



Quarterly Summary

Q2 2025

September 10, 2025

Forward-Looking Statements

Certain information in this presentation 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 are made as of September 10, 2025. 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 Fiscal 2024 MD&A and/or Annual Information Form dated April 8, 2025, which are available on SEDAR+ at www.sedarplus.ca, for a discussion of the uncertainties, risks and assumptions associated with these forward-looking 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.

All figures discussed in this presentation are stated in \$CAD millions, unless otherwise noted.

OUR MISSION

To Inspire the World to be At Home with Nature



Our Roots

Roots was founded in 1973 by Michael Budman and Don Green, who met at summer camp in Algonquin Park, where they first fell in love with the ideals and beauty of Canada.

Starting from a little cabin, they were inspired by nature and Canada's wilderness to create Roots.

With its uncompromising comfort and exceptional quality, Roots has become one of the most well-known and iconic Canadian clothing brands with a global presence.



RIGHT: THE ORIGINAL ROOTS 'LITTLE CABIN' ON SMOKE LAKE, ALGONQUIN PARK, ONTARIO, CANADA



1

Iconic Canadian Brand with a Global Community

Rich heritage of delivering high-quality, versatile and stylish products to customers that span all ages and genders

2

High-Quality, Versatile, Purpose-Driven Products

Mix of iconic classics and new pieces that resonate with customers

3

Omni-Channel Strategy, Built for the Future

Strong store base and e-commerce presence with omni-channel capabilities

4

Scalable, Best-in-Class Organization and Operations

Well-invested infrastructure and refined operating strategies

5

Compelling Financial Performance

Strong balance sheet and focus on long-term profitable growth



Our Values | What Guides Us



Community

We are a place of inclusivity, diversity and open-mindedness. We support one another and the communities where we live and work.



Authenticity

While we draw inspiration from the world around us, we never forget where we have come from – our heritage and Canadian beginnings.



Integrity

We always strive to do what's right and to build trust and lasting relationships with our brand community.



Freedom

We celebrate the individuality of style as a form of self-expression. We believe everyone should enjoy everyday adventures, living life on their own terms.

Q2 2025 Financial Overview



- **Sales of \$50.8M, a 6.3% increase compared to \$47.7M last year**
 - DTC sales were \$41.0M, compared to \$36.4M last year
 - DTC comparable sales growth was +17.8%, the highest comp quarter since the IPO in 2017
- **DTC gross margin improved 150bps year-over-year**
 - **DTC product margin increased by 170bps**, driven by improved costing and lower discounting
 - Partially offset by U.S. dollar foreign exchange headwinds
- **Adjusted EBITDA⁽¹⁾ was (\$2.1M), improving 32% vs. (\$3.1M) last year**
 - Adjusted EBITDA improved 47.9% when excluding impacts of DSU revaluation expenses.
- **Strong balance sheet and healthy inventory ready for fall/holiday**

(1) Adjusted EBITDA is a non-IFRS measure. See "Appendix" at the end of this presentation.

Brand & Customer Engagement in Q2



- Results reflect the execution of our multi-pronged omnichannel strategy, focus on creating compelling product, offering a seamless customer experience, and impactful branding.
- Delivered two high-visibility, brand-right collaborations to drive national awareness, summer demand, and consumer engagement.
 - **Molson Canadian × Roots:** Co-branded drop with Salt & Pepper fleece can holder, launched around Canada Day with strong media and social traction.
 - **Canada Dry × Roots:** Vintage-inspired capsule supported by Toronto pop-up and sampling to drive engagement and conversion.
- Our brand ambassador program exceeded internal impression and engagement benchmarks as it completed its first full-year cycle.

Q2 Product Highlights



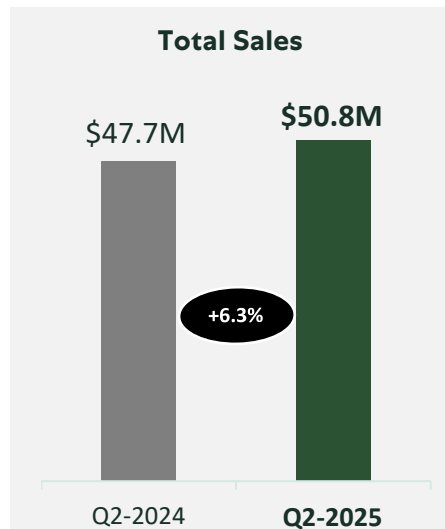
- **Roots product continues to be recognized by consumers for its comfort, craftsmanship and premium materials.**
- **Lifestyle, active, and sweats categories all delivered growth this quarter, underscoring the success of our strategic diversification efforts and reinforcing consumer demand across multiple segments.**
- **Launched a new addition within our active category — the Roam collection.**
 - **Crafted for life on the move, the collection offers our proprietary BreatheFit technology, which is moisture-wicking, odour-resistant, and stain and water repellent, while maintaining uncompromising quality.**

