

## **Vuzix Completes Transition to Higher Volume Manufacturing Facilities**

**ROCHESTER, NY, July 18, 2017** – [Vuzix® Corporation](#) (NASDAQ: [VUZI](#)), ("Vuzix" or, the "Company"), a leading supplier of Smart Glasses, Augmented Reality (AR) and Virtual Reality (VR) technologies and products for the consumer and enterprise markets, is pleased to announce that the Company has completed the manufacturing transition of M300 volume production from the Company's existing Tier-1 contract manufacturer in the USA to their operations in China. The Vuzix team has worked closely with our manufacturing partner to overcome the initial production challenges and we have now successfully scaled operations, improved yields and lowered our cost profile of the M300.

The process of transitioning M300 production from the USA into China began during mid-second quarter of 2017 and was completed recently. The new M300 production units arriving from China have gone through and passed rigorous testing in both our contract manufacturer's plant and secondly in Rochester, NY. The manufacturing rates are now quickly growing in-line with our planned production volumes. With the completion of the M300 production transition off-shore the Company is now on track to also realize approximately a 33% reduction in the product's cost. Additionally, we have already seen production yield improvements over the previous operation and expect further yield increases as production levels ramp over the second half of 2017 and net costs decreasing even further.

"With the recent rollout of our OS 1.2 firmware update, the introduction of our full M300 accessory line and a reliable and steady flow of production arriving, Vuzix should be well positioned to deliver in volume to our enterprise customers over the second half of 2017", said Paul Travers, President and Chief Executive Officer at Vuzix.

### **About Vuzix Corporation**

Vuzix is a leading supplier of Smart-Glasses, Augmented Reality (AR) and Virtual Reality (VR) 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 51 patents and 39 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 2017 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 the new OS 1.2 software releases, the expected continued success and improvements from the move of M300 production to China, as well as the Company's leadership

in the Video Eyewear, VR 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](http://www.sedar.com) or [www.sec.gov](http://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.

**Media and Investor Relations Contact:**

Matt Margolis, Director of Corporate Communications and Investor Relations, Vuzix Corporation  
matt\_margolis@vuzix.com Tel: (585) 359-5952

Andrew Haag, Managing Partner, IRTH Communications  
vuzi@irthcommunications.com Tel: (866) 976-4784

Vuzix Corporation, 25 Hendrix Road, Suite A, West Henrietta, NY 14586 USA,  
Investor Information – IR@vuzix.com [www.vuzix.com](http://www.vuzix.com)

**For further sales, and product information, please visit:**

North America:

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