ROOTS REPORTS STRONG SECOND QUARTER FISCAL 2025 RESULTS

TORONTO, September 10, 2025 – Roots ("Roots," or the "Company") (TSX: ROOT), a premium outdoor-lifestyle brand, announced today financial results for its second quarter ended August 2, 2025 ("Q2 2025"). All financial results are reported in Canadian dollars unless otherwise stated. Certain metrics, including those expressed on an adjusted basis, are non-IFRS measures. See "Non-IFRS Measures and Industry Metrics" below.

"Roots delivered a strong second quarter with comparable sales up 17.8 percent, reflecting the strength of our brand and the resonance of our products with consumers," said Meghan Roach, President and Chief Executive Officer of Roots Corporation. "This momentum was supported by innovative collaborations, a compelling product assortment, and our focus on creating meaningful customer experiences. As we continue to strengthen our brand and deepen engagement with our loyal community, we are focused on creating long-term value."

"While early in the third quarter, we continue to experience positive trends during the back-to-school period," added Ms. Roach.

Second Quarter Highlights

- Sales were $50.8 million, a 6.3% increase compared to $47.7 million in Q2 2024
    - DTC sales were $41.0 million, a 12.7% increase compared to $36.4 million in Q2 2024
    - DTC comparable sales growth was 17.8%
- Gross margin was 60.7%, up 430bps compared to 56.4% in Q2 2024
    - DTC gross margin of 63.2%, up 150bps compared to 61.7% in Q2 2024
- Net loss totaled ($4.4) million, improving 16.1% from ($5.2) million in Q2 2024
    - Excluding the impacts from the revaluation of cash settled instruments under our share-based compensation plan, net loss would have been ($4.0) million, improving 26.8% compared to ($5.5) million in Q2 2024
- Adjusted EBITDA amounted to ($2.1) million, a 32.0% improvement from ($3.1) million in Q2 2024
    - Excluding the impacts from the revaluation of cash settled instruments under our share-based compensation plan, Adjusted EBITDA would have been ($1.8) million, improving 47.9% compared to ($3.4) million in Q2 2024
- Net debt reduced 6.5% year-over-year to $38.1 million
- The Company repurchased 491,500 shares for $1.5 million under the normal course issue bid

SELECT FINANCIAL INFORMATION (in '000s of CAD$, except where noted)	Second quarter ended			Year-to-date		
	August 2, 2025	**August 3, 2024**	Change	**August 2, 2025**	**August 3, 2024**	Change
Total sales	**50,769**	**47,747**	6.3%	**90,749**	**85,208**	6.5%
Direct-to-Consumer ("DTC") sales	**41,049**	**36,417**	12.7%	**75,657**	**67,822**	11.6%
Partners & Other ("P&O") sales	**9,720**	**11,330**	(14.2%)	**15,092**	**17,386**	(13.2%)
Gross profit	**30,828**	**26,920**	14.5%	**55,400**	**49,021**	13.0%
Gross margin	**60.7%**	**56.4%**	430 bps[1]	**61.0%**	**57.5%**	350 bps[1]
Selling, General and Administrative ("SG&A") expenses	**34,732**	**31,845**	9.1%	**68,021**	**63,827**	6.6%
Net loss	**(4,394)**	**(5,236)**	16.1%	**(12,305)**	**(14,131)**	12.9%
Net loss per share	**($0.11)**	**($0.13)**	15.4%	**($0.31)**	**($0.35)**	11.4%
Adjusted EBITDA[2]	**(2,130)**	**(3,131)**	32.0%	**(9,236)**	**(11,090)**	16.7%
Free Cash Flow[3]	**(6,901)**	**(8,954)**	22.9%	**(28,707)**	**(23,567)**	(21.8%)
Net Debt[4]	–	–	–	**38,131**	**40,774**	(6.5%)

[1] Basis points ("bps").

[2] Adjusted EBITDA is a non-IFRS measure that adjusts for the impact of certain items that are non-recurring or unusual in nature to improve the comparability of underlying financial performance between periods. See "Non-IFRS Measures and Industry Metrics".

[3] Free cash flow is a supplementary financial measure that reflects cash flow generated from ongoing operations, calculated as our cash from operating activities less cash used in investing activities and the payment of principal on lease liabilities net of lease incentives. See "Non-IFRS Measures and Industry Metrics".

