



NEWS RELEASE

KITS Eyecare Reports Record Fourth Quarter and Full Year 2025 Results

2026-03-04

Annual Revenue Grew 27% Year-Over-Year to a Record \$202.5 Million

13th Consecutive Quarter of Positive Adjusted EBITDA

Annual Adjusted EBITDA at \$11.7 Million, up 83% Year-over-Year

Active Customer Base Surpasses 1 Million Milestone, Up 16.5% Year-Over-Year

Record Q4 Glasses Revenue Accelerated to \$8.7 Million; Q4 Units Delivered up 42% Year-Over-Year

VANCOUVER, BC, March 4, 2026 /CNW/ - **Kits Eyecare Ltd.** (TSX: KITS) ("KITS" or the "Company"), a leading vertically integrated eyecare provider, today announced its financial results for the fourth quarter and full year ended December 31, 2025.

Fourth Quarter 2025 Financial & Operational Highlights

For the fourth quarter of 2025, compared to the fourth quarter of 2024:

- Revenue increased by 20.2% to a record \$53.9 million compared to \$44.8 million
- Gross profit increased by 15.8% to \$18.8 million, or 35.0% of revenue, compared to \$16.3 million, or 36.3% of revenue
- Adjusted EBITDA margin percentage was 5.3%, at \$2.8 million of Adjusted EBITDA compared to 6.5%, at \$2.9 million of Adjusted EBITDA
- Record Q4 glasses revenue of \$8.7 million, up 32.7% year-over-year; over 118,000 units delivered, up 42.2%
- Net Income: \$0.3 million (\$0.01 per basic share) for the quarter.

Full Year 2025 Financial & Operational Highlights

For the full year 2025, compared to full year 2024:

- Revenue increased 27.1% to a record of \$202.5 million compared to \$159.3 million
- Gross profit increased by 34.4% to \$72.1 million or 35.6% of revenue, compared to \$53.7million, or 33.7% of revenue; an expansion of 190 basis points.
- Adjusted EBITDA margin percentage improved to 5.8% from 4.0%
- Adjusted EBITDA improved by 82.6% to \$11.7 million compared to \$6.4 million
- Eyeglasses Delivered: Delivered a record of over 426,000 pairs of glasses
- Customer Growth: Surpassed 1 million 2-year active customers, serving over 393,000 new customers in 2025.
- Operating Cash Flow: Generated \$11.5 million in cash flow from operations.
- Net income: \$3.1 million (\$0.10 per basic share) for the year.

Management Commentary

"2025 was a defining year for KITS. We surpassed the \$200 million revenue milestone, expanded gross margins by 190 basis points, and nearly doubled Adjusted EBITDA, all while surpassing one million active customers and building out our technology platform" said Roger Hardy, Co-Founder and CEO of KITS. "Our vertically integrated model continues to demonstrate powerful operating leverage as we scale, and the early success of OpticianAI™ and our Pangolin Gen-3 AI driven smart glasses shows that we are evolving from a leading optical retailer into a technology-driven vision care platform. With a de-risked balance sheet, our second flagship showroom opening in Toronto, and stronger momentum than at any point in our history, we believe we are well-positioned to continue delivering exceptional value for both customers and shareholders in 2026."

Fourth Quarter 2025 Financial Results

Revenue for the three months ended December 31, 2025 reached a record \$53.9 million, increasing 20.2% compared to the fourth quarter of 2024. On a constant currency basis, revenue grew by 20.3% year-over-year. The quarter was anchored by the Company's strongest-ever sales week during the Black Friday and Cyber Monday, which generated approximately \$5.8 million in revenue and underscored the growing consumer awareness of the KITS brand. The contact lens segment delivered stable, recurring revenue, while the eyeglasses segment emerged as the primary growth driver, achieving record Q4 glasses revenue of \$8.7 million a 32.7% year-over-year increase, with glasses units delivered growing 42.2% to over 118,000 pairs.

