

# KITS

NEEDHAM GROWTH CONFERENCE  
January 2023

JOSEPH THOMPSON | Co-Founder & COO



# FORWARD LOOKING STATEMENTS

This presentation contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, projections, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of the expansion and enhancement of our optical laboratory for glasses and warehouse facilities; the growth of our business and launch of new technologies; our ability to drive sales growth; our ability to maintain, enhance, and grow within our addressable market; our ability to drive ongoing development and innovation of our exclusive brands and product categories; our ability to continue directly sourcing from third party suppliers and manufacturers; our ability to retain key personnel; our ability to add, maintain and expand production, distribution and fulfillment capabilities; our ability to continue investing in infrastructure to support our growth; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management's expectations.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors described in greater detail in the Company's annual information form filed on March 9, 2022 for Fiscal 2021 (the "AIF"). A copy of the AIF and the Company's other publicly filed documents can be accessed under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

We caution that the list of risk factors and uncertainties described in the AIF is not exhaustive and other factors could also adversely affect its results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. The forward-looking information contained in this presentation represents our expectations as of the date of this presentation (or as of the date they are otherwise stated to be made) and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws. If we do update certain forward-looking information, no inference should be made that we will further update such or other forward-looking information.

# NON-IFRS MEASURES AND E-COMMERCE INDUSTRY METRICS

This presentation makes reference to certain non-IFRS measures and certain industry metrics. These measures are not recognized measures under International Financial Reporting Standards ("IFRS") and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "Constant Currency Revenue", "EBITDA", "Adjusted EBITDA" and "Adjusted EBITDA Margin". This presentation also makes reference to "Active Customers", "Customer Acquisition Costs" and "AOV" (each as defined below), which are commonly used metrics in our industry.

"Active Customers" As of the last date of each reporting period, we determine our number of active customers by counting the total number of individual customers who have ordered, and for whom an order has shipped, at least once during the preceding stated period.

"Adjusted EBITDA" is defined as consolidated net income (loss) before depreciation and amortization, finance cost and provision for income taxes, adjusted for the impact of certain items, including non-cash items such as stock-based compensation, unrealized foreign exchange gains or losses and other items we consider non-recurring and not representative of our ongoing operating performance.

"Adjusted EBITDA Margin" is defined as Adjusted EBITDA divided by revenue from the same period.

"AOV" is defined as the average order value and is calculated as revenue divided by orders.

"Constant Currency Revenue" is calculated by translating the current year reported amounts into comparable amounts using a single foreign exchange rate for each currency calculated based on the prior period exchange rates.

"Customer Acquisition Cost" is defined as total marketing expense for a given period divided by the number of Active Customers during that same period.

"EBITDA" is defined as consolidated net income (loss) before depreciation and amortization, finance cost and provision for income taxes.

See "Reconciliation of Non-IFRS Measures" at the end of this presentation for a reconciliation of non-IFRS metrics to IFRS metrics.

# BUILDING EYECARE BRAND FOR THE CONSUMERS OF TODAY.

FOUNDED IN 2018, NOW AT \$100 MILLION + REVENUE RUN RATE <sup>(1)</sup>.

1

Our team has a proven track record of executing in the eyecare, technology and consumer industries

2

We operate in one of the last multi-billion dollar categories dominated by small independent shops that is ripe for technological disruption

3

Our state-of-the-art optical 'Gigafactory' gives us vertically integrated on-shore manufacturing

4

Our business model is focused on customer retention, delivering predictable re-occurring revenue, & converting contact lens customers to also buy glasses

5

Low CAC & high retention rate. \$21 CAC<sup>(2)</sup>, over 60%<sup>(2)</sup> repeat business, active customer base of 765k +<sup>(2)</sup>