Q2 Operational Initiatives

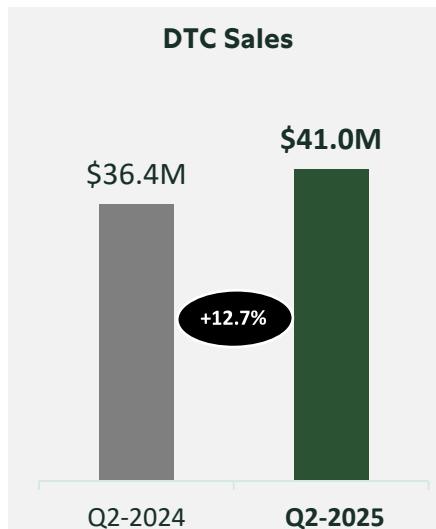


- Automated replenishment system continues to enable us to better align our product offering with customer demand.
- Continue to integrate advance AI technologies to streamline workflows and focus on reducing time to market.
- Continued progress on improvements to our store footprint.
 - Opened our Vancouver flagship in July, a design-forward space blending nature and technology, driving sales growth in a key market.
 - Renovated our Mont-Tremblant store with a locally inspired design and modern digital elements, enhancing engagement in a top travel destination.

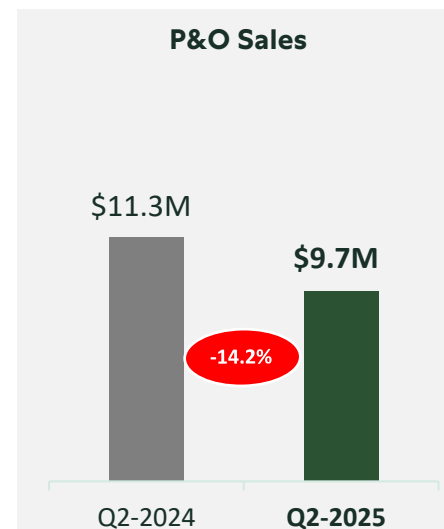
Q2 Sales Summary



- DTC comparable sales grew 17.8%.
- P&O sales lower to last year, driven by reduction in wholesale sales to our international operating partner, partially offset by growth in the other lines of the P&O business.



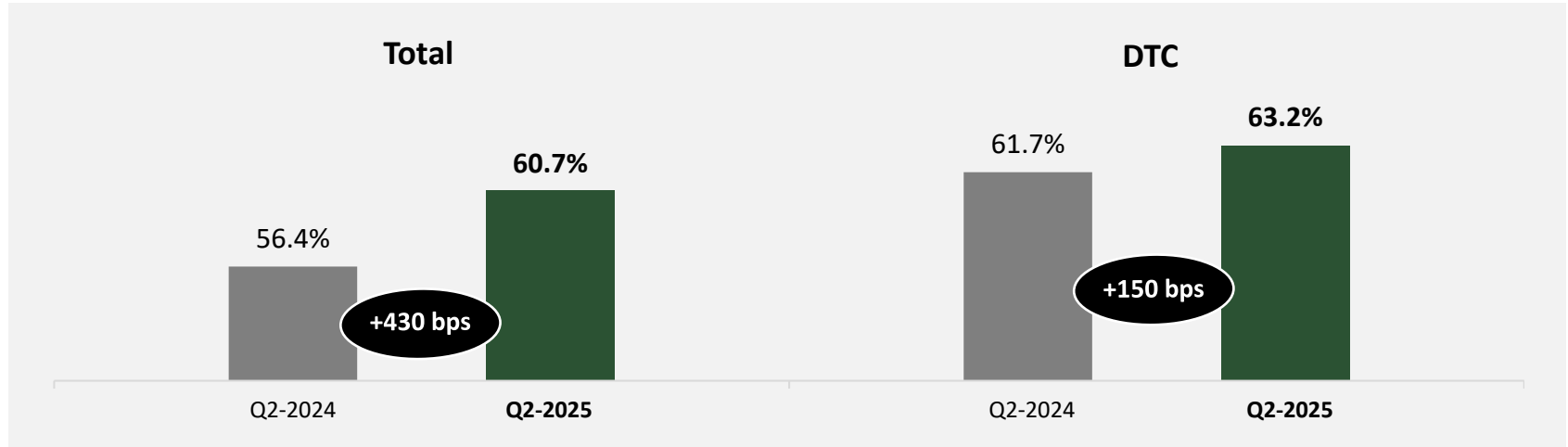
- Both channels (stores & eCommerce) continued with positive momentum.
- Driven by strong customer response to ongoing brand investments and curated product offerings, as well as omni channel enhancements.



