



NEWS RELEASE

KITS Eyecare Reports Strong Preliminary Fourth Quarter and Full Year 2022 Results

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Revenue Growth Continued in Q4, Increasing 25% Year-over-Year and 9% Sequentially

Healthy Balance Sheet and Resilient Optical Market Has KITS Well-Positioned for 2023

VANCOUVER, BC, Jan. 10, 2023 /CNW/ - **Kits Eyecare Ltd.** (TSX: KITS) ("KITS" or the "Company"), Canada's leading, vertically integrated eyecare platform, is providing selected preliminary unaudited results for its fourth quarter and full year ended December 31, 2022.

Preliminary Fourth Quarter and Full Year 2022 Financial and Operational Highlights

- For Q4 2022, revenue grew to approximately \$25 million, representing a 25% increase year-over-year and a 9% increase sequentially.
- Repeat customers represented over 60% of revenue in Q4 2022.
- For the full year 2022, revenue is expected to increase 9% to approximately \$90 million compared to 2021, and a significant increase compared to 2019 pre-pandemic revenue of \$36.8 million.
- The Company's year-end cash balance remained healthy at approximately \$19 million.

"In Q4, momentum continued to accelerate with revenue growing 25% year-over-year, as the optical industry remained resilient despite volatility in the broader consumer environment," said Roger Hardy, co-founder and CEO of KITS. "We have now grown revenue 145% since pre-pandemic levels in 2019, while adding significantly to the complexity and competitive moat of the offering. KITS has evolved from a digitally native retailer to a vertically integrated retail manufacturer. In addition, we are now a preferred partner to some of the leading insurance providers in the market, rounding out the third leg of the KITS eyecare competitive stool. The Company's growth

accelerated in each of the past two quarters as the offering continued to gain traction in each segment."

KITS anticipates reporting its fourth quarter and full year 2022 financial and operational results in early March 2023.

About KITS

KITS is Canada's fastest growing, digital eyecare brand providing eyewear for eyes everywhere. We offer customers access to a vast selection of contact lenses and eyeglasses, including our own exclusive KITS designed products, as well as a robust suite of online vision tools. Our efficient digital platform, backed by our industry-leading manufacturing and designs, removes intermediaries, and enables us to offer great prices and deliver made to order personalized products with incredible care and accuracy. We are creating disruption in the industry by constantly pursuing cutting-edge technologies to enable the best customer experience, including online eyewear fitting tools, and virtual try-on for glasses. We strive to delight our customers with our competitive prices, a convenient digital shopping experience, fast and reliable delivery options, and an unrelenting focus on earning our customers' lifelong trust. For more information on KITS, visit: www.kits.com.

Forward-Looking Statements

This press release contains forward-looking statements, including statements relating to the execution of our proposed strategy, our operating performance 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 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. 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. KITS' risks and uncertainties are discussed in detail in the company's Annual Information Form, filed on SEDAR on March 9, 2022. 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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