

*“Roots delivered first quarter sales growth of 6.5 percent and comparable sales growth of 3.2 percent, or 16.6 percent on a two-year stacked basis, alongside a 20.7 percent reduction in net debt year-over-year. We remain focused on disciplined execution and building long-term value for all our shareholders.”*

— Meghan Roach, President & CEO, Roots

## Select Financial Information

In \$CAD millions, unless noted

	Q1 2026	Q1 2025	YoY
<b>Total Sales</b>	<b>\$42.6M</b>	\$40.0M	+6.5%
DTC Sales	\$35.8M	\$34.6M	+3.3%
P&O Sales	\$6.8M	\$5.4M	+26.6%
Gross Profit	\$25.5M	\$24.6M	+3.8%
Gross Margin	59.9%	61.5%	(160 bps)
DTC Gross Margin	61.3%	62.9%	(160 bps)
SG&A Expenses	\$37.3M	\$33.3M	+12.0%
Net Loss	(\$10.1M)	(\$7.9M)	(27.2%)
Net Loss Per Share	(\$0.26)	(\$0.20)	(30.0%)
Adjusted Net Income (Loss) <sup>1</sup>	(\$7.6M)	(\$7.4M)	(3.0%)
Adjusted Net Income (Loss) Per Share	(\$0.19)	(\$0.18)	(5.6%)
Adjusted EBITDA <sup>1</sup>	(\$7.4M)	(\$7.1M)	(4.6%)
Free Cash Flow <sup>2</sup>	(\$19.1M)	(\$21.8M)	+12.4%
Net Debt <sup>3</sup>	\$23.4M	\$29.6M	(20.7%)

<sup>1</sup> Adjusted EBITDA, Adjusted Net Income (Loss), & Net Debt are non-IFRS measures.

<sup>2</sup> Free Cash Flow = cash from operations less investing activities less lease principal payments. Free Cash Flow is a supplemental financial measure.

<sup>3</sup> Leverage ratio is a non-IFRS ratio = Net Debt / trailing 12-month Adjusted EBITDA.

## Q1 2026 Highlights

- › Total sales increased 6.5% to \$42.6M; 7th consecutive quarter of direct-to-consumer comparable sales growth — 3.2% comparable sales increase; 16.6% on a two-year stacked basis
- › Partners & Other sales surged 26.6% driven by domestic wholesale, custom products, and licensing growth
- › Gross margin of 59.9% reflects higher temporary final sale mix ahead of the distribution centre transition and unfavourable foreign exchange, partially offset by product costing improvements
- › Selling, general & administrative expenses (“SG&A”) include \$1.8M distribution centre transition costs and \$0.6M strategic review costs; underlying SG&A increased 4.9%
- › Net debt declined 20.7% year-over-year to \$23.4M, reflecting disciplined capital allocation and improved working capital management

## Financial Highlights

<b>+3.2%</b> DTC COMPARABLE SALES 7th consecutive quarter of growth	<b>+27%</b> PARTNERS & OTHER SALES YoY	<b>\$23.4M</b> NET DEBT <sup>1</sup> ↓ 20.7% YoY	<b>1.0X</b> LEVERAGE RATIO <sup>3</sup> TTM Adjusted EBITDA
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## Strategic Updates

### Distribution Centre Transition

Transition expected to be complete by Q2 2026. Q1 2026 included \$1.8M in incremental costs (primarily non-cash accelerated depreciation on existing assets). To minimize the cash impacts of the upcoming transition, additional products have been shifted to final sale to reduce the transfer of past-season inventory.

### Strategic Review

Board-led review of strategic alternatives ongoing as announced in March 2026, which may include, but is not limited to, a sale of the Company. Q1 2026 included \$0.6M in consulting and legal costs.



## NON-IFRS MEASURES AND INDUSTRY METRICS

This document 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 IFRS, do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Non-IFRS measures used include “EBITDA”, “Adjusted EBITDA”, “Adjusted Net Income (Loss)”, “Adjusted Net Income (Loss) per Share”, “Net Debt”, and “Leverage Ratio”. This document also references “gross margin”, “DTC gross margin”, and “comparable sales”. We believe these non-IFRS measures provide useful information to both management and investors. For full definitions and reconciliations, refer to “Cautionary Note Regarding Non-IFRS Measures” in the Q1 2026 MD&A, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or the Company’s Investor Relations website at [investors.roots.com](http://investors.roots.com).