(1) Based on current management estimate

(2) Based on Q3 FY 2022

# AN EXPERIENCED LEADERSHIP TEAM WITH OVER 100 YEARS OF COMBINED INDUSTRY EXPERIENCE



ROGER HARDY  
Co-Founder & CEO



SABRINA LIAK  
Co-Founder & President



JOSEPH THOMPSON  
Co-Founder & COO



ARSHIL ABDULLA  
CTO



STEFAN HARVALIAS  
CMO



ROB LONG  
CIO



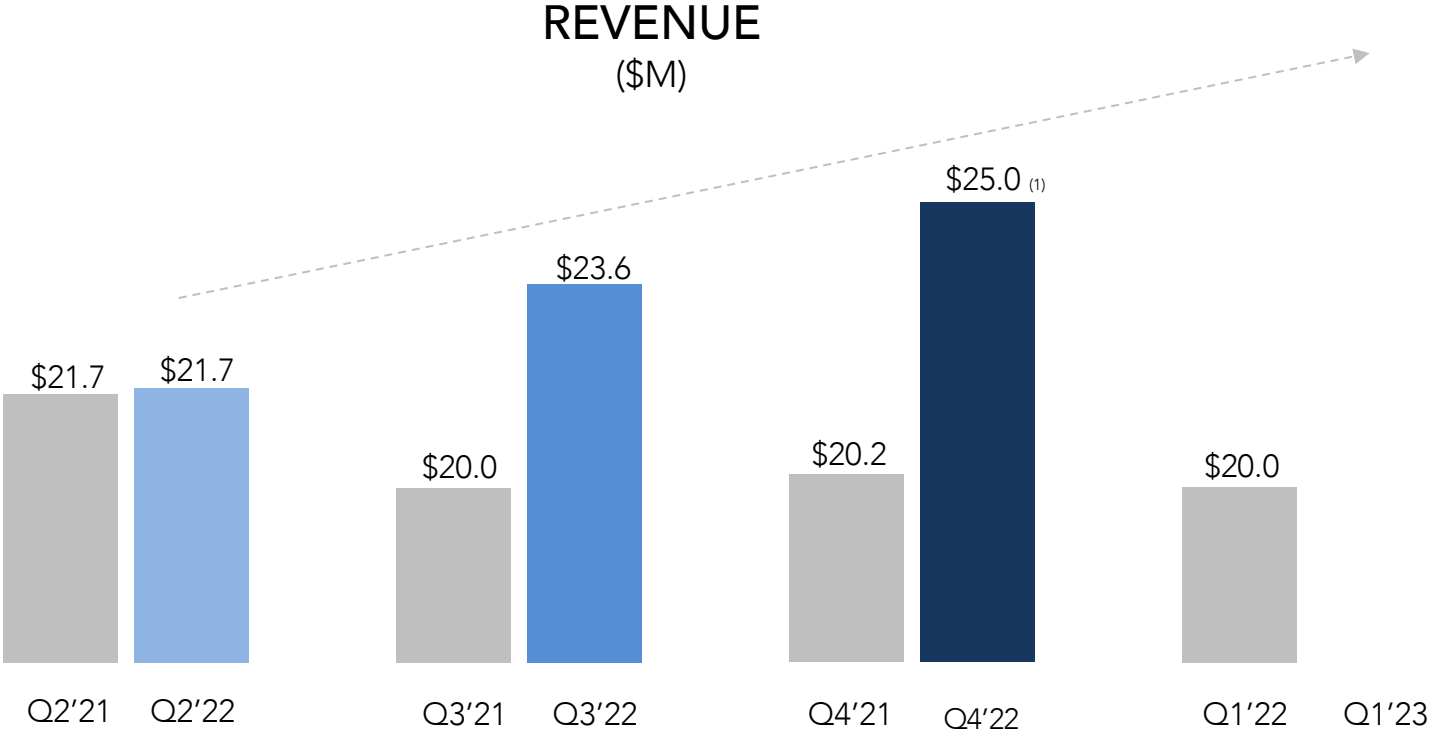
TAI SILVEY  
SVP OPERATIONS



ZHE CHOO  
SVP FINANCE

# A DISCIPLINED APPROACH TO REVENUE GROWTH

YEAR END CASH BALANCE REMAINS HEALTHY AT \$19 MILLION<sup>(1)</sup>.



