



Quarterly Summary

Q3 2025

December 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 December 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 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



Q3 2025 Financial Overview



- **Sales of \$71.5M, a 6.8% increase compared to \$66.9M last year**
 - DTC sales were \$56.8M, compared to \$54.2M last year
 - DTC comparable sales growth was +6.3%
- **DTC gross margin improved 140bps year-over-year**
 - **DTC product margin increased by 140bps**, driven by improved costing and lower discounting
 - Unfavorable foreign exchange impact on U.S. dollar purchases were offset by improved freight costs
- **Adjusted EBITDA⁽¹⁾ was \$7.5M, improving 5.3% vs. \$7.1M last year**
 - Adjusted EBITDA improved 7.3% when excluding impacts of DSU revaluation expenses.
- **Sales performance despite unusually warm Fall and dynamic retail environment.**

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

Q3 Product Highlights



- Continued to refine our go-to-market process and gained momentum in merchandising, driving alignment and efficiency.
- Delivered strong results across multiple collections, including the new Roam travel capsule, featuring modern basics with technical attributes, and Cloud, our ultra-plush, minimal logo sweatshirts and sweatpants.
- Improved sales productivity per style, achieved through tighter assortments, disciplined buys, and AI-driven allocations.

Brand & Customer Engagement in Q3



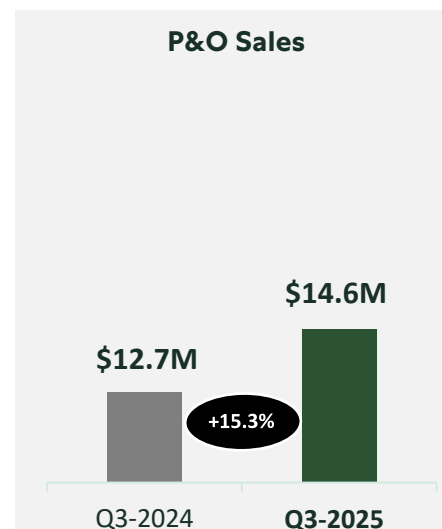
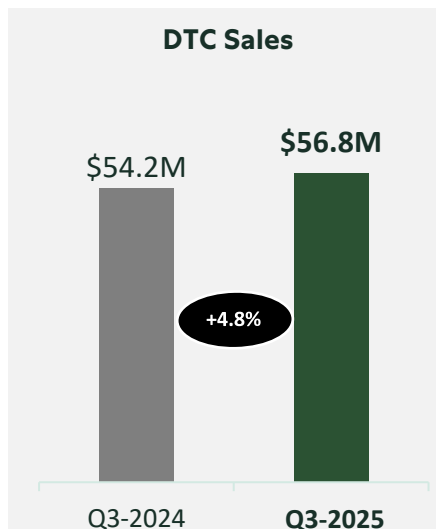
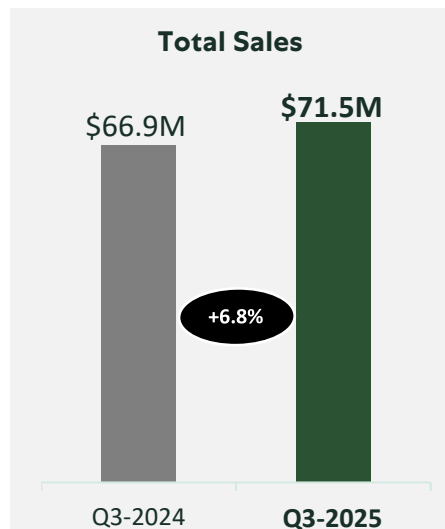
- Our brand-building efforts remain a core driver of long-term value and a key pillar of our growth strategy.
- Marketing initiatives included new store openings in Vancouver and Toronto, Fall/Winter product launches, and an enhanced campus presence at the University of Toronto.
- Continued testing in full-funnel paid media spend and partnerships with our brand ambassadors to strengthen Roots storytelling.

