

Vuzix Discloses 10 New Leading Technology Companies Evaluating its Waveguide Optics

Highlights:

- Ten new customers have entered Vuzix' Project Planning Phase, which means they have signed an NDA and are actively performing due diligence of Vuzix and its waveguide optics technology for integration into their hardware roadmap
- Vuzix is also doing qualifications of each customer to determine their fit and size potential as a waveguide partner
- All ten of these new customer engagements have occurred post CES
- Vuzix is now engaged with a total of 13 customers including 3 customers that have started building and evaluating hardware designs that incorporate Vuzix' waveguide optics technology

ROCHESTER, NY, March 20, 2018 - [Vuzix® Corporation](#) (NASDAQ: [VUZI](#)), ("Vuzix" or, the "Company"), a leading supplier of Smart Glasses and Augmented Reality (AR) technologies and products for the consumer and enterprise markets, is pleased to provide this business update that the Company is currently engaged with over a dozen consumer and mobile electronics companies that are exploring various paths to market involving the Company's waveguide optics and related technology.

At CES and MWC 2018 Vuzix showcased production tooled Vuzix Blade AR Smart Glasses featuring Vuzix commercially available waveguide optics technology and display engines (optic systems). From the strong and positive press at the show to practically every customer the Blade was a great success. During these shows we also had many discussions with potential OEM and strategic partners. The overall quality of the waveguide optics and commercial readiness in terms producibility, form factor and optical performance of the Vuzix Blade impressed practically everyone and appears to be the first optics solution available that could meet the needs that the AR industry is looking for. The Vuzix Blade and the press it garnered resulted in a rush of inbound corporate inquires that are looking to create a formal business relationship with Vuzix. Although Vuzix is being selective regarding who we might partner with around supplying our waveguides, we feel that many of these companies are capable of producing value for Vuzix in the market and vice versa.

Our facility in Rochester New York is already equipped with waveguide automation and replication equipment capable of producing upwards of 400,000 waveguides annually. Our existing facility can comfortably accommodate the installation of 6 more production cells, which should push our annual capacity to well over 3.0 million waveguides annually. We are prepared and on a path to be able to produce approximately a million waveguides by the end of 2018.

“Vuzix has spent years and invested significant dollars developing our advanced waveguides and the production process around them,” said Paul Travers, President and Chief Executive Officer at Vuzix. “We believe the fact that we can start volume manufacturing now and deliver them to select partners puts us in an immediate leadership position in AR market. Our ability to do so represents a tremendous value to Vuzix own products and any of the companies we decide to work with. Vuzix waveguides and related technologies can offer fast entry and a significant competitive edge to those OEM partners and as a result we expect will allow Vuzix to achieve premium margins over the available conventional bulky optics alternatives.”

About Vuzix Corporation

Vuzix is a leading supplier of Smart-Glasses and Augmented Reality (AR) technologies and products for the consumer and enterprise markets. The Company's products include personal display and wearable computing devices that offer users a portable high-quality viewing experience, provide solutions for mobility, wearable displays and virtual and augmented reality. Vuzix holds 66 patents and 43 additional patents pending and numerous IP licenses in the Video Eyewear field. The Company has won Consumer Electronics Show (or CES) awards for innovation for the years 2005 to 2018 and several wireless technology innovation awards among others. Founded in 1997, Vuzix is a public company (NASDAQ: VUZI) with offices in Rochester, NY, Oxford, UK and Tokyo, Japan.

Forward-Looking Statements Disclaimer

Certain statements contained in this news release are "forward-looking statements" within the meaning of the Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. Forward looking statements contained in this release relate to Vuzix waveguide optics technology, the ultimate business success of these OEM evaluations, and among other things, the Company's leadership in the Smart Glasses and AR display industry. They are generally identified by words such as "believes," "may," "expects," "anticipates," "should" and similar expressions. Readers should not place undue reliance on such forward-looking statements, which are based upon the Company's beliefs and assumptions as of the date of this release. The Company's actual results could differ materially due to risk factors and other items described in more detail in the "Risk Factors" section of the Company's Annual Reports and MD&A filed with the United States Securities and Exchange Commission and applicable Canadian securities regulators (copies of which may be obtained at www.sedar.com or www.sec.gov). Subsequent events and developments may cause these forward-looking statements to change. The Company specifically disclaims any obligation or intention to update or revise these forward-looking statements as a result of changed events or circumstances that occur after the date of this release, except as required by applicable law.

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