



**ROOTS
CORPORATION**

ANNUAL INFORMATION FORM

Fiscal year ended January 31, 2026

April 8, 2026

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MEANING OF CERTAIN REFERENCES

Unless otherwise noted or the context otherwise indicates, all references in this Annual Information Form (the “**Annual Information Form**”) to the “Company”, “Roots”, “we”, “us” or “our” refer to Roots Corporation together with its subsidiaries, on a consolidated basis.

“**Fiscal 2023**” refers to the 53-week period ended February 3, 2024.

“**Fiscal 2024**” refers to the 52-week period ended February 1, 2025.

“**Fiscal 2025**” refers to the 52-week period ended January 31, 2026.

Unless otherwise specified or the context otherwise requires, all information provided in this Annual Information Form is given as at January 31, 2026. All references to “\$”, “CAD\$” or “dollars” refer to Canadian dollars and references to “U.S.\$” or “U.S. dollars” refer to United States dollars. Amounts are stated in thousands of Canadian dollars unless otherwise indicated. Certain totals, subtotals and percentages throughout this Annual Information Form may not reconcile due to rounding.

This Annual Information Form contains certain trademarks, which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this Annual Information Form may appear without the ® or TM symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

NON-IFRS MEASURES INCLUDING INDUSTRY METRICS

This Annual Information Form refers 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**”); the measures 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 information regarding the Company’s 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” and “Adjusted Net Income per share”, each as defined below. This Annual Information Form also refers to “Comparable Sales” and “system-wide sales”, which are commonly used metrics in our industry but that may be calculated differently compared to other companies. 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.

Management also uses non-IFRS measures to exclude the impact of certain expenses and income that management does not believe reflect the Company’s underlying operating performance and that make comparisons of underlying financial performance between periods difficult. Management also uses non-IFRS measures to assess our core financial and operating performance for business planning purposes and as a component in the determination of incentive compensation for salaried employees. The Company may exclude additional items, from time to time, if it believes doing so would result in a more effective analysis of our underlying operating performance.

“**EBITDA**” is a non-IFRS measure and is defined as net income (loss) before interest expense, income taxes expense (recovery) and depreciation and amortization. The IFRS measurement most directly comparable to EBITDA is net income (loss).

“Adjusted EBITDA” is a non-IFRS measure and is defined as EBITDA, adjusted for the impact of certain items, including share-based compensation expense, asset impairment expense, purchase price accounting adjustments, executive recruitment and severance costs, legal costs outside the normal course of operations, provisions on inventory no longer aligned with our strategic product direction, and other non-cash items and/or items that are non-recurring, infrequent, or unusual in nature and would make comparisons of underlying financial performance between periods difficult. Adjusted EBITDA also excludes the impact of IFRS 16 – *Leases* (“**IFRS 16**”) and includes rent expense, a significant expense for our corporate retail stores. We believe that Adjusted EBITDA is useful, to both management and investors, in assessing the underlying performance of our ongoing operations and our ability to generate cash flows to fund our cash requirements. The IFRS measurement most directly comparable to Adjusted EBITDA is net income (loss).

“Adjusted Net Income” is a non-IFRS measure and is defined as net income (loss), adjusted for the impact of certain items, including share-based compensation expense, asset impairment expense, purchase price accounting adjustments, executive recruitment and severance costs, legal costs outside the normal course of operations, provisions on inventory no longer aligned with our strategic product direction, and other non-cash items and/or items that are non-recurring, infrequent, or unusual in nature and would make comparisons of underlying financial performance between periods difficult, net of related tax effects. Adjusted Net Income also excludes the impact of IFRS 16 and includes rent expense, a significant expense for our corporate retail stores. We believe that Adjusted Net Income is useful, to both management and investors, in assessing the underlying performance of our ongoing operations. The IFRS measurement most directly comparable to Adjusted Net Income is net income (loss).

“Adjusted Net Income per share” is a non-IFRS ratio and is defined as Adjusted Net Income, divided by the weighted average Shares (as defined herein) outstanding during the periods presented. We believe that Adjusted Net Income per share is useful, to both management and investors, in assessing the underlying performance of our ongoing operations, on a per share basis.

“Comparable Sales” is a retail industry metric used to compare the total combined sales growth or decline in percentage terms of sales derived from mature stores and eCommerce, in a certain period, compared to the prior year sales from the same stores and eCommerce, over the same time period of the prior fiscal year. We believe Comparable Sales helps explain changes to our sales in established stores and eCommerce, which may not otherwise be apparent when relying solely on year-over-year sales comparisons. Comparable Sales is considered a supplementary financial measure under applicable securities law and may be calculated differently compared to other companies. Comparable Sales is calculated based on sales (net of a provision for returns) from stores that have been open for at least 52 weeks in our direct-to-consumer (“**DTC**”) segment, including eCommerce sales (net of a provision for returns) in our DTC segment, and excludes sales fluctuations during store renovations and circumstances that make comparisons of year-over-year results less meaningful. In malls where we have opened secondary pop-up locations, the sales from both the permanent and pop-up stores will be excluded from the calculation of Comparable Sales until both stores have been open for at least 52 weeks. Comparable Sales also excludes the impact of foreign currency fluctuations by applying the prior year’s U.S. dollar to Canadian dollar exchange rates to both current year and prior year comparable sales to achieve a consistent basis for comparison.

As a result of the 53rd week in Fiscal 2023, the calculation of Comparable Sales during Fiscal 2024 excludes the impact of the extra week in Fiscal 2023.

Where used, **“system-wide sales”** is a retail industry metric that is calculated as the sum of total sales generated on the sale of Roots-branded products to end-consumers at retail value, directly through our DTC segment, third-party eCommerce marketplaces managed by us, and through the sale of Roots-branded products to consumers by our international partners, licensees, and wholesale customers in our Partners and Other operating segment. Sales denominated in currencies other than Canadian dollars are converted to Canadian dollars using the Bank of Canada average exchange rate for the applicable time period.

See “Developments in Our Business – Financial Performance” for a reconciliation of certain of the foregoing non-IFRS measures to their most directly comparable measures calculated in accordance with IFRS.

FORWARD-LOOKING INFORMATION

This Annual Information Form contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to anticipated events or results and may include information regarding our business, financial position, results of operations, business strategy, growth plans and strategies, budgets, operations, financial results, taxes, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information.

In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “should”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain 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.

Discussions containing forward-looking information may be found, among other places, under “Description of Our Business”, “Developments in Our Business”, “Dividend Policy”, and “Risk Factors”.

Forward-looking information in this Annual Information Form includes, among other things, statements relating to:

- expectations regarding our growth plans and strategies;
- our business plans and strategies (including the Strategic Review (as defined herein));
- expectations regarding new store openings and the renovation and expansion of existing stores;
- expectations regarding the composition of our product offering;
- our competitive position in our industry;
- the market price for the Shares; and
- beliefs and intentions regarding the ownership of material trademarks and domain names used in connection with the design, production, marketing, distribution and sale of our products.

This forward-looking information and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Material factors underlying forward-looking information and management’s expectations include:

- certain assumptions in respect of the expansion and enhancement of our corporate retail and partner-operated store networks;
- our ability to drive Comparable Sales and growth in Adjusted EBITDA and Adjusted Net Income;

- our ability to maintain, enhance, and grow our appeal within our addressable market;
- our ability to drive ongoing development and innovation of our brand and product categories;
- our ability to continue directly sourcing from our existing suppliers and manufacturers;
- our ability to expand our international presence;
- our ability to retain key personnel;
- our ability to maintain and expand distribution capabilities;
- our ability to continue investing in infrastructure to support our growth;
- our ability to obtain and maintain existing financing on acceptable terms;
- currency exchange, inflation and interest rates;
- the impact of competition;
- the changes and trends in our industry or the global economy, including trade policy; and
- the changes in laws, rules, regulations, and global standards.

