



CORPORATE PRESENTATION

JANUARY 2020

VUZIX®

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Vuzix Corporation: A Leading Augmented Reality Smart Glasses Company

History	<ul style="list-style-type: none">• Company was founded in 1997, IPO in 2009
Headquarters	<ul style="list-style-type: none">• West Henrietta, NY (suburb of Rochester)
Executive Management	<ul style="list-style-type: none">• Paul Travers: CEO, President• Grant Russell: CFO, EVP and Treasurer
Offices	<ul style="list-style-type: none">• US & Canada• UK• Japan
Financial Statistics	<ul style="list-style-type: none">• Share price: \$1.93 ⁽¹⁾• Market Cap: \$64 million ⁽¹⁾• Cash: \$16 million ⁽²⁾
Ownership	<ul style="list-style-type: none">• CEO and CFO together own ~11%• Intel Corp. owns ~13% via Series A Preferred• Institutional investors own ~27%

(1): As of January 24, 2020. Market Cap does not include Intel preferred stock on an as converted basis.

(2): As of September 30, 2019.

Vuzix is a pioneer in wearable computing, augmented reality, optics and display engines and has been delivering solutions to customers for over 20 years.



The AR Market Opportunity – Everyone Agrees the Numbers Will Get HUGE...

The global augmented reality market is estimated to reach \$73B by 2024 – ResearchAndMarkets, January 2020

The global augmented reality market has the potential to grow by \$77B during 2020-2024 – Technavio, January 2020

The augmented reality market is estimated to reach \$73B by 2024 – MarketsandMarkets, January 2020

The augmented reality market will exceed \$43 billion by 2024 – Juniper Research, October 2019

The augmented reality market size is set to cross \$50B by 2024 – Global Market Insights, September 2019

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 – Tractica, August 2019

...and Vuzix Has a Broad Solution Set in Place to Address This Market



**Vuzix M-Series
Smart Glasses**



**Vuzix Blade
Smart Glasses**



OEM Solutions

End Market(s)

Enterprise

Enterprise, security/first responders, prosumer

Custom projects across multiple industries

Market Status

Emerging

Emerging

Developing

Market Opportunity

\$10B+

\$1B+

\$100M+

VUZIX M-SERIES SMART GLASSES

VUZIX®

Vuzix M400 Enterprise Smart Glasses

- 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
- **STATUS: CURRENTLY SHIPPING**

Vuzix M4000 Enterprise Smart Glasses

- An enterprise solution that uses a Vuzix optical waveguide to provide a completely non-occluded see-through heads-up display
- The M4000 comes with all the same features and performance of the market-leading M400
- The M4000 represents the second Vuzix Smart Glasses solution to use the Qualcomm SXR1 platform
- Ruggedized and waterproofed for wide-ranging applications where safety and durability are needed most
- Increased resolution to WVGA with a 16x9 aspect ratio and a larger field of view (FOV)
- Improved camera with increased scanning performance and telepresence capabilities
- **STATUS: AVAILABLE 2H2020**



Enterprise Usage Dynamics and Players

In the enterprise environment, most shifts are typically **8 hours long**

Vuzix' M-Series provides an optimal mix of key metrics:
Battery – Comfort – Display – Functionality
Price – Software – Support – Weight

Competitors

Vuzix M-Series
\$999-\$2499



Google Glass EE2
\$999



Epson BT-30C
\$499 (Ext. CPU req)



Magic Leap One
\$2295-\$3290



Microsoft HoloLens 2
\$3500



RealWear HMT-1
\$2500



Vuzix Already Has a Tremendous Enterprise Smart Glasses Footprint...