- Sales decline to our international operating partner was partially offset by continued momentum from the remaining lines of business.
- 10.1% increase in segment gross profit, despite lower sales.

(in millions of \$CAD)

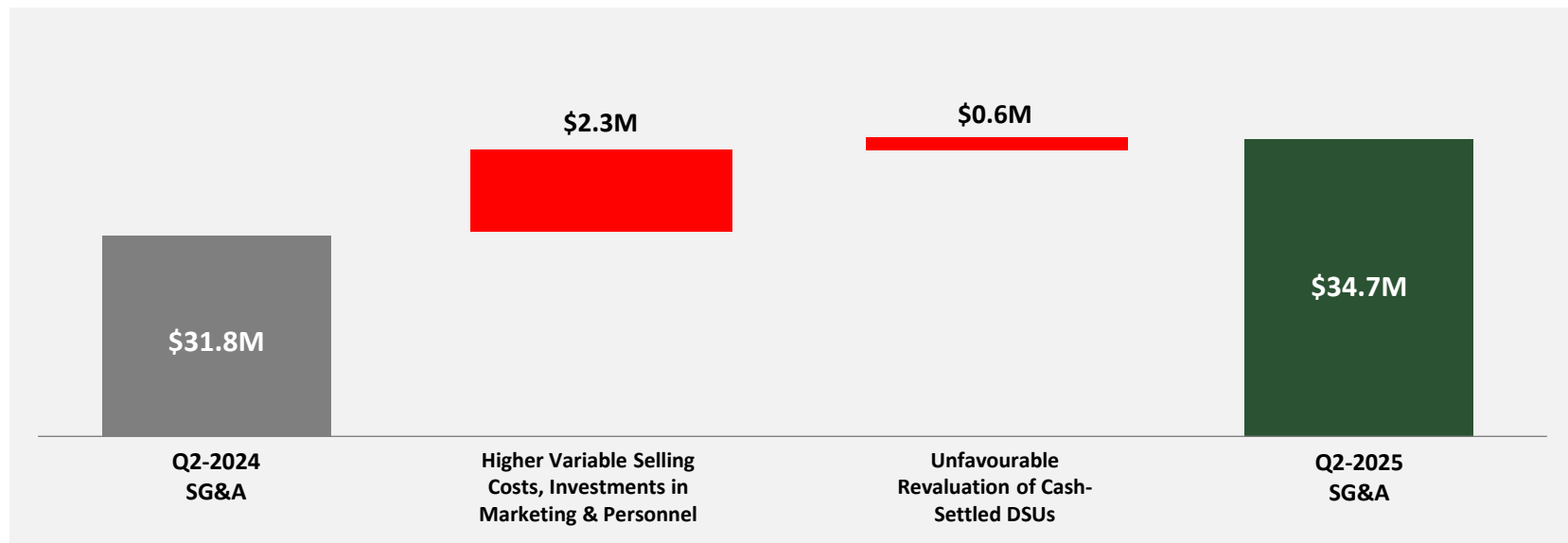
Q2 Gross Margin



- DTC product margin expansion (+)
- Greater mix of higher-margin sales within the P&O segment (+)