The forward-looking information in this Annual Information Form is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements were made. It is also subject to known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including the following risk factors described in greater detail under the heading “Risk Factors”:

Risks related to our business:

- uncertainty regarding the outcome of the Strategic Review;
- changes in the general economic conditions and consumer spending in the regions in which we operate;
- inability to protect and enhance our brand;
- inability to anticipate and respond to constantly changing consumer demands and fashion trends;
- our highly competitive industry and the size and resources of some of our competitors;
- fluctuations in the value of the Canadian dollar in relation to the U.S. dollar and other currencies and associated hedging risk;
- risks associated with leasing retail space;
- failure to reduce operating expenses in a timely manner;
- lower profitability due to increasing product costs and changes to selling prices;
- inability to obtain merchandise on a timely basis at competitive costs from our suppliers;

- actions taken by us, our suppliers and manufacturers or activists and protestors;
- slower profitability of new stores;
- dependence on operating partners;
- lower customer awareness of our brand in any new target markets and our unfamiliarity with such markets;
- geopolitical risks associated with existing and new markets;
- risks associated with the imposition of duties, tariffs and other trade protection measures;
- inability to successfully manage and grow our eCommerce business;
- material disruptions in, or security breach affecting, our information technology systems and eCommerce business;
- risks associated with the development of artificial intelligence and its integration with our operations;
- risks associated with industry consolidation;
- loss of members of our management team or other key personnel or an inability to attract new management team members or key personnel;
- disruptions to the operations at our head office location;
- inability to attract new customers;
- failure to adequately connect with our customer base;
- dependence on a limited number of distribution facilities;
- risks associated with our transition to a third-party distribution model;
- seasonality of sales and inventory purchases;
- inability to protect trademarks or other intellectual property rights and the potential infringement of trademarks or other intellectual property rights of third parties;
- inability to attract, motivate and retain quality sales staff;
- reliance on third-party transportation providers;
- risks associated with maintaining, upgrading or replacing core information technology systems;
- attempts to organize our employees and increased labour costs;
- inability to grow sales or meet other financial targets;
- laws and regulations, including labour and employment, consumer protection, advertising, environmental, trade (e.g., customs, duties and tariffs), taxes and other laws that regulate retailers, manufacturers or importers;

- in-store and workplace health and safety liability, claims and penalties;
- additional taxes, which could affect our operating results;
- insurance-related risks;
- payment-related risks;
- the various risks related to health epidemics, pandemics and similar outbreaks and geopolitical events such as the conflicts in Ukraine and the Middle East;
- risks related to natural disasters and unusual weather;
- claims made against us, which may result in litigation;
- merchandise returns-related risks;
- changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters;
- financing restrictions on current and future operations;
- risks related to systems of internal controls over financial reporting;
- bankruptcies of other retailers, licensees and parties with whom we do business;

Risks related to ownership of our Shares:

- volatility in the market price for Shares;
- significant influence of Searchlight (as defined herein);
- future sales of our securities by existing Shareholders (as defined herein) causing the market price for Shares to decline;
- no cash dividends for the foreseeable future;
- any issuance of preferred shares may hinder another person's ability to acquire us;
- analysts publishing inaccurate or unfavourable research about us or our business, which could lead to the decline in our trading price or volume; and
- risks related to forward-looking information contained in this Annual Information Form.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in "Risk Factors" should be considered carefully by readers.

Although we have attempted to identify important risk factors that could cause actual results or future events to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate. Accordingly, readers should not place undue

reliance on forward-looking information, which speaks only to opinions, estimates and assumptions as of the date made. The forward-looking information contained in this Annual Information Form represents our expectations as of the date of this Annual Information Form (or as of the date they are otherwise stated to be made) and are subject to change after such date. We disclaim any intention, obligation, or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

All of the forward-looking information contained in this Annual Information Form is expressly qualified by the foregoing cautionary statements.

MARKET AND INDUSTRY DATA

Market and industry data presented throughout this Annual Information Form was obtained from primary consumer research, third-party sources, industry reports and publications, websites and other publicly available information, including Environics, Ipsos and Hotspex, as well as industry and other data prepared by us or on our behalf on the basis of our knowledge of the North American and international retail markets and economies (including our opinions, estimates and assumptions relating to the North American and international retail markets and economies based on that knowledge). Certain statistical information and market research contained in this Annual Information Form, such as the results of consumer and brand awareness surveys, are based on surveys or consumer studies conducted by independent third parties at our request, for which we pay customary fees. We believe that the market and economic data presented throughout this Annual Information Form is accurate and, with respect to data prepared by us or on our behalf, that our opinions, estimates and assumptions are currently appropriate and reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and economic data presented throughout this Annual Information Form are not guaranteed and we do not make any representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Although we believe it to be reliable, we have not independently verified any of the data from third-party sources referred to in this Annual Information Form, analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying market, economic and other assumptions relied upon by such sources. Market and economic data are subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey.

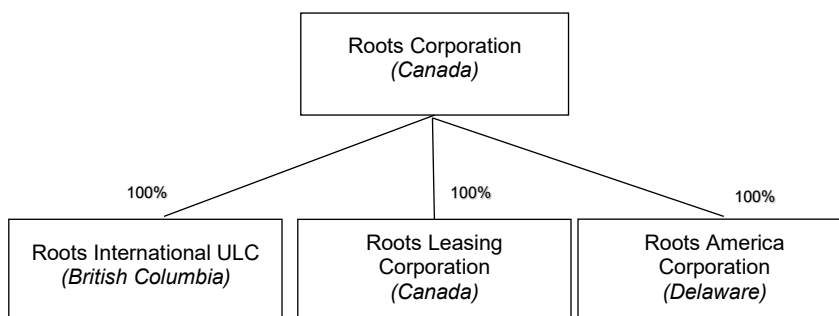
CORPORATE STRUCTURE

Incorporation and Head Office

On October 14, 2015, Searchlight Capital Partners, L.P. (“**Searchlight**”) incorporated Roots Corporation under the *Canada Business Corporations Act* (the “**CBCA**”) and its subsidiary, Roots USA Corporation, under the laws of the State of Delaware. Pursuant to a purchase and sale agreement dated October 21, 2015, Roots and its subsidiaries acquired substantially all of the assets of Roots Canada Ltd., Roots U.S.A., Inc., Roots America L.P., entities controlled by our founders, Michael Budman and Don Green (the “**Founders**”), and all of the issued and outstanding shares of Roots International ULC, effective December 1, 2015 (the “**Acquisition**”). The Company’s head and registered office is located at 1400 Castlefield Avenue, Toronto, Ontario, M6B 4C4.

Intercorporate Relationships

The following chart identifies the principal legal entities through which we conduct our business, their applicable governing corporate jurisdictions and the percentage of their voting securities which are beneficially owned, or controlled or directed, directly or indirectly, by Roots:



On October 25, 2017, we successfully closed our initial public offering (the “**IPO**”) of our common shares (the “**Shares**”) at a price of \$12.00 per share through a secondary sale of shares by our principal shareholders, Searchlight and the Founders, pursuant to a (final) long-form prospectus dated October 18, 2017 filed in each of the provinces and territories of Canada. Our principal shareholders sold 16,667,000 Shares under the IPO for total gross proceeds of approximately \$200 million. The Company did not receive any of the proceeds from the IPO. The Shares are listed for trading on the Toronto Stock Exchange (“**TSX**”) under the symbol “ROOT”.

DESCRIPTION OF OUR BUSINESS

Our 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 Taiwan, and we also operate a dedicated Roots-branded storefront on Tmall.com in China. We design, market, and sell a broad selection of products including women’s, men’s, children’s, and gender-free apparel, leather goods, footwear, and accessories. We design high quality and responsibly crafted products that support connection. Our products give consumers a quiet confidence and sense of connection that allow them to live life to fullest. Our products are built with uncompromising comfort, quality, and style that allows you to feel At Home With Nature™. 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” and “Roots Canada”.