Q3 Operational Initiatives



- Our omnichannel strategy continued to strengthen customer engagement by enabling shopping anywhere, anytime, and in any way they choose, driving positive results.
- We delivered strong retail conversion gains through improved product storytelling, disciplined inventory management, refreshed visual merchandising, and enhanced associate training and scheduling.
- Paid media efforts generated substantial traffic to our e-commerce channel, and we are focused on converting this momentum in the fourth quarter.

Q3 Sales Summary



- DTC sales growth underpinned by +6.3% comparable sales growth, with a +12.1% two-year stack.
- P&O sales higher to last year, driven by sales to our Taiwan international operating partner and wholesale sales.

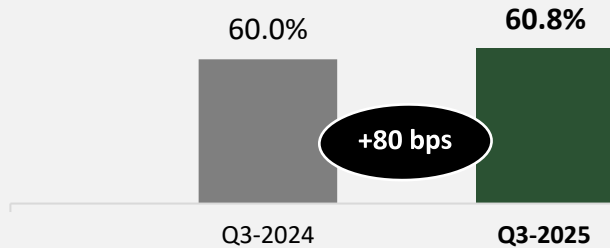
- DTC sales growth was driven by enhancements to the omnichannel customer experience, complemented by strong customer engagement with our elevated brand initiatives and thoughtfully curated product assortment.

- The increase in P&O sales was driven by earlier orders by our international operating partner for the upcoming holiday and spring selling seasons, as well as higher domestic wholesale sales of custom Roots-branded products to select business clients.

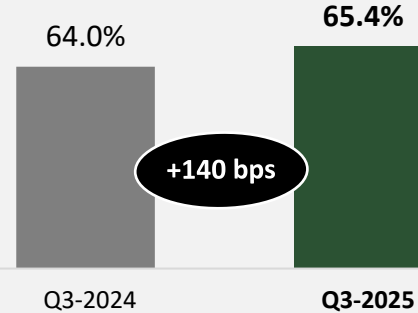
(in millions of \$CAD)