[4] Net debt is a supplementary financial measure that reflects our liquidity, refer to the "Reconciliation of long-term debt to net debt and leverage ratio" table for the calculation. See "Non-IFRS Measures and Industry Metrics".

"Q2 2025 marks our fourth consecutive quarter of growth across sales, gross margins, and Adjusted EBITDA," said Leon Wu, Chief Financial Officer. "We will continue to prioritize investments that drive sustainable, profitable growth, while maintaining discipline to strengthen our balance sheet."

SECOND QUARTER OVERVIEW

Total sales were $50.8 million in Q2 2025, representing an increase of 6.3% from $47.7 million in the second quarter of fiscal 2024 ("Q2 2024"). DTC sales (corporate retail store and eCommerce sales) were $41.0 million, a 12.7% increase from $36.4 million in Q2 2024. The DTC sales growth was driven by strong comparable sales growth of 17.8%, with positive momentum throughout the quarter and across both channels. The results reflect strong customer response towards our ongoing brand investments and our curated product offerings, as well as improvements to enhance the omnichannel customer experience.

P&O sales (wholesale Roots branded products, licensing to select manufacturing partners and the sale of certain custom products) amounted to $9.7 million in Q2 2025 as compared to $11.3 million in Q2 2024. The decline in P&O sales is from lower wholesale sales to our international operating partner, as they continue to optimize their inventory levels. This decline was partially offset by continued momentum across the other lines of business within the segment.

Gross profit reached $30.8 million in Q2 2025 compared to $26.9 million in Q2 2024, representing a year-over-year increase of 14.5%. Gross margin was 60.7% in Q2 2025 compared to 56.4% in Q2 2024. The year-over-year gross margin increase of 430 bps was driven by a greater mix of higher-margin sales within the P&O segment and DTC gross margin expansion. DTC gross margin was 63.2% in Q2 2025, up 150 basis points from 61.7% in Q2 2024. The increase in DTC gross margin was driven by 170 bps of product margin expansion from improved costing and lower discounting, partially offset by the unfavourable foreign exchange impact on U.S. dollar purchases.

SG&A expenses totaled $34.7 million in Q2 2025 compared to $31.8 million in Q2 2024, representing a year-over-year increase of 9.1%. The increase was partially driven by $0.6 million recognized for the unfavourable year-over-year revaluation of cash-settled instruments under our share-based compensation plan. Excluding this item, SG&A expenses increased 7.0%, primarily reflecting higher variable costs from stronger sales and investments in marketing and personnel costs.

Net loss totaled ($4.4) million, or ($0.11) per share, in Q2 2025, improving from a net loss of ($5.2) million, or ($0.13) per share, in Q2 2024. Excluding the impacts from cash settled instruments under our share-based compensation plan, net loss would have been ($4.0) million, improving 26.8% compared to ($5.5) million in Q2 2024.

Adjusted EBITDA amounted to ($2.1) million in Q2 2025, improving from ($3.1) million in Q2 2024. Excluding the impacts from cash settled instruments under our share-based compensation plan, Adjusted EBITDA would have been ($1.8) million, improving 47.9% compared to ($3.4) million in Q2 2024.

YEAR-TO-DATE RESULTS

For the first six months of fiscal 2025 ("YTD 2025"), total sales amounted to $90.7 million, representing an increase of 6.5% compared to the first six months of fiscal 2024 ("YTD 2024"), which amounted to $85.2 million. DTC sales increased 11.6% to $75.7 million, with comparable sales growth of 16.1%, while P&O sales decreased by 13.2% to $15.1 million. Gross profit stood at $55.4 million, or 61.0% of sales, up from $49.0 million, or 57.5% of sales, last year.

Net loss totaled ($12.3) million, or ($0.31) per share, improving from ($14.1) million, or ($0.35) per share, last year. Excluding the impacts from cash settled instruments under our share-based compensation plan, net loss would have been ($11.4) million, improving 20.4% compared to ($14.4) million last year.

Adjusted EBITDA amounted to ($9.2) million, improving from ($11.1) million in the corresponding period last year. Excluding the impacts from cash settled instruments under our share-based compensation plan, Adjusted EBITDA would have been ($8.4) million, improving 26.2% compared to ($11.3) million last year.

FINANCIAL POSITION

Inventory was $49.9 million at the end of Q2 2025, as compared to $44.0 million at the end of Q2 2024, representing an increase of $5.9 million or 13.5%. The year-over-year increase in inventory was in-line with DTC sales increases, and provides improved inventory positions of our year-round core collections and investments to support seasonal newness for the upcoming fall and holiday seasons.