Management of our brand is guided by the following four principles:

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.

Iconic Canadian Brand

Through an unwavering commitment to our brand and a lasting affinity for our products, we have helped define Canadian style for over five decades, while successfully exporting our heritage globally. Our brand equity in our home market of Canada builds upon decades of word of mouth marketing, celebrity and athlete associations, and integrated communication plans that connect with our consumers.

We are first recognized by our unique name, and the Cooper Beaver logo. The Founders chose “Roots” in connection with the Company’s first product, the ‘negative heel shoe’. “Roots” reflected your feet being connected to the ground like a tree. Our tag line in 1974 was “City Feet need Roots”. Since our founding, just as we have grown to offer so much more than footwear, Roots as a name has grown to mean so much more to our consumers. Those who wear Roots are connected to a community that recognizes one another with a nod – a mutual understanding that you’re comfortable with who you are.

Our logo, that we call the ‘Cooper’ Beaver as a reference to our long time creative collaborator, Heather Cooper, is recognized around the world as a symbol of quality, Canada and style. The beaver is a deeply Canadian emblem known to be resilient, community builders that work together to add value to their habitat

Our famous name and logo are globally recognized trademarks that we have registered in over 40 countries around the world. Beyond our primary marks, throughout our history we have popularized and maintain a portfolio of stand-alone brands, such as “Beaver Canoe” and derivative brands and logos such as “Roots Canada”, “Genuine Roots Leather”, “Roots Athletics”, “Roots Cabin”, “Roots 73” and “Roots Tuff”. On a global basis, we have more than 475 trademarks, which are either registered or pending, three Canadian copyright registrations and approximately 50 domain name registrations.



From summer camps and dorm rooms to first apartments and family vacations, we have helped shape the memories of our customers. By staying true to our heritage, while also continuing to lean forward, we have developed a multi-generational customer appeal. We have attracted a loyal customer base and a strong celebrity following. We have achieved a Net Promoter Score of 78 (based on a 2025 Survey of Canadian Roots customers), and more than 70% of online customer ratings on roots.com rank our products a five out of five (based on 2025 ratings). In addition, we have 96% aided awareness in Canada (based on a 2025 Ipsos Brand Study).

Throughout our history, we have worked with many notable artists and designers on customized product development, capsule collections, and ad campaigns, including Heather Cooper, Robert Burns, Douglas Copland and Bruce Mau. More recently, we have collaborated on product lines or individual pieces with musicians, athletes and artists such as XO/The Weeknd with Daniel Arsham and MR, Shawn Mendes, Toronto Ink Company (Jason Logan), Benny Bing, Rock The Bells (LL Cool J), John Tavares, Fred VanVleet and Toby Fournier, and partnered with other leading sports teams, franchises, brands and events, including the WNBA and Toronto Tempo, Mattel (Barbie®), NBCUniversal (Wicked®), Indigenous Fashion Arts, Mr. Saturday, Better Gift Shop, October's Very Own (OVO), Adidem Asterisks, Legends League Inc., Révolutionnaire, Marvel Avengers S.T.A.T.I.O.N, Toronto International Film Festival, MuchMusic, Tim Horton's, Canada Dry, Molson Canadian, Air Canada, Hockey Night in Canada, the Toronto Raptors, the Toronto Maple Leafs, the Toronto Blue Jays, and the Canadian and US Olympics teams.

Our Products

For more than 50 years, we have built a lasting portfolio of iconic products and enduring heritage that cannot be replicated. We are constantly pushing ourselves to make the best products that feel unique yet familiar. Through our decades of experience, we have a deep understanding of what customers love about our products. We develop each of our products with the following four elements in mind:

Dependable Quality: upholding a commitment to thoughtful design, and the use of quality materials so that our products wear in, not out.

All-Day Comfort: making sure that our products always offer an effortless fit and provide for an ease of movement, with a feel and touch that is synonymous with comfort.

Versatile Style: we focus on versatile and comfortable outfits that transition seamlessly with our consumer wherever the day takes them, from activities to lounging and everything in between.

Heritage: drawing inspiration from our Canadian beginnings and our rich archives while also priding ourselves on the exceptional craftsmanship of our enduring sweats and leather goods.

Our product offering is structured around an architecture that includes three categories – core favourites, brand builders and seed-to-scale. This architecture helps us to reinforce our heritage while evolving our offering and cultivating a sense of newness for our customers.

Core favourites represent our high volume, popular styles that the consumer looks to Roots for and provide the backbone to the business.

Brand builders are styles that provide a brand halo to the rest of the collection, designed to draw attention, and acquire new customers.

Seed-to-scale styles reflect our latest innovation, materials and categories; we build off of their initial success to create a pipeline for future growth.

Serving as the foundation of our distinct identity, many of our iconic pieces have been in our assortment for decades.

Cooper Sweats



Our Cooper Sweats is one of our iconic product lines. It features our prominent Cooper Beaver Logo, which is our enduring brand symbol and part of our core identity. Salt & Pepper is a reference to our most famous colour of Cooper Sweats, based on a signature two-color twisted and textured yarn, specially engineered to have a cotton surface with a cozy and comfortable interior. We first brought these pieces into our line in 1979 because of the Founders' love of the look of traditional sweats from summer camp, but we applied our own perspective to create something with a softer and lighter feel. These sweats have been innovated over the years and now contain organic cotton and recycled fibres.

Banff Bag



Originally designed in 1988, the Banff Bag was created for an effortless life on-the-go. It is the perfect companion for any weekend getaway with its blend of rugged character and relaxed style. Handcrafted at the Roots leather factory in Toronto, Canada using old-world craftsmanship, each Banff Bag passes through the hands of more than 10 expert artisans.



Varsity Jacket

First created in 1979, our Varsity Jacket has become an emblem of Roots style and craftsmanship. Inspired by a sense of community and team spirit, we looked at varsity jacket silhouettes awarded to athletes. Designed and made in Canada at our leather factory, they feature exclusive and high-quality globally sourced materials. Our jackets have been worn by heads of state, including U.S. presidents and British royalty, celebrities, musicians and athletes.



Cabin

Celebrating our early beginnings in a little cabin in Algonquin Park, Canada, we created the Cabin Collection in 2008. Inspired by the authentic look of traditional outdoor wool work socks, we developed our iconic Cabin Socks, a lighter-weight all-season sock that is more modern and comfortable, with better wicking and less itch and is recognizable for its classic ivory and cabin-red stripe. The iconic ivory and cabin-red stripe has since been integrated into apparel and accessories, perfect for inside or outside of the cabin.

In addition, we continue to innovate and introduce new collections to our iconic assortment.



Active

Our Active collection, where function meets style, leverages technical fabrics designed for enhanced comfort as our customers work up a sweat. Available in a wide range of silhouettes and styles, our Active collection offers benefits including breathable, stretchable, quick dry, moisture wicking, and/or UV protection. Furthermore, our Active collection is made with recycled fibres.



Cloud

Our Roots Cloud Sweats are designed for next-level softness and elevated comfort, made with our premium plush fleece for a luxuriously soft, cozy feel. Featuring fashion-forward silhouettes and colour ways, Cloud focuses on making head-to-toe styling as effortless as it is soft. Built with versatility in mind, Cloud can be layered and paired with our lifestyle assortment for a more elevated look. In our continued dedication to nature, the Cloud collection is crafted exclusively from organic and recycled materials. Beginning in 2025, Cloud is now offered in Gender Free fit and sizing for an even more accessible and inclusive collection.