YoY Revenue Growth %	+0.5%	+17.7%	+25.0% <sup>(1)</sup>
YoY Active Cust Growth % <sup>(2)</sup>	+23.3%	+19.5%	

(1) Based on current management estimate

(2) Active Customer is an E-commerce Industry Metric, please refer to "Non-IFRS Measures and E-Commerce Industry Metrics"

# OUR "GIGA FACTORY" & OPTICAL LAB

BUILDING NORTH AMERICA'S MOST  
AUTOMATED OPTICAL LAB

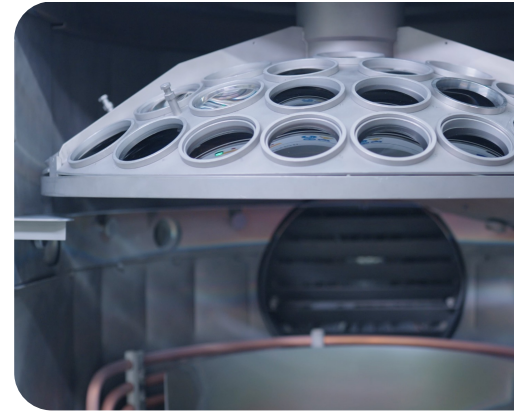
4,000+ pair per day capacity

**FASTEST, MOST EFFICIENT FULLFILLMENT  
IN CATEGORY**

Fulfilling up to 4,500 optical patient orders/ day

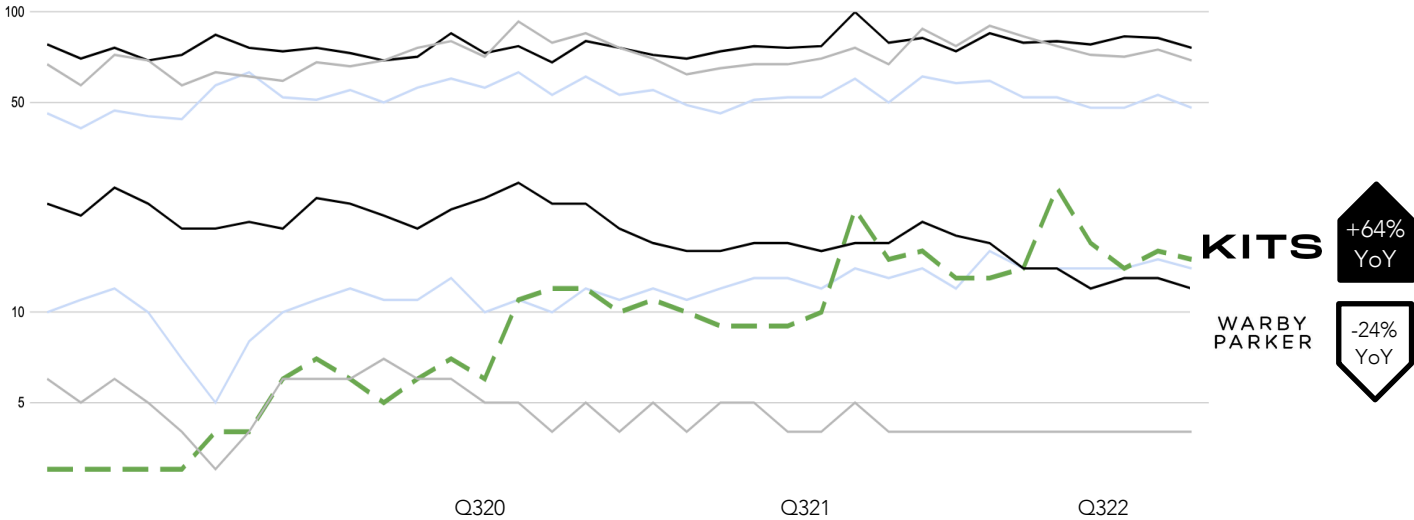
Launched same-day delivery in key markets &  
next-day delivery in Canada

