

Vuzix® Enters into an Agreement with a New Major Defense Contractor to Develop a Customized Waveguide Solution

ROCHESTER, NY, September 3, 2020 – [Vuzix® Corporation](#) (NASDAQ: [VUZI](#)), ("Vuzix" or, the "Company"), a leading supplier of Smart Glasses, Augmented Reality (AR) technology and products for the consumer and enterprise markets, is pleased to announce that the Company has signed an agreement with a new major international defense contractor to build a customized waveguide solution. Under the terms of the first phase of the development agreement, Vuzix and this new customer have agreed upon an upfront payment and phase-gated development milestones and payments. Phase 1 is expected to generate non-recurring engineering (NRE) revenue over the next 3 months for Vuzix with potentially greater NREs in subsequent phases, of which at least two are currently contemplated, before an accepted final product design could be expected to lead to a volume production order. This represents the third active defense engineering program for Vuzix thus far in 2020.

"We are excited to enter into this partnership and believe it represents a strong vote of confidence in our capabilities and recognition of our leading position within the waveguide optics technology space. Additionally, the agreement demonstrates how Vuzix is able to leverage our industry leading optics technology and partner with yet another top global Defense contractor for a customized solution," said Paul Travers, President and Chief Executive Officer at Vuzix. "Vuzix continues to meet key 2020 operating objectives including the expansion of our OEM relationships and expanding the number and size of volume orders of our M-Series Smart Glasses."

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 166 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 2020 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 our business relationship with the referenced defense contractor, the success of phase 1, possible additional development phases, and any eventual volume production, 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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