



NEWS RELEASE

KITS Eyecare Reports Record Second Quarter 2025 Results

2025-08-05

Revenue Increased 31.0% Year-Over-Year to a Record \$49.6 million
Adjusted EBITDA of 5.2%, Improving Year-Over-Year to \$2.6 million
Eleventh Consecutive Quarter Reporting Positive Adjusted EBITDA

VANCOUVER, BC, Aug. 5, 2025 /CNW/ - **Kits Eyecare Ltd.** (TSX: KITS) ("KITS" or the "Company"), a leading vertically integrated eyecare provider, is reporting its results for the second quarter ended June 30, 2025.

Second Quarter 2025 Financial & Operational Highlights

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

- Revenue increased by 31.0% to a record \$49.6 million compared to \$37.9 million
- Gross profit was \$18.0 million, or 36.3% of revenue, compared to \$12.4 million or 32.8% of revenue
- Adjusted EBITDA improved by \$1.3 million to \$2.6 million compared to \$1.3 million
- Record new customers of 111,300, an increase of 54.6% year-over-year
- Glasses revenue increased by 44.4% to a record \$7.2 million compared to \$5.0 million

Year-to-Date 2025 Financial & Operational Highlights

For the six months ended June 30, 2025, compared to the six months ended June 30, 2024:

- Revenue increased 32.4% to \$96.2 million compared to \$72.6 million
- Gross profit was \$35.1 million or 36.5% of revenue, compared to \$23.6 million or 32.5% of revenue

- Net income was \$0.9 million compared to a net income of \$0.3 million
- Adjusted EBITDA improved by \$4.1 million to \$6.0 million compared to \$1.9 million

Management Commentary

"KITS continues to prove what's possible when you combine a bold vision for the future of eyecare with operational excellence and financial discipline." said Roger Hardy, Co-Founder and CEO of KITS. "This quarter marks another milestone in our journey - with record revenues of \$49.6 million and eleven consecutive quarters of positive Adjusted EBITDA, driven by strong new customer growth and a 44% year-over-year increase in glasses revenues. As we scale, we remain focused on reimagining the eyecare experience by making it faster, more affordable, and more accessible - while creating enduring value for our customers, our team and our shareholders.

Second Quarter 2025 Financial Results

Revenue increased by 31.0% to \$49.6 million compared to \$37.9 million in the second quarter of 2024. Growing traction across our eyecare offerings drove this performance and positions us well for continued momentum in the second half of 2025.

Gross profit increased by 45.1% to \$18.0 million compared to \$12.4 million in the second quarter of 2024, while gross margin increased by 350 basis points to 36.3% compared to 32.8% in the second quarter of 2024. This margin expansion reflects continued progress in our initiatives, including refined pricing architecture, an increasing mix of higher value products, and disciplined promotional strategies designed to accelerate customer acquisition while supporting long term purchase behaviour.

Net Loss was \$0.7 million, or \$(0.02) per share (basic), compared to a net income of \$0.2 million, or \$0.01 per share (basic), in the second quarter of 2024. Excluding exchange loss, net income was \$1.0 million or \$0.03 per share. The change in net income was attributed to a \$1.7 million of non-operating exchange loss in the quarter. This impact stems primarily from the unrealized exchange loss from the revaluation of intercompany balances and long-term lease obligations.

EBITDA decreased by \$0.9 million to \$0.2 million compared to \$1.1 million in the second quarter of 2024, while Adjusted EBITDA improved by 96% to \$2.6 million compared to \$1.3 million in the second quarter of 2024. The improvement in Adjusted EBITDA was primarily driven by a steady base of recurring customer orders, helping to provide a reliable stream of long-term earnings and profitability.

On June 30, 2025, cash and cash equivalents totaled \$18.1 million compared to \$19.3 million on December 31, 2024.

Third Quarter 2025 Outlook

For the third quarter of 2025, KITS management expects revenue to be in the range of \$52.0 million to \$54.0 million, with Adjusted EBITDA as a percentage of revenue between 5.0% and 7.0%. See "Forward-Looking Statements" below for important disclosure and risk with respect to expectations and forward-looking information.