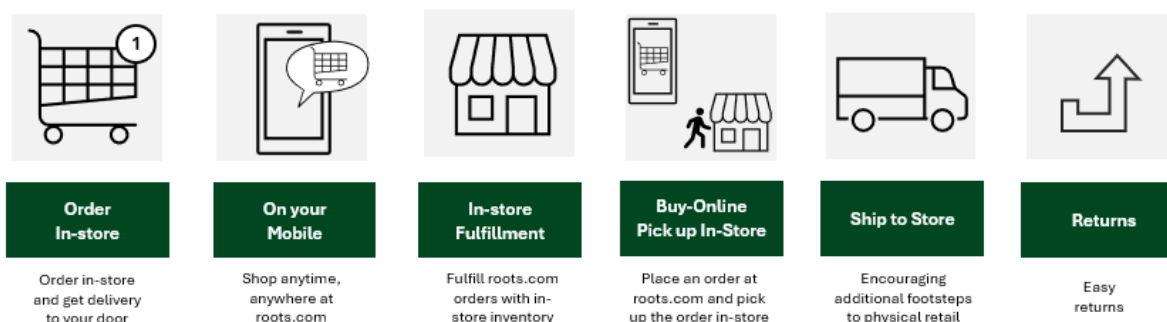
Direct-to-Consumer Channels

Our integrated omni-channel footprint enables us to showcase the Roots brand. We are continuously evaluating our omni-channel capabilities and evolving these channels to improve the customer experience and keep pace with technology innovation and consumer expectations. See “Developments in Our Business – eCommerce”.

At the end of Fiscal 2025, under the Roots banner, we operate a North American store network of 97 corporate retail stores and 11 temporary pop-up locations in Canada, two corporate retail stores in the United States, and an international eCommerce site, roots.com, offering an omni-channel shopping experience. Our retail stores immerse shoppers in our heritage and inspire them to discover our products through exceptional in-store service and visual merchandising. Most of our retail stores are strategically located in high-performing malls or in premium street locations to maximize foot traffic among our target demographics.

We were among the first Canadian brands to launch an online storefront in 1999. For several years, our consumers have been engaging with Roots anytime and anywhere, as roots.com integrates with our retail stores in the following ways:

Existing omni-channel capabilities



Through these synergistic channel capabilities, we are able to deliver a connective retail experience and enhance the productivity of both channels.

Wholesale and International Channels

Outside of North America, the most mature consumer market for Roots is Taiwan. The Taiwan market is supported by a store network of over 100 locations as at the end of Fiscal 2025, and a Taiwan-based eCommerce site, roots.com.tw, all owned and operated by a leading regional retail operator, Branded Lifestyle (“BLS”), an affiliate of Fung Retailing Limited. Our partner-operated stores are designed to replicate the inspiration of our North American locations, exporting our iconic brand and connective retail experience, tailored for regional preferences. BLS purchases Roots branded products from us or designated licensees at wholesale and subsequently sells through its channels to end-customers in Taiwan. During the fiscal year ended January 29, 2022 (“Fiscal 2021”), we extended BLS’s operations and modified the financial terms of their arrangement, such that for most products sold, the Company will benefit from increased wholesale margins but will no longer receive royalties on BLS’s subsequent retail sales of these products.

In addition, during the fiscal year ended January 28, 2023 (“Fiscal 2022”) the Company completed its first year of operations in China, following the relaunching of the Roots brand in that market through its dedicated Roots-branded storefront on business-to-consumer marketplace website, Tmall.com. This platform and

local marketing and public relations has shown momentum and continues to be an encouraging prospect for long-term growth.

Supply Chain and Leather Manufacturing

Original leather goods have been at the heart of Roots since our inception. In keeping with our heritage and craftsmanship tradition, most of our leather products are made in our factory in Toronto, Canada using premium Italian leather.

In addition to manufacturing the majority of our leather goods in our Toronto-based factory, we procure non-leather lifestyle finished products from third-party manufacturers in Canada and around the world. Currently, we have arrangements with third-party suppliers and manufacturers in North America, Asia, and Europe that supply raw materials and finished products to us. In Fiscal 2025, our top ten suppliers, outside of our own leather factory, accounted for approximately 76% of our total inventory purchases. The tenure of our relationships with our top ten suppliers and manufacturers averages over 10 years. We have published the third-party factories (including details such as addresses and number of workers) on our website [roots.com](https://www.roots.com) under the heading “Supply Chain”.

As craftspeople in manufacturing, we know what it takes to create best-in-class products, and we hold our suppliers to stringent quality, health and environmental standards. Our binding supplier requirements, including our Vendor Workplace Code of Conduct, seek to ensure ethical sourcing of raw materials and finished goods. We perform due diligence on new suppliers to ensure sound working conditions and we require evidence of third-party compliance audits to ensure these standards are met. As part of our commitment to ethical sourcing, we joined the Fair Labor Association (the “FLA”) in Fiscal 2022 as a participating company. Finally, with respect to sustainable materials in our products, we have established processes designed to ensure the preferred fibres and materials (“PFMs”) in our products (e.g., organic cotton, recycled polyester, and other materials) meet respected third-party standards for traceability and transparency.

Furthermore, we also report on the steps that we take to prevent and reduce the risk that forced or child labour is used in our supply chain in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “**Modern Slavery Act**”). Our Modern Slavery Report for Fiscal 2024 is available on our website [roots.com](https://www.roots.com) under the heading “Supply Chain” and on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca), and an updated version for Fiscal 2025 will be available on or before May 31, 2026.

Leased Properties

All of our North American stores are leased. In addition to our store fleet, we maintain the following leased facilities for our corporate headquarters and to conduct distribution and manufacturing activities:

Premises	Location	Square Feet	Lease Expiration Date
Head Office.....	Toronto, Canada	63,046	February 28, 2029
Leather Factory.....	Toronto, Canada	45,436	January 31, 2028
Distribution Centre.....	Toronto, Canada	209,948	July 31, 2026

Our Toronto-based head office is an open concept environment that reflects the aesthetics of the brand and includes functional collaborative spaces, including a mock store showroom and photo studios.

The leather factory is located a short distance from the head office and includes interchangeable production stations for production of leather bags, small leather goods and leather jackets. The facility also includes administrative offices and an archives room featuring iconic products.

We operate a multi-channel distribution centre in Mississauga, Ontario, where we complete the significant majority of our retail and eCommerce fulfillment. We house a single pool of inventory, enabling us to seamlessly transition between our channels and dynamically adjust to changes in customer shopping

behaviours. Our distribution centre is integrated and supported by a tier-one warehouse management system.

On January 20, 2026, we entered into a 10-year strategic partnership with Canadian third-party logistics provider Metro Supply Chain. This new partnership will result in our distribution function moving from our current Company-operated distribution centre to Metro Supply Chain's facility in Bolton, Ontario, expected to be effective by mid-2026. Metro Supply Chain's focus on customized, technology-enabled logistics solutions, supply chain engineering, and automation is expected to enhance our omni-channel experience and support our long-term growth.

North American Employees

As at January 31, 2026, we had 1,885 employees (including active employees and inactive employees, but excluding seasonal employees), of which 1,441 were employed in our stores, 290 were employed at our head office, 98 were employed at our Toronto-based leather factory and 56 were employed at our Toronto-based distribution facility.

We hire seasonal associates for our stores, distribution facility and customer care during peak seasons such as the holiday shopping season, which provides us with greater flexibility regarding the size of our workforce and allows us to better address busier peak periods. None of our employees are currently covered by a collective bargaining agreement, and we have had no labour-related work stoppages.

Information Systems

Information systems and technology infrastructure continue to play a key role in supporting our business. We have continuously and strategically invested in information systems and a technology infrastructure that can improve our customer experience, expand marketing opportunities, drive efficiencies in our operations and maintain data security and information privacy. In Fiscal 2025, we continued to enhance our omni-channel capabilities by leveraging artificial intelligence ("AI") based automated store replenishment tools and curated customer messaging, expanded the breadth of inventory available to ship to online customers in the United States, implemented an AI chatbot and an online returns portal to improve customer service response times, launched buy online and pick-up in-store functionality to add more ways for our customers to shop with us, and made back-end infrastructure investments to improve our customer interaction experiences. See "Developments in Our Business – eCommerce".

