

Vuzix Issues Business Activities Update

ROCHESTER, NY, March 21, 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 an update on business activities in light of misinformation being actively circulated in the market by certain market participants.

At the request of Vuzix shareholders, the Company is responding to address inaccurate information regarding the company that is being circulated within the blogosphere and social media. This press release is meant to correct these inaccurate statements by providing the actual facts.

- Vuzix became a public entity via its initial public offering (not a reverse merger) on December 24, 2009 with its filing and acceptance of its S-1 Registration statement by the US Securities Commission. We initially commenced trading on the TSXV in Canada thereafter and became listed on the OTC markets in 2010 before subsequently uplisting to the NASDAQ on January 28, 2015. Since inception, the US SEC has been its prime regulatory reporting entity.
- Vuzix has a business relationship with Toshiba that includes a [master supply agreement](#) (MSA) requiring Toshiba to place \$5 million minimum of orders over the first 12 months of the MSA in order to maintain exclusivity for a custom pair of smart glasses that was developed by Vuzix, is being manufactured by Vuzix and is being delivered to Toshiba by Vuzix. Vuzix announced in a [press release](#) on March 12, 2018 that the Company has begun mass production for Toshiba. Vuzix received the first purchase order from Toshiba under the MSA on March 12, 2018 and filed an [8-K](#) with financial details on the initial purchase order received from Toshiba totaling \$1.1 million on March 13, 2018.
- Vuzix Blade Smart Glasses support Amazon Alexa and Amazon Alexa voice assistant currently runs on the Vuzix Blade. The full commercial release of Vuzix Blade will also ship with support for the Alexa voice assistant. There are multiple visual and actual examples of Alexa running on the Vuzix Blade at CES 2018 (CES) and Mobile World Congress (MWC) and you can view those videos [here](#), [here](#) and [here](#). Further, the Vuzix Blade will commence volume production in the second quarter of this year.
- Vuzix demonstrated the Vuzix Blade to an estimated 4,000 industry professionals including independent members of the media at CES and MWC in January and February 2018. Our communication teams (both internal and external) have done a great job getting the message out and we have been inundated with requests for meetings and demonstrations since those two global trade shows. The overwhelming [positive media coverage](#) was based on the media's independent

evaluation and opinions, and Vuzix continues to appreciate their professionalism and interest in our products and commercial traction and activities.

- At CES the same Vuzix Blade Smart Glasses were shown to members of the media, to industry professionals as well as interested customers and potential partners. This includes a long list of consumer and mobile electronics companies. On March 20, 2018, the Company issued a [press release](#) indicating that the Company has added 10 new customer engagements and is now engaged with more than a dozen consumer and mobile electronics companies that are currently exploring various paths to market involving the Company's waveguide optics and related technology.

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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