**Fortune 100
Customers**

40+

**Value Added
Resellers**

200+

**Enterprise
Customers**

2,000+

...and Offers More Ergonomic Mounting Options than any Competitor



Prescriptions



Hard hat



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

Key Applications for Smart Glasses in Enterprise

Warehouse Logistics

Barcode Scanning
Order Picking & Fulfillment
Video Recording



Manufacturing

Work Instructions
Video/Step Confirmation
& Quality Assurance



Tele-Medicine

Remote Video & Recording
Procedure Assistance



Field Service

Remote Support
Field Service
Training



Smart Glasses Remote Support

<https://www.youtube.com/watch?v=PYAn5HtMVo0&feature=youtu.be&t=15>



05/18/19 10:59

1 / 2 11 8%

Row	Bin
D	0225

LOCATION SCANNING

The interface is dark-themed. At the top right, it shows the date and time. Below that is a progress bar and a list icon. The main display area shows '1 / 2' and '11' with a cube icon, and '8%' on the right. Below this is a table with two columns: 'Row' and 'Bin'. The 'Row' column contains the letter 'D' and the 'Bin' column contains the number '0225'. Underneath the table is a camera view showing a QR code on a bin in a warehouse. At the bottom of the interface, it says 'LOCATION SCANNING'.

Warehouse Picking

<https://www.youtube.com/watch?v=psjHEK0uL2E&t=8s>

Numerous Usage Cases Support Widespread Adoption Rationale

Customer



Vuzix Smart Glasses Usage Case

Remote support for service and maintenance for fiber and copper technicians

Results

86% faster task completion, 77% error reduction assist



Remote field service support for installation and maintenance

Supervisor sign-offs completed in 1/4th of the previous time



Real time expert troubleshooting without a troublesome cross border commute and extended wait time

60% faster machine repairs, reduced travel costs



600+ smart glasses deployed on the tarmac at the Changi Airport for baggage and cargo handling

Aircraft turnaround times cut by up to 15 minutes per flight

M-Series Derivative: Vuzix Labs Smart Swim Smart Glasses

- First of its kind smart glasses accessory for swimmers that attaches to most any pair of swim goggles
- Android computer, a vibrant full color display, Wi-Fi, Bluetooth, head tracker, GPS, compass, internal battery, USB and much more
- Provides hands-free real time command and workout feedback, as well as workouts previews recording and video streaming
- Received two Innovation Awards at CES 2020
- **STATUS: AVAILABLE 1Q2020**



VUZIX BLADE[®] SMART GLASSES

VUZIX[®]

The Vuzix Blade is Well Positioned for Adoption Across Multiple Key Markets



- ✓ Enterprise B2B and B2C
- ✓ Security and First Responders
- ✓ Prosumers

- First augmented reality smart glasses featuring advanced waveguide optics for hands-free mobile computing and connectivity
- Perfectly balances enterprise and prosumer demands as it is built for industry operations and designed for all-day comfort
- **STATUS: CURRENTLY SHIPPING** **Coming soon: built-in audio and auto-focus camera**

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
- Available in ANSI Z87.1 safety-rated and non-safety-rated versions
- 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 and consumer facing retail stores



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
 - Allows for hands-free movement and interaction
 - Ideal for covert facial recognition or weapons detection
- Proof-of-concept discussions and demonstrations have taken place with numerous fire and police departments, many of which are also evaluating usage with drones



ST Engineering

- 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
- Initial orders received for thousands of units with expected deliveries in 2020
- **Security alone could represent tens of thousands of units annually**

Blade for Prosumers: Leave Your Phone in Your Pocket



- The Blade Companion app seamlessly supports and manages the connection between the Blade 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
- Over 80 apps currently available with more being added every month
- Can currently be purchased online from Vuzix and Amazon