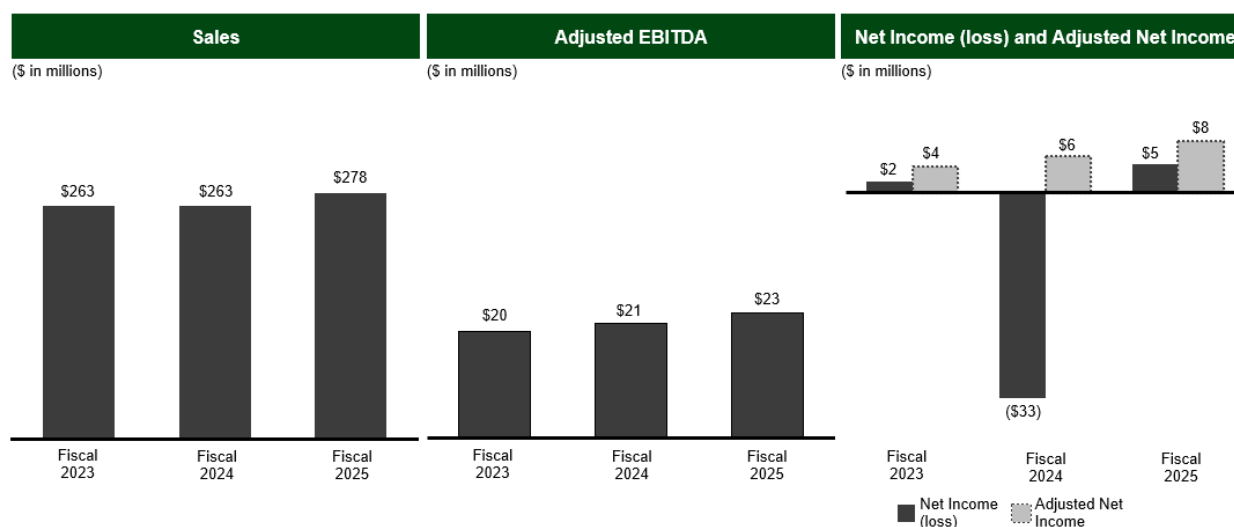
Competition

The market for high-quality apparel, leather goods, accessories and footwear is highly fragmented. We compete directly against other manufacturers, wholesalers and direct retailers of apparel, leather goods, accessories and footwear. Due to our diversified array of product offerings, we compete with both global brands and smaller regional brands, including those that may specialize in a specific category. While we operate in a highly competitive market with fast-paced changes in industry dynamics, we believe there are many factors that differentiate us from other manufacturers, wholesalers and retailers. We believe that we successfully compete on the basis of our strengths, including our powerful brand, rich heritage, diverse portfolio of enduring products, robust omni-channel footprint and broad demographic appeal.

DEVELOPMENTS IN OUR BUSINESS

Financial Performance

In Fiscal 2025, our products were sold in over 40 countries worldwide. We generated sales of \$277.7 million. In addition, we recognized Fiscal 2025 net income of \$4.7 million, Adjusted Net Income of \$8.4 million, and Adjusted EBITDA of \$23.3 million. A summary of our sales, net income (loss), Adjusted Net Income, and Adjusted EBITDA for Fiscal 2023 to Fiscal 2025 is set out below. See also “Non-IFRS Measures Including Industry Metrics”.



Each of Adjusted Net Income, Adjusted Net Income per share, EBITDA and Adjusted EBITDA are non-IFRS Measures. The tables below provide a reconciliation of each of these measures to net income (loss), their most directly comparable IFRS measure:

	Fiscal 2023	Fiscal 2024	Fiscal 2025
CAD \$000s			
Net income (loss)	1,840	(33,443)	4,667
<i>Adjust for the impact of:</i>			
Interest expense (a)	9,470	8,840	8,001
Income taxes expense (a)	815	(11,767)	2,074
Depreciation and amortization (a)	29,706	29,662	27,826
EBITDA	41,831	(6,708)	42,568
<i>Adjust for the impact of:</i>			
COGS: Transition of Distribution Centre (b)	—	—	199
SG&A: Rent expense excluded from net income due to IFRS 16 (a)	(25,253)	(23,173)	(22,171)
SG&A: IFRS 16: Impairment of ROU assets (a)	61	—	—
SG&A: Purchase accounting adjustments (c)	(47)	(55)	(18)
SG&A: Stock option expense (d)	454	156	646
SG&A: Changes in key personnel (e)	2,586	879	1,581
SG&A: Non-recurring legal fees (f)	128	126	3
SG&A: Tariffs on US Web Shipments (g)	—	—	1,009
SG&A: Impairment reversal of fixed assets (h)	—	—	(523)
SG&A: Other non-recurring items (i)	95	80	32
Impairment of intangible assets (k)	—	50,000	—
Adjusted EBITDA ^(l)	19,855	21,305	23,326

CAD \$000s	Fiscal 2023	Fiscal 2024	Fiscal 2025
Net income (loss)	1,840	(33,443)	4,667
<i>Adjust for the impact of IFRS 16:</i>			
Rent expense excluded from net income (a)	(25,253)	(23,173)	(22,171)
Depreciation on ROU assets (a)	17,915	18,206	16,936
Impairment on ROU assets (a)	61	—	—
Interest on lease liabilities (a)	4,854	5,124	5,049
Deferred tax impact (a)	642	(42)	49
Total IFRS 16 impacts reversed	(1,781)	115	(137)
<i>Adjust for the impact of:</i>			
COGS: Transition of Distribution Centre (b)	—	—	199
SG&A: Purchase accounting adjustments (c)	(47)	(55)	(18)
SG&A: Stock option expense (d)	454	156	646
SG&A: Changes in key personnel (e)	2,586	879	1,581
SG&A: Non-recurring legal fees (f)	128	126	3
SG&A: Tariffs on US Web Shipments (g)	—	—	1,009
SG&A: Impairment reversal of fixed assets (h)	—	—	(523)
SG&A: Other non-recurring items (i)	95	80	32
SG&A: Amortization of intangible assets acquired by Searchlight (j)	2,346	2,302	2,165
Impairment of intangible assets (k)	—	50,000	—
Total adjustments	5,562	53,488	5,094
Tax effect of adjustments	(1,351)	(14,133)	(1,180)
Adjusted Net Income ^(m)	4,270	6,027	8,444
Adjusted Net Income per share ⁽ⁿ⁾	\$0.11	\$0.15	\$0.22

Notes:

- (a) The impact of IFRS 16 in Fiscal 2023, Fiscal 2024, and Fiscal 2025 was: (i) a decrease to selling, general and administrative (“SG&A”) expenses of \$7,277, \$4,967, and \$5,235, respectively, which comprised the impact of depreciation, lease modifications and impairment 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 \$4,854, \$5,124 and \$5,049, respectively, arising from interest expense recorded on the lease liabilities in the period, and (iii) a deferred tax impact of \$642, \$(42), and \$49, respectively, based on tax attributes on the ROU assets and lease liabilities balances recorded.
- (b) Represents consulting, implementation, and transition costs in connection to the migration of the Company’s distribution centre from its in-house facility to a third-party logistics centre, to be completed by mid-2026. The Company does not believe the costs are reflective of the underlying business results as the migration of a distribution centre is infrequent in nature.
- (c) 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. If the Acquisition had not occurred, such intangibles would not have been recognized and, consequently, the associated expenses would not have been incurred.
- (d) Represents non-cash share-based compensation expense in respect of our Legacy Equity Incentive Plan, Legacy Employee Option Plan, and Omnibus Equity Incentive Plan.
- (e) 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.
- (f) Represents non-recurring legal costs that are outside the scope of normal operations.
- (g) In Fiscal 2025, the Company incurred \$1,508 of tariffs for goods imported into the U.S. for fulfillment of eCommerce orders. The Company has undertaken a transfer pricing study and determined that approximately 70% of the tariffs could be saved going forward under the determined structure. The adjustment of \$1,009 represents the portion of tariffs that would have been saved, had the transfer pricing structure been implemented in Fiscal 2025.
- (h) Represents a non-cash impairment reversal applied against certain fixed assets for stores where the recoverable amount supports a reversal of the previously incurred impairment charges.
- (i) Represents one-time costs that do not reflect the underlying profitability of the business, including consulting fees related to transfer pricing initiatives and non-recurring settlement fees relating to the termination of certain operating contracts.
- (j) As a result of the Acquisition, intangibles relating to customer relationships of \$7,766 with a useful life of 10 years and licensing arrangements of \$25,910 with useful lives ranging from four to 13 years were recognized in accordance with IFRS 3, *Business Combinations*. The amortization expense resulting from the recognition of these intangible assets are non-cash in nature and

are a direct result of the Acquisition. If the Acquisition had not occurred, such intangibles would not have been recognized and, consequently, the associated expenses would not have been incurred.