Q3 Gross Margin

Total Gross Margin



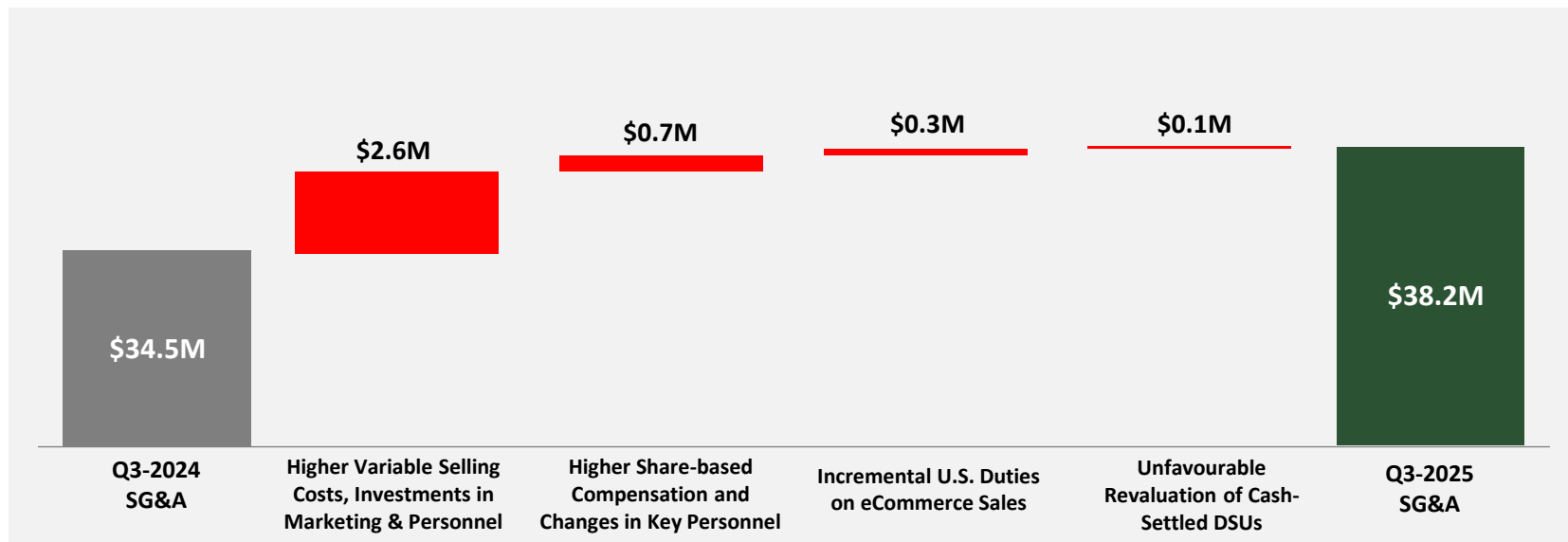
DTC Gross Margin



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

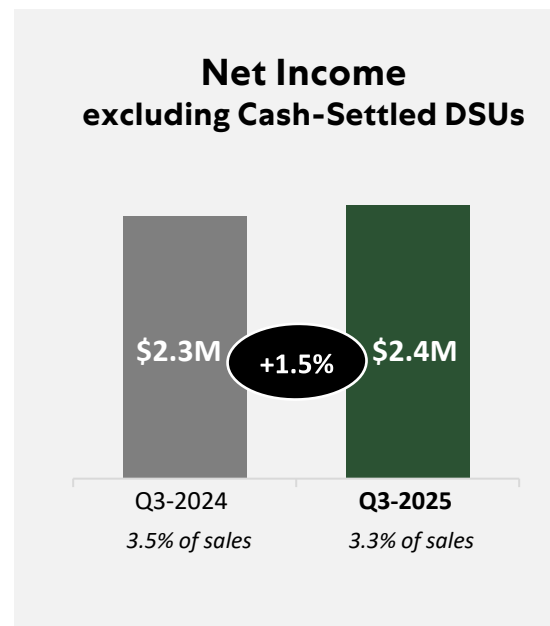
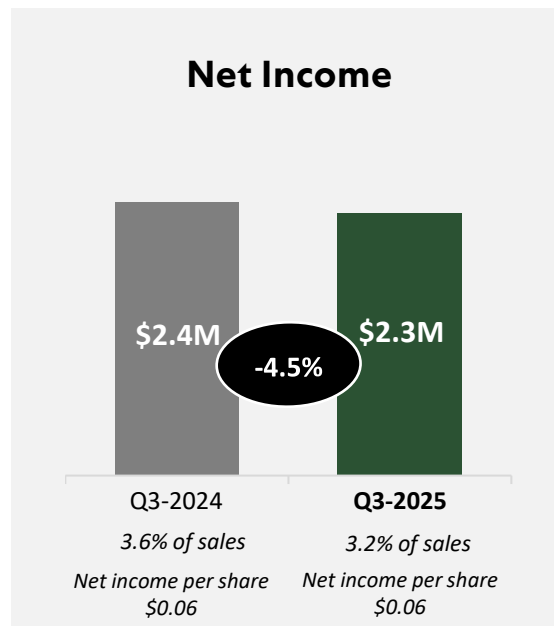
- 140bps increase from improved DTC product costing and lower discounting (+)
- Unfavourable foreign exchange impact on U.S. dollar purchases (-) offset by improved freight costing on inventory purchases (+)