Conference Call

KITS management will host the 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: Wednesday, August 6, 2025

Time: 9:00 a.m. Eastern time (6:00 a.m. Pacific time)

Presentation webcast link: <https://app.webinar.net/LVy5a6Va4Yk>

Rapid connect link: <https://empportal.ink/45ivvxK>

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

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

Confirmation #: 84266 #

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 June 30, 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		Six Months Ended	
	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)	June 30, 2025 (unaudited)	June 30, 2024 (unaudited)
Revenue.....	\$ 49,580	\$ 37,852	\$ 96,175	\$ 72,634
Net income (loss).....	\$ (694)	\$ 187	\$ 909	\$ 251
Net income (loss) per share.....				
Basic.....	\$ (0.02)	\$ 0.01	\$ 0.03	\$ 0.01
Diluted.....	\$ (0.02)	\$ 0.01	\$ 0.03	\$ 0.01
Non-IFRS Measures (a):				
Constant currency revenue.....	\$ 49,145	\$ 37,852	\$ 93,804	\$ 72,634
EBITDA	\$ 243	\$ 1,131	\$ 3,345	\$ 2,288
Adjusted EBITDA	\$ 2,575	\$ 1,316	\$ 6,036	\$ 1,925
Adjusted EBITDA Margin %	5.2 %	3.5 %	6.3 %	2.7 %

Reconciliation of constant currency revenue

Revenue.....	\$	49,480	\$	37,852	\$	96,175	\$	72,634
Foreign exchange impact		(435)		-		(2,371)		-
Constant Currency Revenue.....	\$	49,145	\$	37,852	\$	93,804	\$	72,634
Change in constant currency	\$	11,293			\$	21,170		
Change in constant currency %		29.8 %				29.1 %		

Reconciliation of Adjusted EBITDA

Net income (loss) for the period.....	\$	(694)	\$	187	\$	909	\$	251
Add back:.....								
Income taxes.....		205		207		909		225
Finance costs – net.....		128		147		299		467
Depreciation and amortization.....		604		590		1,228		1,345
EBITDA.....	\$	243	\$	1,131	\$	3,345	\$	2,288
Add back								
Share-based compensation (b).....	\$	644	\$	539	\$	913	\$	809
Exchange loss / (gain)		1,684		(358)		1,771		(1,179)
One-time costs (c)		4		4		7		7
Adjusted EBITDA.....	\$	\$2,575	\$	1,316	\$	6,036	\$	1,925
Revenue.....	\$	49,580	\$	37,852	\$	96,175	\$	72,634
Adjusted EBITDA Margin % (d).....		5.2 %		3.5 %		6.3 %		2.7 %

Notes:

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

About KITS

KITS makes eyecare easy. KITS is a fast-growing consumer technology vision care brand using vertical integration to provide eyecare for eyes everywhere. KITS is redefining how the world experiences eyecare. As a fast-growing, vertically integrated vision care platform, we combine digital innovation, operational excellence, and customer obsession to make eyecare easy, accessible, and affordable—for eyes everywhere. Through our advanced technology stack and proprietary suite of online vision tools—including OpticianAI™, our AI-powered fitting engine trained on more than one million customer interactions—we help customers find their perfect fit, guaranteed. Whether selecting high-quality contact lenses or exclusive KITS-designed eyeglasses, our platform delivers precision, personalization, and confidence with every order. Our end-to-end infrastructure—from in-house frame design and North American optical lab to just-in-time manufacturing and intelligent fulfillment—enables us to deliver made-to-order products with category-leading speed, accuracy, and value. By removing intermediaries and leveraging real-time data, we offer competitive prices, exceptional customer service, and a seamless digital shopping experience. Our Autoship subscription program enhances convenience by ensuring recurring delivery of vision essentials with minimal effort and maximum reliability. At KITS, our mission is to earn our customers' lifelong trust by delivering beautiful products they love, service they remember, and an experience that sets a new standard

for the future of eyecare. 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 and Adjusted EBITDA, 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 third quarter of 2025 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 third quarter of 2025 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 5, 2025. 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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