Free cash flow was ($6.9) million in Q2 2025, as compared to ($9.0) million in Q2 2024. The year-over-year improvements in free cash flow were driven by our sales growth and the earlier receipt of certain inventory that was paid for in the first quarter this year but was reflected in the second quarter last year.

As at the end of Q2 2025, Roots had net debt of $38.1 million, improving from $40.8 million a year earlier. The Company's leverage ratio, defined as total net debt to trailing 12-months Adjusted EBITDA, was 1.6x as at the end of Q2 2025. As at the end of Q2 2025, Roots had $40.9 million outstanding under its credit facilities and total liquidity of $41.3 million, including net cash and borrowing capacity available under its revolving credit facility.

NORMAL COURSE ISSUER BID

Under its Normal Course Issuer Bid ("NCIB") program, Roots repurchased 491,500 common shares of the Company ("Shares") for total consideration of $1.5 million in Q2 2025. The NCIB allows the Company to repurchase for cancellation up to 1,347,118 Shares during the 12-month period ending April 10, 2026. As at the end of Q2 2025, 606,800 Shares had been purchased under the current NCIB program for total consideration of $1.8 million.

CONFERENCE CALL AND WEBCAST INFORMATION

Roots will hold a conference call to review its second quarter 2025 results on September 10, 2025 at 8:00 a.m. ET. All interested parties can join the call by dialing 1-226-828-7575 or 1-833-950-0062 and using conference ID: 869097. Please dial in 15 minutes prior to the call to secure a line. The conference call will be archived for replay until September 17, 2025, at midnight, and can be accessed by dialing 1-226-828-7578 or 1-833-950-0062 and entering the replay passcode: 189232.

A live audio webcast of the conference call will be available on the Events and Presentations section of the Company's investor website at https://investors.roots.com or by following the link here. Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. An archived replay of the webcast will be available on the Company's website for one year.

NON-IFRS MEASURES AND INDUSTRY METRICS

This press release makes reference to certain non-IFRS measures including certain metrics specific to the industry in which we operate. These measures are not recognized measures under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), do not have a standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures are not intended to represent, and should not be considered as alternatives to net loss or other performance measures derived in accordance with IFRS as measures of operating performance or operating cash flows or as a measure of liquidity. In addition to our results determined in accordance with IFRS, we use non-IFRS measures including "EBITDA", "Adjusted EBITDA", "Net Debt"; and non-IFRS ratio: "leverage ratio". This press release also makes reference to "gross margin", "DTC gross margin", and "comparable sales", which are commonly used metrics in our industry but that may be calculated differently compared to other companies. Gross margin, DTC gross margin and comparable sales are considered supplementary financial measures under applicable securities laws.

We believe these non-IFRS measures and industry metrics provide useful information to both management and investors in measuring our financial performance and condition and highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. For further information regarding these non-IFRS measures, please refer to "Cautionary Note-Regarding Non-IFRS Measures and Industry Metrics" in our management's discussion and analysis for Q2 2025, which is incorporated by reference herein and is available on SEDAR+ at www.sedarplus.ca or the Company's Investor Relations website at https://investors.roots.com.

The table below provides a reconciliation of net loss to EBITDA and Adjusted EBITDA for the periods presented:

CAD $000s	Q2 2025	Q2 2024	YTD 2025	YTD 2024
Net loss	**(4,394)**	**(5,236)**	**(12,305)**	**(14,131)**
Add the impact of:				
Interest expense (a)	1,993	2,177	4,008	4,304
Income taxes recovery (a)	(1,503)	(1,866)	(4,324)	(4,979)
Depreciation and amortization (a)	7,032	7,302	13,897	14,543
EBITDA	**3,128**	**2,377**	**1,276**	**(263)**
Adjust for the impact of:				
SG&A: Rent expense excluded from net loss due to IFRS 16 (a)	(5,545)	(5,892)	(10,924)	(11,481)
SG&A: Purchase accounting adjustments (b)	(4)	(7)	(8)	(13)
SG&A: Stock option expense (c)	203	46	278	137
SG&A: Changes in key personnel (d)	85	343	139	532
SG&A: Non-recurring legal fees (e)	3	2	3	(2)
Adjusted EBITDA (f)	**(2,130)**	**(3,131)**	**(9,236)**	**(11,090)**

