver NGSG DTV units this year
- Vuzix expects to introduce three new monocular line extensions to its smart glasses family in 2022
- Vuzix is evaluating multiple SaaS-based opportunities and due diligence is progressing well
- Vuzix' Custom Solutions group is already engaged with a number of organizations





# Leverage, Expand and Monetize Core Technologies

## Optics



## Displays



## Systems



- 233 patents and patents pending
- Control and ownership of key technologies will significantly enhance shareholder value
- Continuing due diligence on the acquisition of a disruptive nano electrooptical technology

## 3Q2021 Operating Results

	3Q2021	3Q2020	% Change
Revenue: Smart Glasses	\$3.02M	\$2.69M	<b>+9%</b>
Eng. Services	-	\$0.09M	-
Total	\$3.02M	\$2.78M	<b>+9%</b>
Gross Profit	\$0.58M	\$0.35M	<b>+68%</b>
Gross Margin	19.3%	12.5%	<b>+54%</b>
Total Expenses	\$8.41M	\$5.10M	<b>+65%</b>
Operating (Loss)	\$(7.83)M	\$(4.75)M	<b>-65%</b>
EPS (Loss)	\$(0.13)	\$(0.13)	<b>0%</b>

## Balance Sheet Highlights

	9/30/2021	6/30/2021	12/31/2020
Cash	\$128.7M	\$137.6M	\$36.1M
Current Assets	\$144.0M	\$151.0M	\$45.1M
Working Capital	\$140.5M	\$147.9M	\$42.0M
Long-Term Debt	0	0	0
Preferred Stock	0	0	4.96M shares*
Shareholder Equity	\$151.3M	\$155.7M	\$48.3M

\* Preferred conversion shares

# Q&A