Blade Now Supports many of the most Popular Android Applications



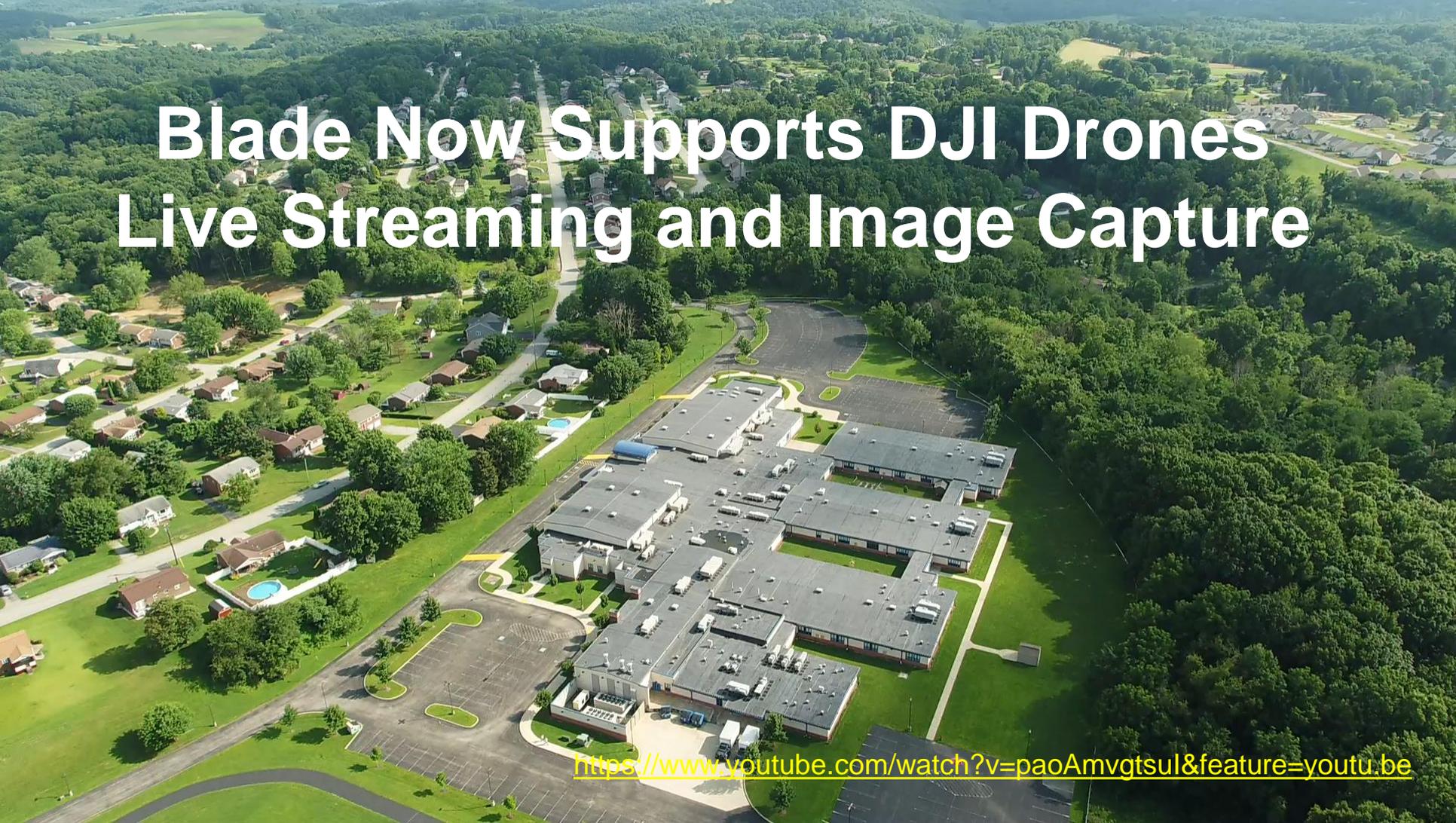
PIN: 8827

Zoi

Blade Now Supports Language Translation

<https://www.youtube.com/watch?v=23tG5HOQ1gs>

Blade Now Supports DJI Drones Live Streaming and Image Capture

An aerial photograph of a school campus. The central focus is a large, multi-winged school building with a grey roof and white walls. To the left of the building is a residential neighborhood with houses and green lawns. To the right and in the foreground are large parking lots and a road. The background is filled with dense green trees and more residential areas. The text "Blade Now Supports DJI Drones Live Streaming and Image Capture" is overlaid in large white font across the top half of the image.