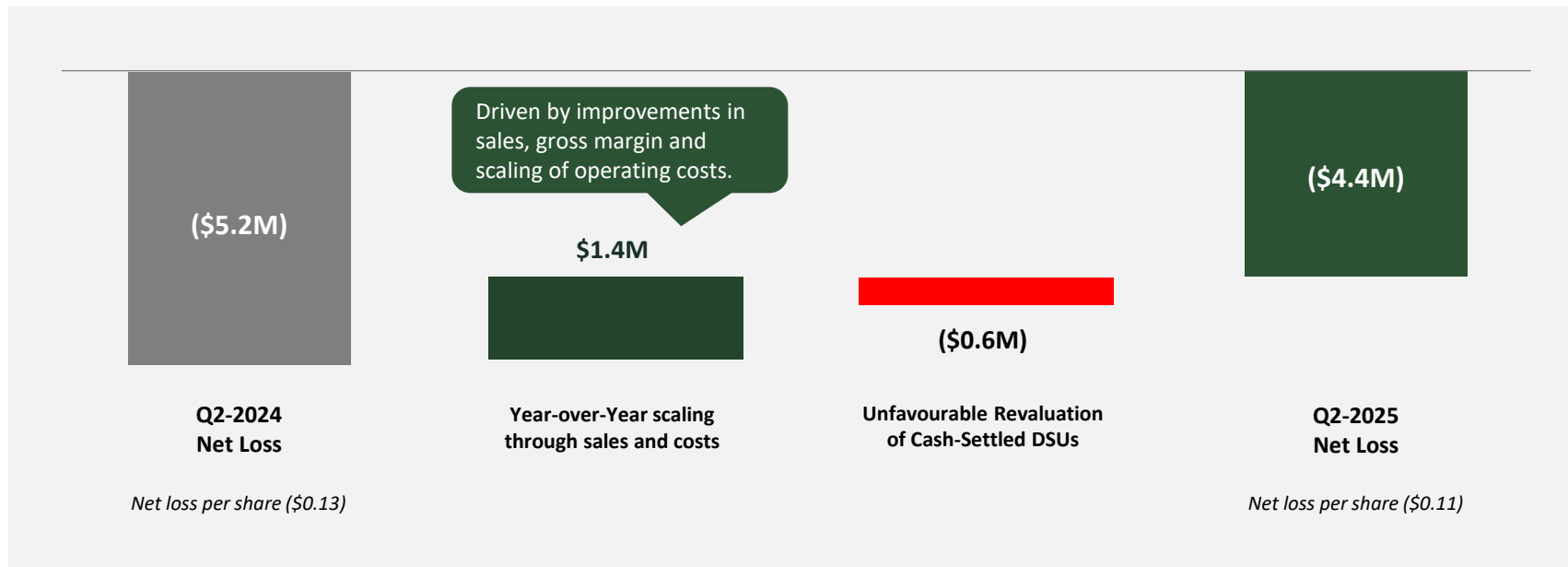
- 170bps increase from improved DTC product costing and lower discounting (+)
- Partially offset by unfavourable foreign exchange impact on U.S. dollar purchases (-)

Q2 SG&A Expenses



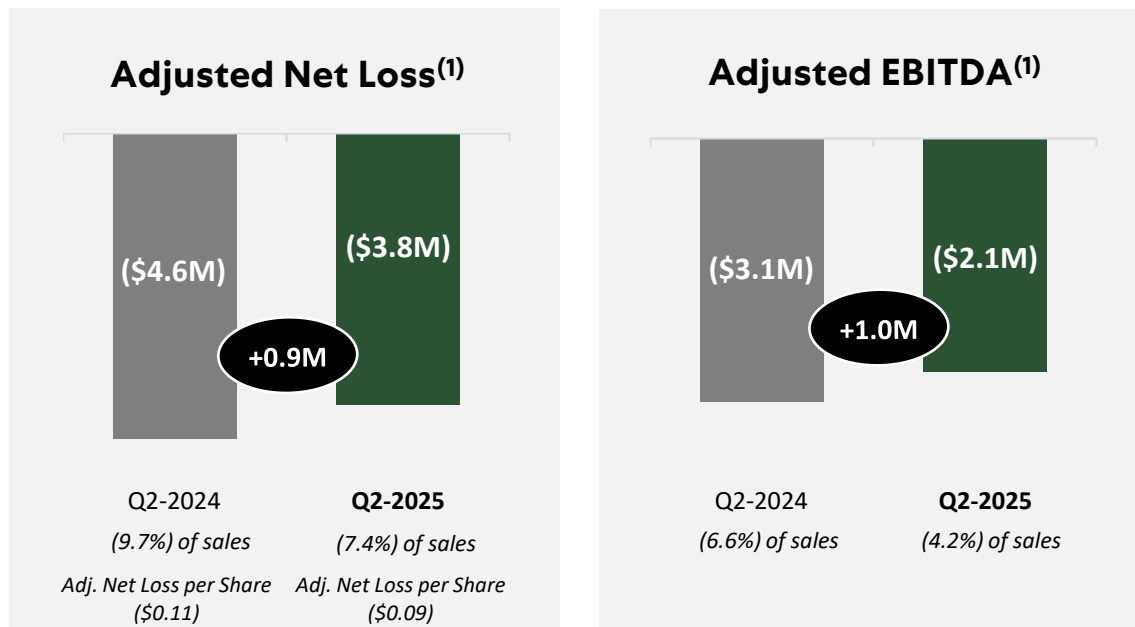
- SG&A expenses increased 7.0% excluding the unfavourable DSU and FX impacts, primarily driven by higher variable costs from stronger sales and investments in marketing and personnel costs.
- The unfavourable impact of the revaluation of cash settled deferred share units under our share-based compensation plan, which increases as an expense as the share price increases, was \$0.6M year-over-year.

