

KITS EYECARE LTD.
BOUGHT DEAL SECONDARY OFFERING & CONCURRENT BLOCK TRADE OF COMMON
SHARES
TERM SHEET
NOT FOR GENERAL DISTRIBUTION IN THE UNITED STATES

September 5, 2024

A preliminary short form prospectus containing important information relating to the securities described in this document has not yet been filed with the applicable Canadian securities regulatory authorities in each of the provinces of Canada other than Quebec.

The preliminary short form prospectus will be accessible through SEDAR+. A copy of the preliminary short form prospectus may be obtained from Canaccord Genuity Corp. at ecm@cgf.com. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, the final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Company:	Kits Eyecare Ltd. (the " Company ").
Selling Securityholders:	0999849 B.C. Ltd. Hardy Family Foundation Roger Hardy Bene Certo Holdings Ltd LD Group Holdings Ltd. Joe Thompson (collectively, the " Selling Securityholders ")
Listing:	The Company's common shares currently trade under the ticker symbol "KITS" on the Toronto Stock Exchange (the " Exchange ").
Offering:	Short form prospectus offering of 1,000,000 common shares of the Company (the " Secondary Shares ") will be offered on a bought deal secondary basis by the Selling Securityholders (the " Offering "). Together with the Concurrent Block Trade described below, an aggregate of 1,225,000 Secondary Shares.
Size of Offering:	C\$10,150,000 (C\$11,672,500 if the Over-Allotment Option is fully exercised). Together with the Concurrent Block Trade, ~C\$13,956,250

Concurrent Block Trade: Concurrent with the Offering, the spouse of Sabrina Liak will sell an aggregate of 225,000 Secondary Shares at the Issue Price by way of a bought block trade (the “**Concurrent Block Trade**”). The completion of the Offering is not conditional upon the completion of the Concurrent Block Trade.

Issue Price: C\$10.15 per Secondary Share (the “**Issue Price**”).

Over-Allotment Option: The Underwriters shall have the option (the “**Over-Allotment Option**”), to purchase additional 150,000 Secondary Shares issued under the Offering by the Selling Securityholders at the Issue Price, exercisable at any time, for a period of 30 days after and including the Closing Date (as defined below) to cover any over-allocation position (as such term is defined in National Instrument 41-101). Such Over-Allotment Option will be qualified for distribution under the short form prospectus.

82.5% of the Over-Allotment Option (representing up to 123,750 Secondary Shares) will be sold by Roger Hardy, 15.0% of the Over-Allotment Option (representing 22,500 Secondary Shares) will be sold by LD Group Holdings Ltd. and 2.5% of the Over-Allotment Option (representing 3,750 Secondary Shares) will be sold by Joe Thompson.

Use of Proceeds: The proceeds of the Offering and the Concurrent Block Trade will be paid directly to the Selling Securityholders and the Block Shareholder. The Company will not receive any proceeds in connection with the Offering.

Lock-up: The Company and each of the Selling Securityholders, will each enter into a customary 90-day lock-up agreement in connection with the Offering. All of the existing lock-up arrangements entered into will continue to remain in full force and effect in accordance with the terms set forth therein.

Type of Transaction: Bought deal offering by way of short form prospectus to be filed in each of the provinces of Canada, except Quebec.

Jurisdictions: The Secondary Shares will be distributed (i) in Canada through the filing of a short form prospectus with the appropriate securities authorities in certain provinces of Canada, excluding Quebec, (ii) in the “United States” and to “U.S. persons” (as

such terms are defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”)) on a private placement basis pursuant to available exemptions from registration requirements of the U.S. Securities Act and applicable U.S. state securities laws, and (iii) in other offshore jurisdictions pursuant to available prospectus or registration exemptions in accordance with applicable laws.

Eligibility: Eligible for RRSP, RESP, RRIF, TFSA, DPSP, and FHSA Accounts.

Qualification: The Company, each of the Selling Securityholders and the Block Shareholder will obtain all necessary approvals of the Exchange and any other applicable regulatory authority or stock exchange in connection with the Offering and the Concurrent Block Trade and shall maintain the listing and trading on the Exchange and other exchanges of the Secondary Shares, as applicable.

Underwriters’ Cash Commission: 6.0% of the aggregate gross proceeds of the Offering and the Concurrent Block Trade payable in cash at the Closing Date (including in respect of any gross proceeds under the Over-Allotment Option, if exercised).

Underwriters:	Canaccord Genuity Corp. ⁽¹⁾	55.0%;
	Beacon Securities Ltd.	20.0%;
	Stifel Nicolaus Canada Inc.	12.5%;
	Haywood securities Inc.	5.0%;
	ROTH Capital Partners, LLC	5.0%;
	Ventum Financial Corp.	2.5%

1. Lead underwriter and sole bookrunner

Closing Date: The closing of the Offering will occur on or about September 26, 2024 (the “**Closing Date**”). The Concurrent Block Trade will close concurrent with the Offering.