

## Vuzix Provides Business Outlook for 2017

ROCHESTER, N.Y., March 23, 2017 - Vuzix® Corporation (NASDAQ: VUZI), a leading supplier of Smart Glasses, Augmented Reality (AR) and Virtual Reality (VR) technologies and products for the consumer and enterprise markets, announced today the company's outlook for 2017.

We believe 2017 is already proving to be a pivotal year for Vuzix and the entire Smart Glasses industry. We have a strong focus on the Enterprise markets as the M300 ramps up in production and we continue to ship growing levels of smart glasses into the field. Vuzix has already begun the process to transition our M300 manufacturing line to Asia to expand our margin profile and provide additional flexibility to respond to customer orders. We have over 250 enterprise VARs (value added resellers) and we continue to pursue additional distribution channels to increase our global reach to end customers.

The M300 recently received TELEC approval in Japan and we expect to begin shipping product into this region beginning in Q2. Our M300 is being showcased this week at CeBIT in Hanover, Germany at the KDDI booth located in Hall 4 – A38 (17) until Friday, March 24th. A demonstration video of KDDI Vist@Finder field service application through the eyes of Vuzix M300 filmed at CeBIT can be viewed through the following link.

Link to video: <https://youtu.be/a0TNDV9Uc9s>

We recently announced \$1.1 million development agreement with Toshiba for a customized Smart Glasses device is another confirmation of Vuzix' solution strengths. This project is progressing quickly through the design phase gates and we look forward to seeing the new product enter volume production this fall. At the same time, we expect to continue previous relationships and bring on additional major OEM partners which should represent significant opportunities for us.

Vuzix' patent portfolio now totals 90 patents and patents pending, which includes the addition of 11 patents and 16 patents pending over the last year. Vuzix will continue to focus on broadening the company's intellectual property in 2017, especially in the optics and display engine areas.

The deployment of our automated waveguide replication equipment is in the qualification phase and should be released to the plant floor for full manufacturing operation in the second quarter. This will allow us to not only produce in volume but with improved precision and performance. When our new waveguide based products are released, we should be at the forefront of helping to evolve the world of mobile computing and AR with technology that connects the digital world to the real world through fashionable AR smart glasses. We believe Vuzix is now positioned well on the capital front to execute on our plans in 2017 and grow our business.

Management has outlined the following priorities for 2017:

- Increase M300 production with a goal of achieving 1,500 units a month in Q2, while completing our planned transition of manufacturing to Asia to lower costs and further increase our production capacity
- Broaden our enterprise distribution channels through additional VARs (value added resellers) and other strategic agreements
- Deploy automated waveguide replication equipment that will allow for volume production along with improved precision and performance
- Broaden intellectual properties including the filing of numerous new patent applications
- Prioritize, support and actively engage new interests received from select OEMs
- Manage the growth in operating costs, so that along with our expected increase in revenues we can minimize the funds required for operations as we move towards profitability

### **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, among other things, the timing of new product releases, R&D project successes, future operating results, future intellectual property developments and applications, new OEM customers and their related product needs, and 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" and MD&A sections of the Company's Annual Reports and Quarterly Reports 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.

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