

Vuzix Announces Closing of US\$12.5 Million Offering

ROCHESTER, NY, December 20, 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, today announced that it closed on the previously announced US\$12.5 million financing on December 19, 2017. The Company entered into agreements on December 14, 2017 relating to the sale of 2,066,116 shares of Vuzix common stock at an offering price of \$6.05 per share together with three-year warrants to purchase an aggregate 1,033,058 shares of its common stock at \$7.00 per share, which will be exercisable for a period of three years commencing six months from issuance. The gross proceeds from the offering were \$12,500,000 before deducting commissions and estimated offering expenses. Chardan Capital Markets, LLC, acted as the sole placement agent for this transaction. The Company has filed a prospectus with the Securities and Exchange Commission, which can be viewed at: https://www.sec.gov/Archives/edgar/data/1463972/000114420417064034/tv481494_424b5.htm

The shares of common stock were sold primarily to existing institutional investors of the Company. The Company estimates the net proceeds from this offering are approximately \$11.5 million, after deducting placement agent fees and estimated offering expenses payable. This gives Vuzix pro forma cash and cash equivalents of \$20.2 million as of September 30, 2017. As noted earlier, the Company intends to use the net proceeds from the offering for general corporate purposes, including expanding its product offering and the commercial launch of its Blade Smart Glasses, featuring its proprietary waveguide technology products in early 2018, and for general working capital purposes.

"We believe that our investors increasing their commitment to Vuzix represents their strong confidence in our future, as the adoption of wearable technology in the workplace continues to climb," said Paul Travers, President and Chief Executive Officer at Vuzix. "With the new funds, we have greatly shored up our balance sheet heading into 2018, which gives us greater financial flexibility to continue to advance our Blade Smart Glasses and other elements of our strategy."

Mr. Travers continued, "With the recent deal from Toshiba, coupled with order visibility from other sources, Vuzix is confident that it is in a solid position to build on these gains in 2018. This new capital ensures that the Company is well positioned to support its continued growth as we drive towards profitability and rapid revenue growth in this burgeoning sector of the technology industry."

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.

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 new products such as the Vuzix Blade and waveguide based products, use of proceeds, capital needs in the future, and the overall positive impact of the financing, 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.

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