- (k) Represents a non-cash impairment charge taken against intangible assets, where the carrying amount of the assets exceeded their estimated recoverable amount. The Company does not believe the charge to be reflective of the underlying results of the business as compared to historical periods and further does not expect the impairment charge to have any impact on its future operations, nor affect its liquidity, cash flows, or compliance with any financial and operating covenants.
- (l) Adjusted EBITDA excludes the impact of IFRS 16. If the impact of IFRS 16, net of impairments on the ROU assets, was included for Fiscal 2023, Fiscal 2024, and Fiscal 2025, Adjusted EBITDA would have been \$45,094, \$44,553, and \$45,515, respectively.
- (m) Adjusted Net Income excludes the impact of IFRS 16. If the impact of IFRS 16, net of impairments on the ROU assets, was included for Fiscal 2023, Fiscal 2024, and Fiscal 2025, Adjusted Net Income would have been \$6,086, \$5,952, and \$8,594, respectively.
- (n) Adjusted Net Income per share has been calculated based on the weighted average number of Shares outstanding during the period. The weighted average number of Shares during Fiscal 2023, Fiscal 2024, and Fiscal 2025 was 40,657,335, 40,251,312, and 38,049,388, respectively.

Products

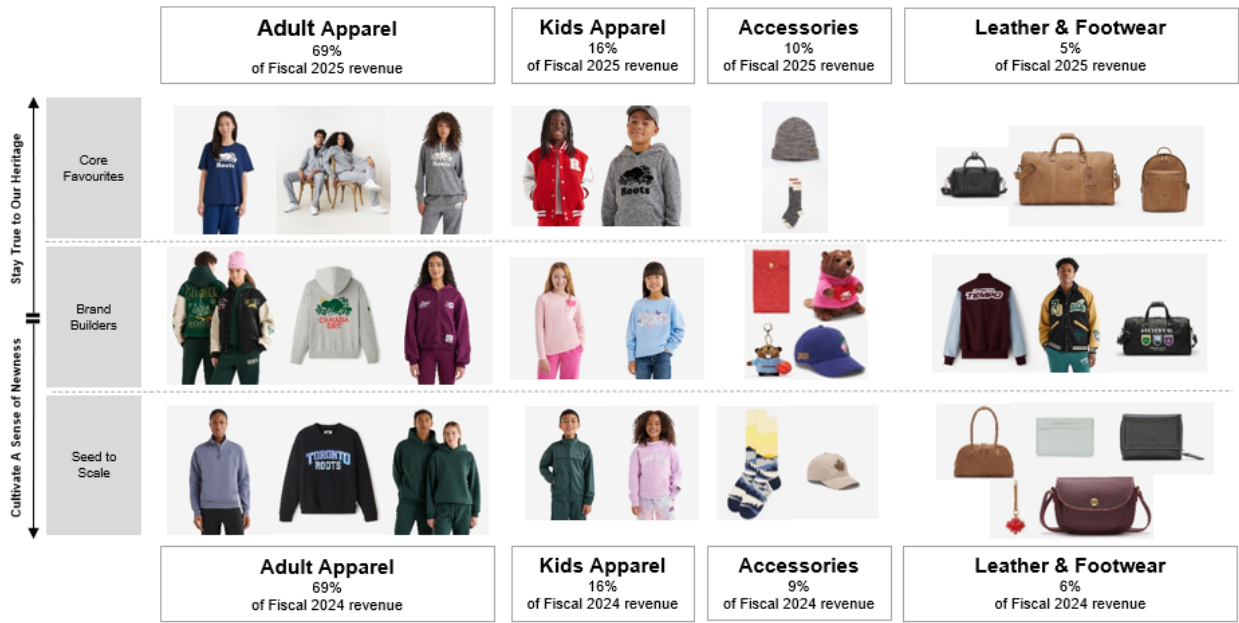
We design our products at our head office and our leather factory, both located in Toronto, Ontario. The design team has been focused on curating our product collections to suit the needs of our global customers.

During Fiscal 2025, we maintained our investment in organic and recycled materials through our PFMs initiative. In Fiscal 2025, 94% of new apparel items were manufactured with PFMs content.

We continue to see growth in our Cloud Collection and have expanded it to a diverse assortment across Women’s, Men’s, Kids and now Gender Free that lives year-round. The growth in this collection resonates with consumers who love Roots but prefer a minimal logo offering. By maintaining our Cooper styles and growing Cloud offerings, our assortment unlocks further growth by offering products for all logo preferences while protecting our signature quality and comfort.

We built on the successful establishment of our Active assortment by scaling the most productive items (women’s tops and leggings, men’s t-shirts and polos) to become part of our “always-on” core assortment, as well as expanding silhouettes within successful fabrications and adding new fabrications to provide an “active total look” to the consumer. In Fiscal 2025, we introduced our Roam Rib program which has contributed positively to our year over year growth. In addition, our Active collection continued to grow as a percentage of total sales in Fiscal 2025. This category will continue to be an area of focus for the brand, as we look to diversify our product offering in ways that complement our core products.

We continued to build on our premium made-in-Canada assortment, reinforcing the premium brand “halo”, with a focus on our iconic Varsity Jackets, core fleece silhouettes and select bags and accessories. We leveraged this assortment through brand collaborations such as Barbie®, Wicked ® and Canada Dry ®, as well as releasing our “Local Roots” sweats for premium tourist locations.



North American Store Footprint

Our store growth and optimization strategy is supported by our ability to secure favourable lease terms. In Fiscal 2023, 2024, and 2025, excluding our temporary and short-term projects, on an average basis over these years, we entered into leases with a base term of 4.2 years. As at January 31, 2026, the average length of time remaining on all leases is 3.4 years. In addition, 18 of our stores employ purely variable rents

as a percentage of sales generated. Accordingly, our current store lease commitments are flexible and allow us to work nimbly as we optimize our portfolio. This includes closing select stores and relocating to more attractive locations.

The following table summarizes the changes to our corporate retail store count in North America in Fiscal 2025 compared to Fiscal 2024 and Fiscal 2023.

	Fiscal 2025					Fiscal 2024	Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Total	Total
Number of stores, beginning of period	100	100	100	101	100	106	109
New stores	–	–	1	–	1	1	2
Closed stores	–	–	–	(2)	(2)	(7)	(5)
Number of stores, end of period . . .	100	100	101	99	99	100	106
Stores renovated, expanded and/or relocated	–	2	–	1	3	5	7
Temporary pop-up locations, in addition to above store count	8	11	11	11	11	8	11

In Fiscal 2025, we continued to take advantage of more affordable rents and short-term leases during the year, leveraging our test-and-learn pop-up strategy, and opening a net total of three short-term pop-up locations. We will continue to explore pop-ups, as we believe they represent a low risk, high reward approach to showcase key products and collections, capturing event-driven and/or seasonal traffic, and testing new markets and concepts. Additionally, commencing in Fiscal 2024, we began rolling out a new store design concept in new renovations and store openings. The new store design introduces a brighter modern aesthetic with a focus on introducing elements that focus on improving the customer's shopping experience at the store.

eCommerce

Our on-going investments in our omni-channel platform continues to make it easier for our customers to shop with us however, wherever, and whenever they choose. We expect that certain customers may have permanently integrated eCommerce as a shopping channel, and we are focused on providing those customers with a seamless experience.

