



NEWS RELEASE

Kits Eyecare Ltd. Announces Closing of Secondary Offering of Common Shares

2024-09-26

/THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES FOR DISSEMINATION IN THE UNITED STATES/

VANCOUVER, BC, Sept. 26, 2024 /CNW/ - **Kits Eyecare Ltd.** (TSX: KITS) ("**KITS**" or the "**Company**"), a leading vertically integrated eyecare provider, is pleased to announce the closing of the previously announced secondary offering of common shares of the Company (the "**Common Shares**") pursuant to which Canaccord Genuity Corp., as sole bookrunner and co-lead underwriter, together with Beacon Securities Limited, as co-lead underwriter, on behalf of a syndicate of underwriters (collectively, the "**Underwriters**") purchased, on a bought deal basis, an aggregate of 1,125,000 Common Shares held by Roger Hardy and entities managed by Roger Hardy (the "**Hardy Shareholders**"), LD Group Holdings Ltd. ("**LD Group**") and Joseph Thompson (together with the Hardy Shareholders and LD Group, the "**Selling Securityholders**") at an offering price of \$10.15 per share (the "**Offering Price**") for total gross proceeds to the Selling Securityholders of \$11,418,750 (the "**Offering**"). KITS did not receive any proceeds from the Offering.

Prior to the Offering, Roger Hardy, directly or indirectly, owned or controlled an aggregate of 10,077,860 Common Shares, representing approximately 31.93% of the issued and outstanding Common Shares. Immediately following the closing of the Offering, Roger Hardy, directly or indirectly, owns or controls an aggregate of 9,152,860 Common Shares, representing approximately 29.0% of the issued and outstanding Common Shares; the LD Group, directly or indirectly, owns or controls 10,520,589 Common Shares, representing approximately 33.3% of the issued and outstanding Common Shares; and Joseph Thompson, directly or indirectly, owns or controls 224,329 Common Shares, representing approximately 0.7% of the issued and outstanding Common Shares.

As previously announced, the Underwriters have been granted an over-allotment option (the "**Over-Allotment Option**") to purchase up to an additional 168,750 Common Shares from the Selling Securityholders at the Offering Price for additional gross proceeds of \$1,712,812.50 if the Over-Allotment Option is exercised in full. The Over-Allotment Option can be exercised at any time, in whole or in part, for a period of 30 days from the closing date of the Offering.

The Company also announces that, concurrently with the closing of the Offering, in a previously announced transaction, the Underwriters have closed their purchase on a bought deal basis from the spouse of Sabrina Liak, 325,000 Common Shares at the Offering Price for total gross proceeds of \$3,298,750 (the "**Concurrent Block Trade**"). Immediately following the closing of the Concurrent Block Trade, Sabrina Liak and her spouse, directly or indirectly, own or control 3,540,089 Common Shares, representing approximately 11.2% of the issued and outstanding Common Shares.

Following the completion of the Offering and the Concurrent Block Trade, the Company's insiders own approximately 75% of the issued and outstanding Common Shares.

Mr. Hardy, as KITS's Chairman and Chief Executive Officer, in addition to being one of KITS's largest shareholders, has been and will continue to be actively involved in the business, operations and strategic planning for KITS. The Common Shares beneficially owned by Mr. Hardy, directly, indirectly and through which Mr. Hardy has control and direction are held for investment purposes. Mr. Hardy may, depending on market and other conditions, increase or decrease his beneficial ownership of securities or those securities through which Mr. Hardy has control or direction, of KITS from time to time through market transactions, private agreements, public offerings or otherwise.

An early warning report relating to Mr. Hardy's disposition of Common Shares pursuant to the Offering will be filed on SEDAR+ under KITS's profile at www.sedarplus.ca. To obtain a copy of such report, please contact Zhe Choo, Chief Financial Officer of KITS at 604-235-5550. KITS's head office is located at 510 Seymour Street, Suite 1020, Vancouver, British Columbia, V6B 3J5. Mr. Hardy's mailing address is 510 Seymour Street, Suite 1020, Vancouver, British Columbia, V6B 3J5.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the 1933 Act or under any U.S. state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act, and applicable U.S. state securities laws.

About KITS

KITS makes eyecare easy. KITS is a leading vertically integrated 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 Information

Certain information in this press release, including the exercise by the Underwriters of the Over-Allotment Option, constitutes forward-looking information. In some cases, but not necessarily in all 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", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, 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.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by KITS as of the date of this press release, 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 factors described in greater detail under the "Risk Factors" sections of the management's annual information form, discussion and analysis of financial condition and results of operations of KITS for the 3-month and 6-month periods ended June 30, 2024, each available at www.sedarplus.ca. These factors are not intended to represent a complete list of the factors that could affect KITS; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. In particular, the closing of the Offering is subject to customary closing conditions and there can be no assurance that all such conditions will be satisfied. The forward-looking statements contained in this press release are made as of the date of this press release, and KITS expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new

information, future events or otherwise, except as required by law.

SOURCE KITS Eyecare Ltd.