

Vuzix Enters into Development Agreement with Toshiba for a Customized Smart Glasses Device

Vuzix expects volume production to commence in Q4 of 2017

ROCHESTER, NY, February 24, 2017 – Vuzix[®] Corporation (NASDAQ: VUZI), ("Vuzix" or the "Company"), a leading supplier of Smart Glasses, Augmented Reality (AR) and Virtual Reality (VR) technologies and products for the consumer and enterprise markets, is pleased to announce that the Company has signed an agreement to build a customized pair of smart glasses, for Toshiba Client Solutions Co. Ltd. (Toshiba), a wholly owned subsidiary of Toshiba Corporation. Based in Tokyo, Toshiba Corporation is a world leader and innovator in pioneering high technology, a diversified manufacturer and marketer of advanced electronic and electrical products covering consumer, enterprise, industrial and infrastructure markets. Toshiba Corporation is one of the largest electronics and technology companies in the world.

Under the terms of this agreement, Vuzix and Toshiba have embarked on a rapid development program with milestone payments totaling over one million US dollars. With development efforts well under way, Toshiba, subject to a final manufacturing agreement, expects to place additional purchase orders from Vuzix for production deliveries in the 4th quarter of 2017. Further details on the new smart glasses product will be released soon after public marketing of the product commences.

"We are excited to enter into this partnership with Toshiba and believe it represents a strong vote of confidence in our capabilities and recognition of our leading position within the wearable technology space," said Paul Travers, President and Chief Executive Officer at Vuzix. "Additionally, the agreement demonstrates how we are leveraging and partnering our industry leading technology with top tier global partners. We trust that this will be the first of many ongoing collaborations between the firms."

"We have selected Vuzix as our new smart glasses development and manufacturing partner because we are very impressed with Vuzix' current line of smart glasses and other technology that the Company has in development. We believe that Toshiba can leapfrog other wearable technology products with Vuzix' support and look forward to a very successful collaboration between the companies," said Carl Pinto, vice president of marketing and product development for Toshiba Client Solutions Division, Toshiba America Information Systems, Inc.

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 49 patents and 43 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 the new development project with Toshiba, its success and the potential of ultimate volume production, and among other things, 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" 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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