Profitability metrics remained robust as the Company reported its 13th consecutive quarter of positive Adjusted EBITDA, totaling \$2.8 million for the quarter. Net income for the fourth quarter was \$0.3 million. We believe this sustained profitability is increasingly driven by the high level of recurring behavior within the KITS customer community. Repeat orders accounted for 66.0% of total revenue during the quarter, while the contact lens segment saw repeat order volume reach 68.3% of contact lens revenue. This stability helps allow for highly efficient

customer acquisition and validates the long-term scalability of the KITS digital platform.

Strategic Developments and Liquidity

The Company continues to broaden its competitive moat through significant technological and operational milestones. In July 2025, KITS successfully unveiled the beta launch of OpticianAI™, a proprietary platform that leverages AI-driven facial measurements and automated lens guides to personalize the shopping experience, effectively reducing consumer friction and return rates. Parallel to its digital evolution, KITS is expanding its physical footprint with the anticipated Q1 2026 opening of its second flagship showroom in Toronto. Following the robust performance of the Vancouver location, the new 2,500-square-foot showroom on Toronto's Queen Street West will serve as a high-visibility hub for customer acquisition and national brand building.

Supporting these growth initiatives is a de-risked balance sheet. In November 2025, the Company established a \$15 million asset-based lending facility with the Bank of Montreal (BMO) and concurrently utilized its strong cash position to repay its BDC term loan ahead of schedule. KITS concluded the 2025 fiscal year in its strongest liquidity position to date, ending the period with approximately \$29.8 million in cash and cash equivalents.

First Quarter 2026 Outlook

KITS is reaffirming its financial guidance for the first quarter ending March 31, 2026, as originally issued on February 17, 2026.

See "Forward-Looking Statements" below for important disclosure and risk with respect to expectations and forward-looking information.

Conference Call

KITS management will host a conference call followed by a question-and-answer period. To access the call instantly, please click **here** to register your name and phone number via the rapid connect link.

The conference call will also be webcast live with a presentation and available for replay **here** and via the investor relations section of the Company's website at **ir.kits.com**.

Date: Thursday, March 4, 2026

Time: 4:30 p.m. Eastern time (1:30 p.m. Pacific time)

Presentation webcast link: <https://app.webinar.net/ORN7gl6gOYP>

Rapid connect link: <https://emportal.ink/3MjmCgi>

North American toll-free number: 1-888-510-2154

Local Toronto dial-in number: 1-437-900-0527

Confirmation #: 10692 #

Financial Highlights

The following selected financial information is qualified in its entirety by and should be read conjunction with our consolidated financial statements for the years ended December 31, 2025 and 2024 and accompanying notes and Management's Discussion and Analysis ("MD&A") which may be viewed on SEDAR at www.sedarplus.ca.

Financial and Operating Data	Three Months Ended		Years Ended	
	December 31, 2025 (unaudited)	December 31, 2024 (unaudited)	December 31, 2025 (audited)	December 31, 2024 (audited)
Revenue	\$ 53,891	\$ 44,833	\$ 202,458	\$ 159,338
Net income	\$ 264	\$ 2,733	\$ 3,110	\$ 3,116
Net income per share				
Basic	\$ 0.01	\$ 0.09	\$ 0.10	\$ 0.10
Diluted	\$ 0.01	\$ 0.08	\$ 0.09	\$ 0.09
Non-IFRS Measures (a):				
Constant currency revenue	\$ 53,937	\$ 44,833	\$ 199,776	\$ 159,338
EBITDA	\$ 2,205	\$ 4,852	\$ 8,859	\$ 8,086
Adjusted EBITDA	\$ 2,848	\$ 2,908	\$ 11,746	\$ 6,432
Adjusted EBITDA Margin %	5.3 %	6.5 %	5.8 %	4.0 %
Reconciliation of constant currency revenue				
Revenue	\$ 53,891	\$ 44,833	\$ 202,458	\$ 159,388
Foreign exchange impact	46	-	(2,682)	-
Constant Currency Revenue	\$ 53,937	\$ 44,833	\$ 199,776	\$ 159,388
Change in constant currency	\$ 9,104		\$ 40,438	
Change in constant currency %	20.3 %		25.4 %	
Reconciliation of Adjusted EBITDA				
Net income for the period	\$ 264	\$ 2,733	\$ 3,110	\$ 3,116
Add back:				
Income taxes	330	986	1,937	1,335
Finance costs – net	1,066	424	1,432	975
Depreciation and amortization	545	709	2,380	2,660
EBITDA	\$ 2,205	\$ 4,852	\$ 8,859	\$ 8,086
Add back:				
Share-based compensation (b)	\$ 77	\$ 74	\$ 1,087	\$ 1,005
Exchange loss / (gain)	562	(2,022)	1,786	(2,673)
One-time costs (c)	4	4	14	14
Adjusted EBITDA	\$ 2,848	\$ 2,908	\$ 11,746	\$ 6,432
Revenue	\$ 53,891	\$ 44,833	\$ 202,458	\$ 159,338
Adjusted EBITDA Margin % (d)	5.3 %	6.5 %	5.8 %	4.0 %

