



Vuzix Partners with Powershelf to Deliver “Powershelf Stock to Sight and Pick-to-Sight, powered by Vuzix” to Retail Stores

ROCHESTER, NY, December 28, 2017 – [Vuzix® Corporation](#) (NASDAQ: **VUZI**), (“Vuzix”), a leading supplier of Smart Glasses and Augmented Reality (AR) technologies for the consumer and enterprise markets, is pleased to announce a strategic partnership with Powershelf to deliver a comprehensive wearable Internet of Things (IoT) smart glasses solution for stocking retail store shelves. The “Powershelf Stock-to-Sight and Pick-to-Sight, powered by Vuzix” solution uses AR technology and artificial intelligence to provide a hands-free option for store personnel to scan and overlay product-specific images directly into Powershelf through Vuzix smart glasses to reduce errors, save money and improve employee efficiency.

“Restocking consumes enormous amounts of resources as every item sold needs to be restocked by hand,” said John White, Co-CEO of Powershelf. “Through our Powershelf Network, which includes GE, SAP, Qualcomm, Microsoft and now Vuzix, we will integrate Powershelf’s machine learning and artificial intelligence technologies with Vuzix’ augmented reality technology to remove significant costs from retailers. Together we will give retailers powerful new tools to further improve their operational efficiency as well as optimize their supply chains and help them better serve their customers.”

Retailers adopting the “Powershelf Stock-to-Sight and Pick-to-Sight, powered by Vuzix” solution will see significant benefits. In a recent study conducted with a major global shipping company, AR smart glasses technology delivered:

- Up to a 15 percent increase in picking accuracy; and,
- A 50 percent decrease in employee training time.

In another study with a major global healthcare company there was a, 46% increase in pick and pack productivity using AR glasses.

The Powershelf® platform combines their battery-free smart shelving hardware devices with proprietary software to transform stores into smart and connected environments. The platform gives retailers an edge in today's omni-channel retail environment by harnessing live on-shelf availability data, improved pricing accuracy and reduced out-of-stock incidents, while providing the ability to interact with shoppers' mobile devices in real time. The Powershelf platform is a green technology: It requires no batteries and it significantly reduces the need for paper tags and signage, which can help retailers meet their environmental sustainability goals.

"Partnering with Powershelf provides a tremendous opportunity for Vuzix to establish a footprint inside the day-to-day operations at retail stores with some of our next generation smart glasses. More importantly, it allows us to leverage the existing Powershelf network, exposing new and valuable use cases for this comprehensive solution set combining Machine Learning, IoT and the use of our award winning Augmented Reality technology. Anyone familiar with this space can see how this will change the game in retail" said Paul Travers, CEO and President, Vuzix.

About Powershelf

Powershelf is a leading provider of retail technology solutions. The Powershelf platform includes Microsoft, Qualcomm, SAP and GE integrated solutions to provide constant power and two-way communication to software-enabled applications and devices. The platform enables retailers and manufacturers to improve their operational efficiency, reduce out-of-stock incidents, improve demand forecasting, reduce waste and, ultimately, lower prices. For more information, please visit www.IoTSmartRetail.com.

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 business success of our relationship with Powershelf, the efficiencies from their solutions coupled with Vuzix products, 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.

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

For further sales, and product information, please visit:

North America:

<http://www.vuzix.com/contact/>

Europe/UK:

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