

Vuzix Announces \$20 Million Registered Direct Offering

ROCHESTER, NY, July 1, 2019 - [Vuzix® Corporation](#) (NASDAQ: [VUZI](#)), ("Vuzix" or, the "Company"), a leading supplier of Smart Glasses and Augmented Reality (AR) technology and products, today announced the entry into agreements with two large institutional investors relating to the sale of 5,479,454 shares of its common stock at an offering price of \$3.65 per share together with warrants to purchase an aggregate 5,479,454 shares of its common stock at an exercise price of \$4.10 per share. The warrants will be exercisable for a period of two years commencing six months from issuance. The gross proceeds from the offering will be \$20,000,000 before deducting commissions and estimated offering expenses.

The Company intends to use the net proceeds from the offering for general corporate purposes, including the commercial launch for both its M400 Smart Glasses and M300XL Intrinsically Safe (IS) Smart Glasses (developed in close collaboration with Eaton Corporation), expansion of marketing capabilities for the Blade and other to be announced next generation waveguide-based smart glasses.

"The Company received interest this weekend from two large institutional investors and although management and the board had not intended to raise growth capital in this manner, we felt it was prudent and advantageous to strengthen our balance sheet at this time. This financing allows Vuzix more flexibility to effectively supply product as needed while simultaneously ensuring that we are in the best position to negotiate and conclude discussions with prospective large enterprise customers," explained Paul Travers, President and CEO of Vuzix Corporation. "Going forward, Vuzix will continue to be laser focused on innovating at the highest levels, while continuing to moderate non-essential spending."

The Special Equities Group, a division of Bradley Woods & Co. Ltd., acted as sole placement agent for the transaction.

The shares of common stock and warrants sold in the Offering will be issued separately. The Offering is expected to close on July 5, 2019, subject to satisfaction of customary closing conditions.

This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities described herein, nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

The shares and warrants are being offered by Vuzix Corporation pursuant to an effective "shelf" registration statement previously filed with and subsequently declared effective on June 13, 2019 by the Securities and Exchange Commission. The securities are being offered only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement. Copies of the

final prospectus supplement and accompanying base prospectus may be obtained, when available, by contacting Bradley Woods & Co., Ltd., 805 Third Avenue, 18th Floor, New York, NY 10022 at (212) 826-9191, or the Securities and Exchange Commission's website at <http://www.sec.gov>.

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 augmented reality. Vuzix holds 153 patents and 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 2019 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. For more information, visit Vuzix [website](#), [Twitter](#) and [Facebook](#) pages.

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 the new M400 Smart Glasses, new M300XL IS Smart Glasses and next generation waveguide-based smart glasses, Vuzix business growth, use of proceeds, capital needs, 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 other filings 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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