Q3 SG&A Expenses

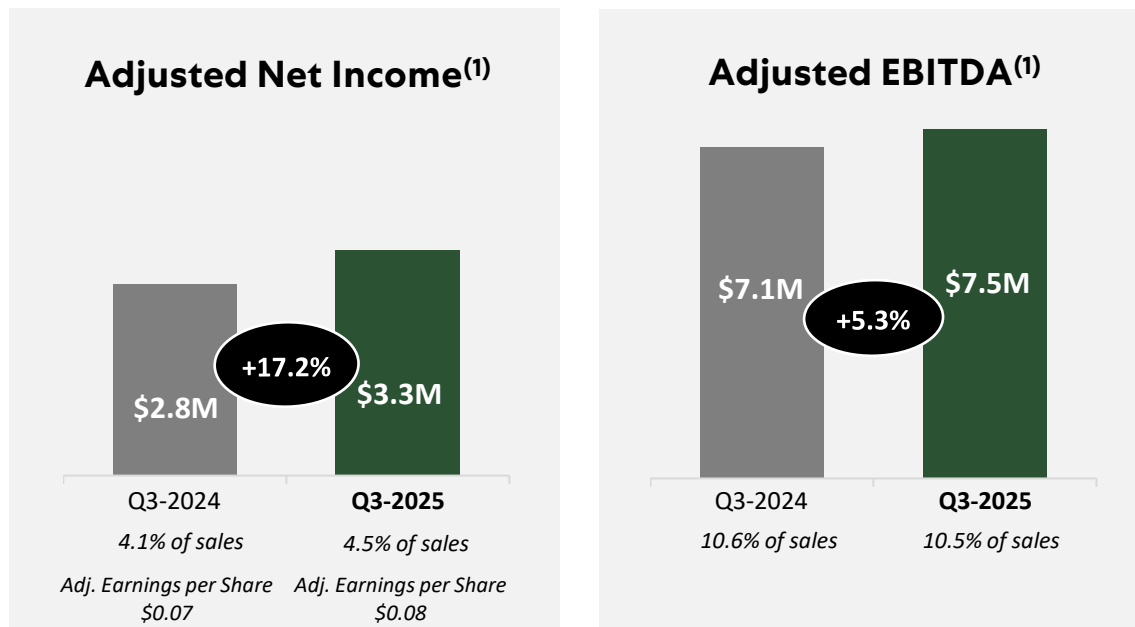


- SG&A expenses increased 10.6% (or 10.2% excluding the unfavourable DSU impacts), primarily driven by higher variable costs from stronger sales and investments in marketing and personnel costs.
- SG&A expenses also reflect \$0.3M in incremental U.S. duties paid on eCommerce sales, as well as \$0.7M of higher share-based compensation expense and costs associated with changes in key personnel.

Q3 Net Income



Q3 Adjusted Net Income and Adjusted EBITDA

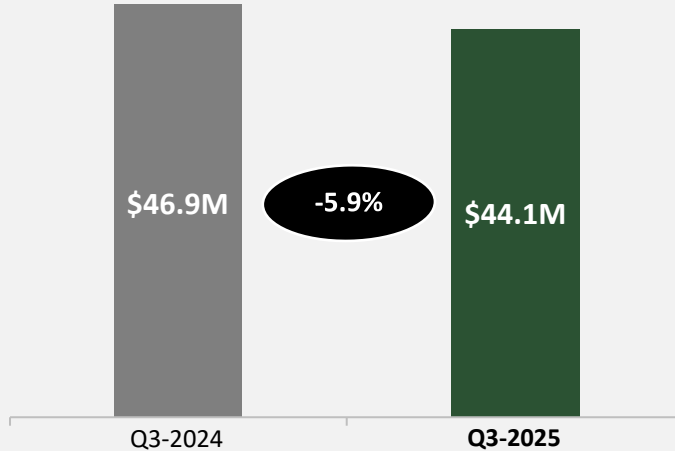


- Excluding the DSU revaluation expense impacts, Adjusted EBITDA would have improved by \$0.6M (+7.3%).

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

Q3 Balance Sheet Highlights

Net Debt⁽¹⁾



\$34.5M

Total Liquidity

~1.9x

Leverage Ratio⁽¹⁾

\$66.6M

(10.3% YoY increase)

Healthy Inventory Position

415K

Common shares Repurchased in Q3, at \$1.3M
NCIB Buyback⁽²⁾

(1) Net Debt is a non-IFRS measure defined as long-term debt less cash. 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 Q3 2025, Roots is eligible to repurchase up to 325K common shares under the current NCIB program, which is in effect until April 10, 2026.

Summary



- Q3 marked another quarter of positive sales momentum and positive underlying margins on those sales.
- Balance sheet remains strong with declining net debt and ample liquidity.
- Inventory is healthy, with improved inventory positions ahead of peak holiday selling periods.
- Early into the holiday season, we continue to experience positive trends.
- Business will remain focused on disciplined execution and creating sustainable value for all stakeholders.

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 Q3 2025, which is incorporated by reference herein and is available on SEDAR+ at www.sedarplus.ca.



Roots