Notes:

- Refer to "Non-IFRS Measures and Industry Metrics" section of the MD&A filed on www.sedarplus.ca and below.
- Represents non-cash share-based compensation expense associated with restricted share rights ("RSRs") and options recognized in the period.
- One-time IPO directors' and officers' insurance costs which are expensed over the insurance coverage period.
- Represents Adjusted EBITDA divided by revenue from the same period.

About KITS

KITS (TSX: KITS) is one of the world's fastest growing eyecare providers, offering high-quality, affordable prescription glasses and contact lenses through its vertically integrated digital platform. With advanced in-house lens manufacturing, an industry-leading digital fit experience powered by OpticianAI, and thousands of 5-star customer reviews, KITS is redefining how Canadians experience eyecare. Designed in Canada. Delivered worldwide. For more information on KITS, visit: www.kits.com.

Non-IFRS Financial Measures and Industry Metrics

This press release includes references to certain non-IFRS financial measures such as Constant Currency Revenue, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin percentage and certain industry metrics. These financial measures and industry metrics are employed by the company to measure its operating and economic performance and to assist in business decision-making, as well as providing key performance information to senior management. The company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors and analysts use this information to evaluate the company's operating and financial performance. These financial measures are not defined under IFRS, nor do they replace or supersede any standardized measure under IFRS. Other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures. Definitions and reconciliations of non-IFRS measures to the nearest IFRS measure and Industry Metrics can be found in our Management's Discussion and Analysis. Such non-IFRS reconciliations can also be found in this press release under "Financial Highlights".

Forward-Looking Statements

This press release contains forward-looking statements, including statements relating to the execution of our proposed strategy, our operating performance, our expectations and outlook for the first quarter of 2026, our Toronto store opening and prospects for the business. These forward-looking statements generally can be identified by the use of words such as "intend," "believe," "could," "continue," "expect," "estimate," "forecast," "may," "potential," "project," "plan," "would," "will," and other words of similar meaning. Each forward-looking statement contained in this press release is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such a statement. Our business is subject to substantial risks and uncertainties. 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 or that our expectations for the first quarter of 2026 or generally will be achieved. Certain assumptions in respect of the expansion and enhancement of our fulfillment network, including our optical laboratory for glasses and warehouse facilities; the growth of our business and launch of new technologies; premium lens adoptions and smart eyewear expansion; 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; the impact of tariffs and U.S. and international trade actions, policies and reform; and the changes in laws, rules, regulations, and global standards. KITS' risks and uncertainties are discussed in detail in the company's Annual Information Form, filed on SEDAR on March 4, 2026. Investors, potential investors, and others should give careful consideration to these risks and uncertainties. We caution investors not to rely on the forward-looking statements contained in this press release when making an investment decision in our securities. The forward-looking statements in this press release speak only as of the date of this release, and we undertake no obligation to update or revise any of these statements, 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.

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