In Fiscal 2025, we continued to focus on optimizing our omni-channel experience. We continued to make improvements to our omni-channel technology platform to improve the customer experience and expand our marketing opportunities. Examples of these improvements include: implementation of an AI-driven replenishment system with the goal of improving customer experience through increasing inventory availability, improved curated customer messaging, implementation of an AI chatbot and online returns portal to improve customer service response times and consumer satisfaction, adding buy online and pick-up in-store functionality, continuing to expand inventory availability in our Canadian retail locations for purchase online by our U.S. customers, and improving data access and analytical capabilities. Additionally, this year marked the second anniversary of our “endless aisle” technology that allows customers visiting our store locations to order products online.

During our peak holiday season in Fiscal 2025, we continued to ship efficiently, having 99.4% of orders fulfilled by the distribution centre in five days or less. In addition, we continue to partner with a number of fulfillment carriers to protect against disruptions in delivery and optimize our fulfillment costs.

With a single pool of inventory across retail and eCommerce, we can dynamically share inventory and adapt quickly to geographic differences in consumer demands. Our in-store fulfillment capabilities for online orders, as well as curbside and click-and-collect options, enable us to leverage inventory across channels.

Marketing

Our marketing investments in Fiscal 2025 were focused on where we believed it would generate the greatest return in the current retail operating environment. We continue to bolster our existing brand awareness with both targeted and broad campaigns to land our functional category key messages, while also renewing our connection to consumers during the holiday season in more emotional ways. Our Holiday 2025 campaign featured Seth Rogen as our “Holiday Concierge,” delivering entertaining product-led storytelling that resonated strongly with consumers and drove high engagement. Our second Wicked collaboration also generated rapid sell-outs and strong consumer demand. We used cross-channel customer data and AI to further refine our digital targeting and improve search engine optimization. We also leveraged our ambassador program which generated highly engaging content throughout the year and helped us broaden our reach to new communities. In connection with these efforts, in Fiscal 2024 we entered into a multi-year partnership with Canadian NCAA basketball sensation and ACC Rookie of the Year, Toby Fournier of Duke University, as the first female ambassador for our Active category.

In addition to using a multi-media marketing approach, we have a well-established presence on major social media platforms, including Facebook, Instagram, TikTok, X (formerly Twitter), Reddit, Pinterest, and LinkedIn and a growing following on WeChat, RedNote / Little Red Book, Weibo, and Douyin in China. Our social media presence enables us to enhance the storytelling around our brand, spotlight user generated content from our fans, and offer personalized content for our customers.

International Footprint

During Fiscal 2025, the brand generated \$398 million of system-wide sales, of which, approximately 23% came from outside of Canada, with the majority of those sales coming from Taiwan, and our U.S. eCommerce platform and U.S. stores. The remainder of our system-wide sales outside of Canada are derived from our business-to-business and licensing relationships, as well as international sales through roots.com and sales in China through tmall.com. See “Non-IFRS Measures Including Industry Metrics”.

Environment, Social & Governance (ESG)

Building on Roots’ long-history of focusing on the importance of the environment and nature, in Fiscal 2021 Roots launched several initiatives to establish itself as a progressive apparel brand with respect to sustainability. Our ESG program focuses on three areas, (1) climate action – greenhouse gas and waste benchmarking and reduction, (2) ethical labour practices in our supply chain and (3) material and product innovation through the use of sustainable materials and circularity.

In Fiscal 2025, Roots continued to execute on its strategy to accelerate its efforts in sustainability through the following:

- We continued to support the Nature Conservancy of Canada (“**NCC**”), an organization that seeks solutions to the twin crises of rapid biodiversity loss and climate change through large-scale, permanent land conservation. Roots entered into a three-year partnership with the NCC in September 2024. Roots’ support for the NCC has been directed towards the NCC’s conservation efforts in the Frontenac Arch Natural Area located in eastern Ontario just north of Kingston and northeast of the St. Lawrence River.
- We continued to ensure that a significant proportion of our products contain PFMs, such as organic cotton and recycled polyester. These products contain materials that have more sustainable properties in comparison to other options. Roots authenticates these materials through emerging “chain-of-custody” certification programs governed by the Textile Exchange;
- As members of the Textile Exchange, we participated annually in the organization’s Corporate Fibres and Materials Benchmark to measure and assess use of PFMs in our products. The Textile

Exchange is an organization focused on establishing reliable ways to trace the use of preferred fibres by apparel brands thereby helping to reduce emissions from the global textile industry;

- As members of the Leather Working Group, we worked on enhancing traceability and reducing the environmental impact of leather production;
- We continued to work on analyzing and understanding the role that our business plays in generating greenhouse gas (GHG) emissions and waste, to help set GHG and waste reduction targets and strategies; and
- We continued our work on enhancing sustainable elements of our packaging and shopping bags.

In Fiscal 2022, Roots joined the FLA as a participating company. The FLA is an international network of companies, universities, and civil society organizations collaborating to ensure that millions of people working at the world's factories and farms are paid fairly and protected from risks to their health, safety, and well-being. We are proud to be pursuing FLA accreditation, a process which verifies that the Company has systems in place to improve conditions for manufacturing workers in our global supply chain, based on FLA's internationally recognized standards. Our work with FLA means that we are a part of a global movement to protect millions of workers at every link of international supply chains.

In Fiscal 2025, Roots continued to make meaningful investments into initiatives relating to diversity, equality, equity and inclusion ("**DEEI**"). Our DEEI Council remained active with a continued focus on improving our organizational maturity along key DEEI measurements. Our work in this area spans product design, marketing and advertising, employee policy and processes and community engagement. Among other things, the DEEI Council instituted employee training and an ongoing speaker series bringing a wide range of external speakers to the Roots employee community from various equity seeking groups.

Also, throughout the year we focused on the continuing education of our employees and directors. Training ranged from executive workshops on sustainability to matters relating to DEEI and focused DEEI training for all people leaders across the Company.

Commencing in Fiscal 2024, in accordance with the Modern Slavery Act, we reported on the steps that we take to prevent and reduce the risk that forced or child labour is used in our supply chain. Our Modern Slavery Report for Fiscal 2024 is available on our website [roots.com](https://www.roots.com) under the heading "Supply Chain" and on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca), and an updated version for Fiscal 2025 will be available on or before May 31, 2026.

For over 50 years, Roots has been committed to giving back to and partnering with communities in need. With our values of community, authenticity, integrity and freedom in mind, we are committed to embracing individuality through respect, acceptance, representation, and empowerment. Our philanthropic endeavours, now branded as "Roots Cares", are focused on amplifying the values shared with our customers.

OUR FUTURE GROWTH

Roots is an iconic heritage brand with loyal and engaged customers in our core markets. We have a robust omni-channel offering with meaningful opportunities for growth and a diverse product portfolio with exciting whitespace opportunities. We also have a flexible operating cost base, a well-invested scalable infrastructure, and a strong company-wide commitment to tight cost controls, analytical decision making and return on investment when making investment decisions.