Notes:

(a) The impact of IFRS 16 in Q2 2025 and Q2 2024 was: (i) a decrease to SG&A expenses of $1,308 and $1,390, respectively, which comprised the impact of depreciation and lease modifications on the right-of-use ("**ROU**") assets, net of the exclusion of rent payments from SG&A expenses, (ii) an increase in interest expense of $1,247 and $1,242, respectively, arising from interest expense recorded on the lease liabilities in the period, and (iii) a deferred tax expense of $16 and $40, respectively, based on tax attributed to these IFRS 16 impacts. The impact of IFRS 16 in YTD 2025 and YTD 2024 was: (i) a decrease to SG&A expenses of $2,570 and $2,487, respectively, which comprised the impact of depreciation and lease modifications on the ROU assets, net of the exclusion of rent payments from SG&A expenses, (ii) an increase in interest expense of $2,539 and $2,533, respectively, arising from interest expense recorded on the lease liabilities in the period, and (iii) a deferred tax expense (recovery) of $8 and $(12), respectively, based on tax attributed to these IFRS 16 impacts.

(b) As a result of the Acquisition, the Company recognized an intangible asset for lease arrangements in the amount of $6,310, which when excluding the impacts of IFRS 16, is amortized over the life of the leases and included in SG&A expenses.

(c) Represents non-cash share-based compensation expense in respect of our Legacy Equity Incentive Plan, Legacy Employee Option Plan, and Omnibus Equity Incentive Plan.

(d) Represents expenses incurred in respect of the Company's efforts to recruit for vacancies in key management positions and severance costs associated with employee separations relating to such positions.

(e) Represents non-recurring legal costs that are outside the scope of normal operations.

(f) Adjusted EBITDA excludes the impact of IFRS 16. If the impact of IFRS 16 was included for Q2 2025 and Q2 2024, Adjusted EBITDA would have been $3,419 and $2,768, respectively. If the impact of IFRS 16 was included for YTD 2025 and YTD 2024, Adjusted EBITDA would have been $1,696 and $404, respectively.

Reconciliation of long-term debt to net debt and leverage ratio:

	As at		
CAD $000s	**August 2, 2025**	**August 3, 2024**	**February 1, 2025**
Long-term debt[(1)]	$ 36,952	$ 43,128	$ 41,370
Add: bank indebtedness	3,107	350	–
Less: cash	(1,928)	(2,704)	(34,021)
Net debt	**$ 38,131**	**$ 40,774**	**$ 7,349**
Trailing 12-month Adjusted EBITDA	23,159	17,596	21,305
Leverage ratio	**1.6x**	**2.3x**	**0.3x**

(1) Total long-term debt of $36,952 at August 2, 2025 is net of $839 unamortized long-term debt financing costs. As at August 3, 2024, total long-term debt of $43,128 is net of $1,064 unamortized long-term debt financing costs. As at February 1, 2025, total long-term debt of $41,370 is net of $810 unamortized long-term debt financing costs.

ABOUT ROOTS

Established in 1973, Roots is a global lifestyle brand. Starting from a small cabin in northern Canada, Roots has become a global brand with over 100 corporate retail stores in Canada, two stores in the United States, and an eCommerce platform, roots.com. We have more than 100 partner-operated stores in Asia, and we also operate a dedicated Roots-branded storefront on Tmall.com in China. We design, market, and sell a broad selection of products in different departments, including women's, men's, children's, and gender-free apparel, leather goods, footwear, and accessories. Our products are built with uncompromising comfort, quality, and style that allows you to feel At Home With Nature™. We offer products designed to meet life's everyday adventures and provide you with the versatility to live your life to the fullest. We also wholesale through business-to-business channels and license the brand to a select group of licensees selling products to major retailers. Roots Corporation is a Canadian corporation doing business as "Roots".

FORWARD-LOOKING INFORMATION

Certain information in this press release contains forward-looking information. This information is based on management's reasonable assumptions and beliefs in light of the information currently available to us and is made as of the date of this press release. Actual results and the timing of events may differ materially from those anticipated in the forward-looking information as a result of various factors. Information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. Statements containing forward-looking information are not facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements.

See "Forward-Looking Information" and "Risk Factors" in the Company's current Annual Information Form for a discussion of the uncertainties, risks and assumptions associated with these statements. Readers are urged to consider the uncertainties, risks and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. We have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law.

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