



NEWS RELEASE

KITS Eyecare Reports Record Third Quarter 2025 Results

2025-11-06

Revenue Increased 25.1% Year-Over-Year to a Record \$52.4 million

Adjusted EBITDA of 5.5%, Improving Year-Over-Year to \$2.9 million

Net income of \$1.9 million and \$0.06 EPS

Twelfth Consecutive Quarter Reporting Positive Adjusted EBITDA

VANCOUVER, BC, Nov. 6, 2025 /CNW/ - **Kits Eyecare Ltd.** (TSX: KITS) ("KITS" or the "Company"), a leading vertically integrated eyecare provider, is reporting its results for the third quarter ended September 30, 2025.

Third Quarter 2025 Financial & Operational Highlights

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

- Revenue increased by 25.1% to a record \$52.4 million compared to \$41.9 million
- Gross profit increased by 31.6% to \$18.1 million, or 34.6% of revenue, compared to \$13.8 million, or 32.9% of revenue
- Adjusted EBITDA improved by 79.0% or \$1.3 million to \$2.9 million compared to \$1.6 million
- Net Income increased by 1,367.4% to \$1.9 million or \$0.06 per share, compared to \$0.1 million or \$0.00 per share
- Two-year Active Customers surpassed 1 million, an increase of 15.7% year-over-year

Year-to-Date 2025 Financial & Operational Highlights

For the nine months ended September 30, 2025, compared to the nine months ended September 30, 2024:

- Revenue increased 29.7% to \$148.6 million compared to \$114.5 million
- Gross profit increased by 42.5% to \$53.3 million or 35.8% of revenue, compared to \$37.4 million or 32.6% of revenue
- Net income increased by 643.1% to \$2.8 million or \$0.09 per share compared to a net income of \$0.4 million or \$0.01 per share
- Adjusted EBITDA improved by 152.5% or \$5.4 million to \$8.9 million compared to \$3.5 million
- New customers of 305,000, an increase of 36.5% year-over-year

Management Commentary

"Q3 was another record quarter of profitable growth for KITS," said Roger Hardy, Co-Founder and CEO of KITS. "We're adding new customers at a record pace, expanding margins, and seeing customers in both glasses and contact lenses return at record levels. Making eyecare easy has been a lot of fun this quarter as the team delivered exceptional results across the board for customers and shareholders. With revenue for the nine months ended September 30 up 29.7% year-over-year to \$148.6 million, Adjusted EBITDA up more than 150% to \$8.9 million, and net income increasing over seven-fold; our momentum continues to build. We remain deeply enthusiastic about the prospects of our many high-growth, high-margin initiatives and confident they will continue to create value and transform the eyecare category in the coming quarters."

Third Quarter 2025 Financial Results

Revenue increased by 25.1% to \$52.4 million compared to \$41.9 million in the third quarter of 2024. Growth was driven by continued traction across our eyecare offerings, positioning KITS for sustained momentum heading into the final quarter of 2025.

Gross profit increased by 31.6% to \$18.1 million compared to \$13.8 million in the third quarter of 2024, while gross margin increased by 170 basis points to 34.6% compared to 32.9% in the third quarter of 2024. This margin expansion was driven by strategic pricing, an improved product mix, and targeted promotions that supported customer acquisition and encouraged repeat purchases.

Net income improved to \$1.9 million, or \$0.06 per share (basic), compared to net income of \$0.1 million, or \$0.00 per share (basic), in the third quarter of 2024. The improvement was primarily attributable to an improvement in revenue, fulfillment and marketing efficiency.

EBITDA increased by \$2.4 million to \$3.3 million compared to \$0.9 million in the third quarter of 2024, while Adjusted EBITDA improved by 79% to \$2.9 million compared to \$1.6 million in the third quarter of 2024. The improvement in Adjusted EBITDA reflects disciplined execution across pricing, marketing, and fulfillment, driving sustained profitability as we continue to scale.

On September 30, 2025, cash and cash equivalents totaled \$19.7 million compared to \$19.3 million on December 31, 2024.

Fourth Quarter 2025 Outlook

For the fourth quarter of 2025, KITS management expects revenue to be in the range of \$52 million to \$54 million, with Adjusted EBITDA as a percentage of revenue between 4% and 6%. The Company intends to announce a Chief Marketing Officer in Q1 2026, to support the Company's long-term growth strategy. 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, November 6, 2025
Time: 5:00 p.m. Eastern time (2:00 p.m. Pacific time)
Presentation webcast link: <https://app.webinar.net/9NjkErgnRer>
Rapid connect link: <https://emportal.ink/4nMEfSV>
North American toll-free number: 1-888-510-2154
Local Toronto dial-in number: 1-437-900-0527
Confirmation #: 49460 #

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 September 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		Nine Months Ended	
	September 30, 2025 (unaudited)	September 30, 2024 (unaudited)	September 30, 2025 (unaudited)	September 30, 2024 (unaudited)
Revenue	\$ 52,392	\$ 41,871	\$ 148,567	\$ 114,505
Net income	\$ 1,937	\$ 132	\$ 2,846	\$ 383
Net income per share Basic	\$ 0.06	\$ 0.00	\$ 0.09	\$ 0.01

Diluted	\$	0.06	\$	0.00	\$	0.08	\$	0.01
Non-IFRS Measures (a):								
Constant currency revenue	\$	51,976	\$	41,871	\$	145,783	\$	114,505
EBITDA	\$	3,309	\$	946	\$	6,654	\$	3,234
Adjusted EBITDA	\$	2,862	\$	1,599	\$	8,898	\$	3,524
Adjusted EBITDA Margin %		5.5 %		3.8 %		6.0 %		3.1 %
Reconciliation of constant currency revenue								
Revenue	\$	52,392	\$	41,871	\$	148,567	\$	114,505
Foreign exchange impact		(416)		-		(2,784)		-
Constant Currency Revenue	\$	51,976	\$	41,871	\$	145,783	\$	114,505
Change in constant currency	\$	10,105			\$	31,278		
Change in constant currency %		24.1 %				27.3 %		
Reconciliation of Adjusted EBITDA								
Net income for the period	\$	1,937	\$	132	\$	2,846	\$	383
Add back:								
Income taxes		698		124		1,607		349
Finance costs – net		67		84		366		551
Depreciation and amortization		607		606		1,835		1,951
EBITDA	\$	3,309	\$	946	\$	6,654	\$	3,234
Add back								
Share-based compensation (b)	\$	97	\$	122	\$	1,010	\$	931
Exchange loss / (gain)		(547)		528		1,224		(651)
One-time costs (c)		3		3		10		10
Adjusted EBITDA	\$	2,862	\$	1,599	\$	8,898	\$	3,524
Revenue	\$	52,392	\$	41,871	\$	148,567	\$	114,505
Adjusted EBITDA Margin % (d)		5.5 %		3.8 %		6.0 %		3.1 %

Notes:

- (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 redefining how the world experiences eyecare, providing eyecare for eyes everywhere. As a vertically integrated vision care platform, we combine digital innovation, operational excellence, and customer obsession to make eyecare easy, accessible, and affordable. 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. 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. 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 fourth 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 fourth 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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