

1Q2022 EARNINGS PRESENTATION

MAY 10, 2022

VUZIX®

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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
- Closing Remarks
- Q&A

Opening Remarks and 1Q2022 Comments

- COVID and geopolitical tensions generally impacted 1Q2022 demand and specifically the timing of certain anticipated customer orders
- 1Q2022 revenue fell 36% to \$2.5M; these results are viewed as anomalous
- Smart glasses customer engagement was positive in 1Q2022
- Vuzix continues to expand its global sales channel and work diligently with key ISVs to support planned rollouts of smart glasses
- Momentum was also seen on the OEM side of business, none of which was reflected in 1Q2022 results

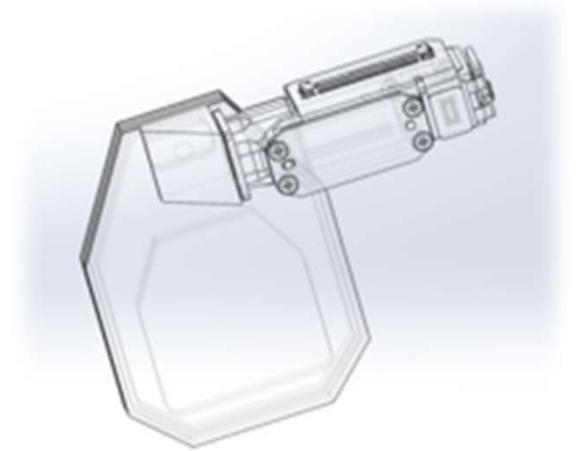
Smart Glasses Business Comments

- Vuzix expects smart glasses revenue to grow in 2022 over 2021, especially in the back half of the year
- Feedback from Vuzix' largest warehousing and logistics customers remains positive
- Most of Vuzix' major healthcare ISVs continue to expand the availability of their Vuzix-powered surgical solutions
- Vuzix remains active in its pursuit of numerous strategic and key initiatives that should drive the transformation of the company
- Vuzix, Ohana One and TeleVU effort supports Ukraine



OEM Business Comments

- Turnkey OEM offering formally introduced
- Expanding waveguide manufacturing capabilities
- Total waveguide TAM projected to be in the billions
- Expanding relationships with 5 major defense contractors
- Vuzix' 10-year non-compete related to US military market expires 6/15/22
- Significant consumer OEM opportunities around waveguides and display engines are emerging for Vuzix
- Waveguide production is difficult - Vuzix is US-based and has the low-cost volume recipe



Product Comments

- Three new products are expected to enter production over the next several months
- Vuzix Shield production is expected to commence in 3Q2022
- First volume order for the M400-C is expected in 2Q22 with production and general availability also scheduled for 2Q2022
- Formal announcement and production of a follow-on waveguide-based product with a larger FOV and ability to run Android 11 is currently planned for 3Q2022



1Q2022 Operating Results

	1Q2022	1Q2021	% Change
Revenue: Smart Glasses	\$2.50M	\$3.81M	-34%
Eng. Services	-	\$0.11M	-
Total	\$2.50M	\$3.92M	-36%
Gross Profit	\$0.64M	\$1.08M	-41%
Gross Margin	25.6%	27.6%	-7%
Total Expenses	\$11.05M	\$10.17M	+9%
Operating (Loss)	\$(10.41)M	\$(9.09)M	-15%
EPS (Loss)	\$(0.16)	\$(0.17)	+6%

Balance Sheet Highlights

	3/31/2022	12/31/2021
Cash	\$113.3M	\$120.2M
Current Assets	\$129.5M	\$137.2M
Working Capital	\$126.6M	\$132.4M
Long-Term Debt	0	0
Shareholder Equity	\$137.0M	\$143.2M

* Preferred conversion shares

Q&A