Drivers of Q2 Profitability Improvement



- Excluding the DSU revaluation expense impacts, net loss would have improved by 26.8%.
- Due to the seasonality of our business and with the first half of the year only accounting for approximately 30% of total annual sales, we typically generate small operating losses during the first two quarters, offset by earnings in the larger second half of the year.

Q2 Adjusted Net Loss and Adjusted EBITDA

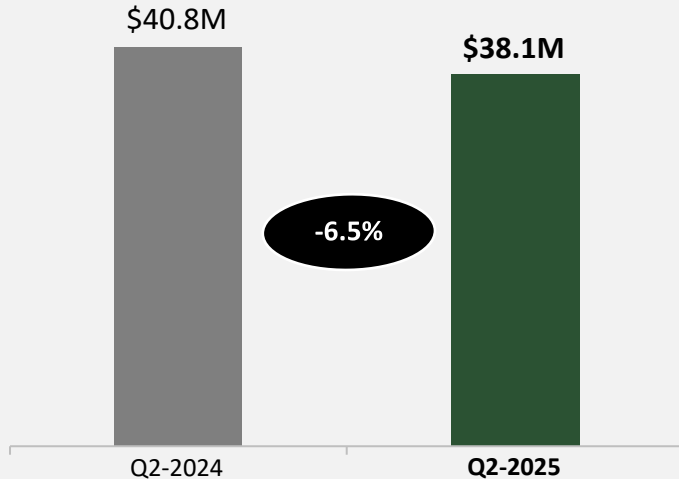


- Excluding the DSU revaluation expense impacts, Adjusted EBITDA would have improved by 47.9%.

⁽¹⁾ Adjusted Net Loss and Adjusted EBITDA is a non-IFRS measures. See "Appendix" at the end of this presentation.

Q2 Balance Sheet Highlights

Net Debt⁽¹⁾



\$41.3M

Total Liquidity

~1.6x

Leverage Ratio⁽¹⁾

\$49.9M

(13.5% YoY increase)

Healthy Inventory Position

492K

Common shares Repurchased in Q2, at \$1.5M
NCIB Buyback⁽²⁾

(1) Net Debt is a non-IFRS measure defined as long-term debt less cash (net of bank indebtedness). Leverage Ratio is a non-IFRS ratio defined as net debt over trailing 12-month Adjusted EBITDA. See "Appendix" at the end of this presentation.

(2) As at the end of Q2 2025, Roots is eligible to repurchase up to 740K common shares under the current NCIB program, which is in effect until April 10, 2026.

Summary



- Continue to execute on our strategic objectives while navigating through the dynamic environment.
- Q2 marks our fourth consecutive quarter of growth in sales, gross margin, and Adj. EBITDA.
- Balance sheet remains strong with declining net debt and ample liquidity.
- Inventory is healthy, with improved availability in key collections to support sales for our upcoming peak season.
- The first five weeks of Q3, which included the back-to-school period, continued to show positive trends.

Appendix

Non-IFRS Measures and Industry Metrics

This presentation 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 income 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, Adjusted Net Income (Loss), and Net Debt; and non-IFRS ratios including Adjusted Net Income (Loss) per Share, and Leverage Ratio. 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" and "Reconciliation of Non-IFRS Measures" in our Management's Discussion and Analysis (MD&A) for Q2 2025, which is incorporated by reference herein and is available on SEDAR+ at www.sedarplus.ca.



Roots