

Vuzix Signs 3 Year Supply Agreement with Toshiba for Custom M300 Smart Glasses Solution

ROCHESTER, NY, December 7, 2017 – [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 announce that Vuzix entered into a Supply Agreement with Toshiba Information Equipment (Hangzhou) Co., Ltd. ("Toshiba"). The supply agreement set forth the general terms and conditions, including with respect to product quality, product changes, minimum order quantities and deliveries, and pricing pursuant to which the Company will sell to Toshiba and its affiliates the Company's smart glasses product that was developed pursuant to a development agreement between the Company and a Toshiba affiliate announced in February 2017. Any such sales will be made pursuant to purchase orders which Toshiba may submit in its discretion.

Pursuant to the supply agreement, the Company agreed to sell such product exclusively to Toshiba for a period of up to 12 months, subject to Toshiba's submitting a minimum of \$5,000,000 of purchase orders. The product will be co-branded as a Toshiba product, powered by Vuzix and is expected to be sold on a global basis by Toshiba by their Toshiba Client Solutions group, which will bundle the smart glasses unit with a specially designed mobile edge computing system that they principally developed for this program. The supply agreement has a three year term, subject to earlier termination under certain conditions set forth therein. The Company expects production under the supply agreement to commence in the first quarter of 2018.

"We are excited to expand our partnership with Toshiba into the volume manufacturing phase and believe that you will see this relationship transform even further as we continue to lead the way in smart glasses and Augmented Reality products," said Paul Travers, President and Chief Executive Officer at Vuzix. "Additionally, this agreement is one more step that demonstrates how Vuzix is leveraging and partnering our industry leading technology with top tier global partners. We trust that this will be the first of many ongoing collaborations to be announced."

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 59 patents and 42 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 the Toshiba M300 product and the level of business that Vuzix expects under the Supply Agreement in its first 12 months and among other things the Company's leadership in the Video Eyewear 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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