<https://www.youtube.com/watch?v=paoAmvgtsul&feature=youtu.be>

Integrating Advanced Technologies into Next Generation AR Smart Glasses

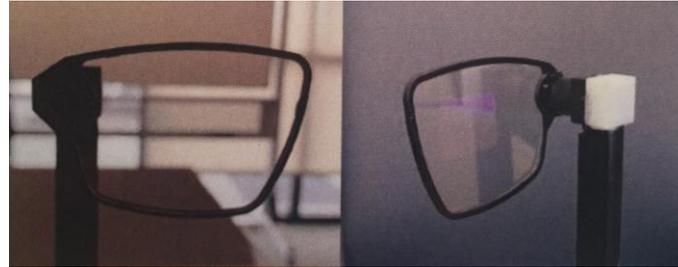
Vuzix Custom Display Engines

- 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

- Thinner and lighter
- Reduced light leakage
- Wider fields-of view (FOV)



+

Qualcomm XR1 platform

- ARM-based multicore CPU
- Optimized for AR
- Artificial intelligence capabilities
- Improved interactivity
- Better power consumption
- Enhanced thermal efficiency



Vuzix Next Generation 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



A Fashionable Design – Similar to Popular Glasses Styles Worn Today



OEM SOLUTIONS

VUZIX®

OEM Solutions Represent a Significant Opportunity for Vuzix Moving Forward

Major technology companies have chosen and will continue to choose to partner with Vuzix for its proprietary technology and wealth of industry experience.



- Vuzix has a proven track-record of providing products and solutions
- Vuzix is a world-leader in the optical science of waveguides
- OEM opportunities can range from derivative designs to fully customized solutions
- Products are designed and mostly assembled in-house at Vuzix' Rochester, New York facility
- Vuzix' faculty is ISO 9001 certified and uses advanced custom-designed robotics

Dynabook Americas, Inc.*



- DynaEdge™ is Dynabook's wearable, hands-free, Windows 10-based Augmented Reality solution that uses Vuzix M300C smart glasses
- 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 2019 for approximately \$1 million in M300C smart glasses. The order falls under the 3-year supply agreement between Vuzix and Dynabook

* Formerly Toshiba America Client Solutions, Inc., purchased by Foxconn/Sharp

Ride-On

- Ride-On's new Smart Ski Goggles are based on the Vuzix Blade
- 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
- Initial volume shipments of Blades to Ride-On commenced 4Q2019
- Shipments to Ride-On expected to expand in 1Q2020 to fulfill their seasonal reseller orders



Custom Waveguide-Based OEM Opportunities Continue to Develop

- Automotive
- Aviation
- Consumer
- Courier Services
- Defense



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



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

Vuzix 2020 Operating Objectives and Outlook

- **Focus primarily on our enterprise smart glasses solutions**
 - Enterprise solutions provide demonstrable ROIs
 - Enterprise solutions offer higher margins
 - Consumer AR is not expected to be a significant market in 2020
 - **The pace and size of major deployments are expected to accelerate significantly in 2020 and Vuzix is best positioned to be a driving force of this expansion**
- **Broaden software offerings in support of our enterprise solutions**
 - Resell partner solutions for incremental margin
- **Continue development of next generation waveguides to increase performance and yield**
- **Continue development of MicroLED display engines with the objective of introducing Kingsman style smart glasses within 24 months**
- **Continue to optimize our Rochester facility for both product and waveguides production**
 - Finally assembly has now been relocated from Asia and the costs of this move are behind us
 - Relocation should allow for improved working capital management, particularly regarding inventory



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THANK YOU!