Capex deployed to scale revenue to \$200 mm +



# BECOMING A PREEMINENT GLASSES BRAND THROUGH Q3 '22

## BRAND SEARCH GROWTH OUTPACED THE CATEGORY



GLASSES REVENUE GROWTH  
+81% vs prior year



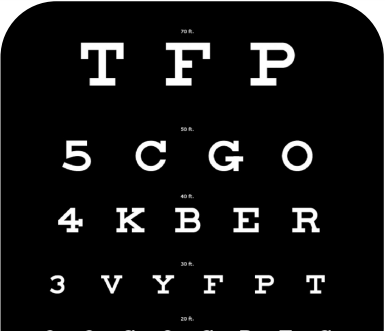
93% OF GLASSES KITS BRAND FRAMES



61,000 GLASSES DELIVERED  
+118% vs prior year

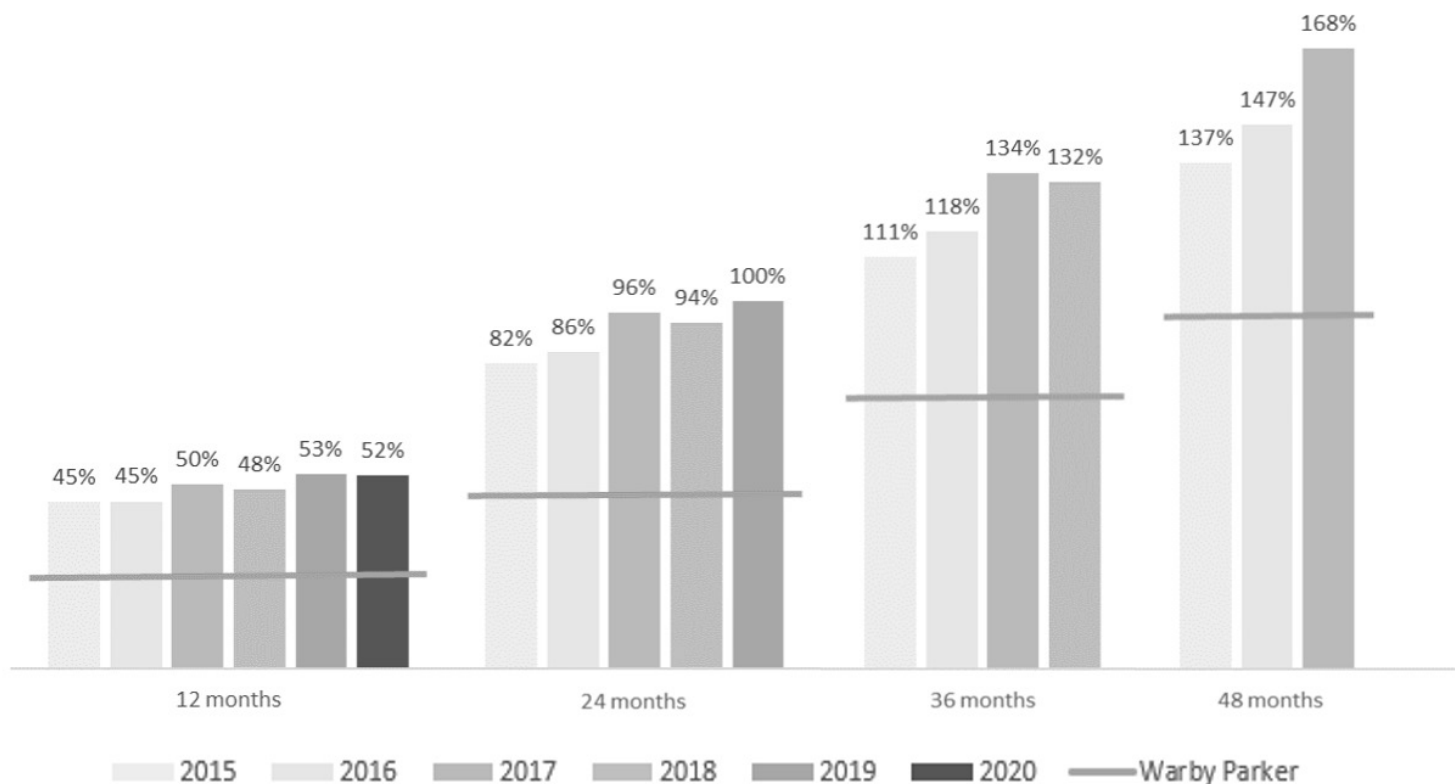


\$21 INDUSTRY LEADING CAC



1) Active Customer and Customer Acquisition Cost are E-commerce Industry Metric, please refer to "Non-IFRS Measures and E-Commerce Industry Metrics" Source: Google Canada

# COMPELLING CONSISTENT AND IMPROVING RETENTION RATES DRIVE CONTINUED & SUPERIOR GROWTH



- ✓ SUSTAINABLE & VALUABLE ANNUITY
- ✓ INCREASING PERFORMANCE
- ✓ BETTER RETENTION vs WARBY PARKER



**KITS**