We remain focused on:

- *Amplifying and building our global brand:* We are a brand with over 50 years of heritage that has an effortless style, exceptional quality, and remarkable comfort that has continually proven it can innovate and adapt to the evolving needs of consumers. We will continue to develop thoughtful brand campaigns across a full-funnel media approach and enter into meaningful partnerships with brand ambassadors and organizations around the world that align with our core values.
- *Curating a global product assortment:* We are a global brand that sells products around the world. We plan to continue to curate our product collection to suit the needs of our global customer base, including making more investments in sustainable materials and programs. Furthermore, we continue to refine and build on our key product franchises that contribute to the consistent identity of Roots globally.
- *Elevating customer experience through improved omni-channel touchpoints and extended wholesale reach:* As an omni-channel retailer, we will continue to make it easier for all of our customers to shop with us, however, wherever, and whenever they choose. We are continuing to enhance and elevate our mobile and web experience through investments in our overall customer experience and customization. Our store base also remains a critical touchpoint for both new and existing customers, and we continue to refine our store design and invest in our store base to offer the best possible experience for customers. Finally, we view our wholesale and business-to-business channels as a strong extension of our brand and believe in the long-term potential of the channel to amplify the brand to new customers.
- *Continued emphasis on disciplined ROI-based decision making and operational excellence:* We will continue to work to improve our operational efficiency to strengthen profitability and increase free cash flow generation. We will pursue profitable growth opportunities by anchoring our investment decisions on those expected to generate the best return.

On March 3, 2026, we announced that the board of directors of the Company (the “**Board**”) has initiated a review of strategic alternatives (the “**Strategic Review**”) to identify opportunities to maximize the value for all Shareholders. During the Strategic Review, the Board will analyze and evaluate a range of alternatives, including, but not limited to, a sale of the Company. The Strategic Review has been commenced as part of Roots value-maximization strategy while Roots continues to execute on its current business plan. See “Risk Factors – The Strategic Review outcome is uncertain”.

See “Forward-Looking Information”.

RISK FACTORS

Enterprise Risk Management Framework

The effective management of risks within the Company is a key priority for the Board and senior management and, to this end, Roots has adopted a continuous enterprise risk management framework for identifying, assessing, monitoring and mitigating key risks. In connection with our framework, on a quarterly basis cross functional leaders update a central risk register containing various measurements relating to risk severity, likelihood and frequency. Key changes and results flowing from this register are presented by management to the audit committee of the Company and included in presentations to the Board as applicable with relevant commentary relating to the Company's risk tolerance and mitigation strategies.

Key Risks

The following factors could materially adversely affect us and should be considered when deciding whether to make an investment in us and the Shares. Other risks and uncertainties that we do not presently consider to be material, or of which we are not presently aware, may become important factors that affect our future financial condition or results of operations. The occurrence of any of the risks discussed below could materially adversely affect our business, prospects, financial condition, results of operations or cash flow; consequently, the trading price of our Shares could be materially and adversely affected. In all these cases, the trading price of the Shares could decline, and prospective investors could lose all or part of their investment.

Risks Related to Our Business

The Strategic Review outcome is uncertain.

On March 3, 2026, the Company announced that the Board had initiated the Strategic Review to identify opportunities to maximize the value for all Shareholders, including, but not limited to, a sale of the Company. There is no specific timetable for completion of the Strategic Review and there are no assurances or guarantees that the Strategic Review will result in a transaction or, if a transaction is undertaken, the terms or timing of such a transaction or that the transaction will achieve its intended benefits, including maximizing value for all Shareholders. Failure to complete a transaction, or the failure to achieve the intended benefits of a transaction, may have a material adverse effect on the Company's business, financial condition or results of operations and may cause the Company's Share price to be materially negatively affected.

General economic conditions in regions in which we operate, including lower levels of consumer spending, can affect consumer confidence and consumer purchases of discretionary items, including apparel, leather goods, accessories, footwear and related products, such as ours.

Consumer purchases of discretionary retail items and specialty retail products, which include our apparel, leather goods, accessories and footwear, may be adversely affected by economic conditions such as employment levels, salary and wage levels, the availability of consumer credit, inflation, interest rates, tax rates, fuel prices and consumer confidence with respect to current and future economic conditions. Consumer purchases may decline during recessionary periods or at other times when unemployment is higher or disposable income is lower. These risks may be exacerbated for retailers like us that focus significantly on selling discretionary merchandise. Consumer willingness to make discretionary purchases may decline, may stall or may be slow to increase due to national and regional economic conditions. Further or future slowdowns or disruptions in the regions in which our products are sold could adversely affect mall and shopping destination traffic and new mall and retail development and could materially and adversely affect our business, financial condition, results of operations and growth. In addition, a deterioration of economic conditions and future recessionary periods may impact the other risks faced by our business, including those risks we encounter as we attempt to grow our business.

Our business depends on a strong brand image and, if we are not able to protect our brand, our business will be negatively impacted.

We believe that our brand image and brand awareness have contributed significantly to the success of our business and that maintaining and enhancing our brand image and increasing brand awareness in new markets where we have limited or no brand recognition is important to expanding our customer base. Maintaining and enhancing our brand image and increasing brand awareness may require us to make investments in areas such as marketing, merchandising, store development, employee training and public relations, as well as other spending associated with opening new stores or renovating existing stores, providing services relating to international brand reputation and international operating partners and expanding our eCommerce business. These investments may be substantial and may not ultimately be successful.

Our brand image and reputation may be impacted by actions taken by our employees or collaboration partners (including influencers), characteristics of our merchandise, marketing activities and negative commentary or reviews. Widespread use and access to social media campaigns and viral messaging or imagery could significantly broaden the scope and impact of any such events or circumstances. Because consumers value readily available information about retailers and their products, they may act on information conveyed through social media without further investigation and without regard to its accuracy. The harm to our brand may be immediate without affording us an opportunity for redress or correction, and there can be no assurance that we will respond in an appropriate or timely manner, which could materially adversely affect our business, financial condition and results of operations.

In addition, we increasingly engage influencers to promote our brand and products. While we have implemented frameworks to guide influencer conduct, influencer statements, actions or behaviours may be difficult or impossible to control or predict, and may negatively impact our reputation and sales.

The success of our business depends on our ability to evolve our product offerings by anticipating and responding in a timely manner to constantly changing consumer demands, tastes and fashion trends across multiple product lines, sales channels, geographies and demographics. If we are unable to anticipate and respond to these changes, it could have a material adverse effect on our business, financial condition and results of operations.

Our target customers are subject to rapidly shifting fashion and seasonal trends, personal tastes and demands. Accordingly, our success depends on our ability to anticipate and forecast changes in fashion trends and consumer preferences and continuously manage and develop our product offering to respond to these consumer trends.

We design new merchandise, select and purchase raw materials, develop new retail concepts and continuously adjust the position of our brands and merchandise categories in an effort to meet our customers' demands. We also manage our inventory through initial pricing and markdowns and by allocating, replenishing and transferring products across our network of stores and sales channels to optimize merchandise offerings.

To ensure adequate inventory levels, we must forecast inventory needs and place orders with our suppliers and manufacturers based on our estimates of future demand for particular products. Our ability to accurately forecast consumer demand for our products may be affected by many factors, including, among others: (i) an increase or decrease in consumer demand for our products or for products of our competitors; (ii) consumer acceptance of seasonal products; (iii) product introductions by competitors; (iv) competitor pricing and discounting strategies; and (v) unanticipated changes in general market conditions.

There is no assurance that we will continue to successfully carry out our demand-driven merchandise planning, buying and pricing strategies, or to stock our stores with the appropriate assortment of merchandise. To the extent our predictions differ from our customers' actual preferences, we may experience excess raw materials or inventory or a shortage of products available for sale in our stores or for delivery to consumers through our eCommerce channels, resulting in missed opportunities. Inventory levels

in excess of consumer demand may result in inventory write-downs or write-offs and the sale of excess inventory at discounted prices, which could negatively impact our gross profit margin. Although we strive to exercise a disciplined markdown strategy, excess inventories could compromise our ability to do so and result in lower gross profit margins due to greater than anticipated discounts and markdowns that might be necessary to reduce inventory levels. Low inventory levels can adversely affect our ability to meet customer demand, which may lead to lost sales and diminished brand loyalty. Any sustained failure to anticipate, identify and respond to emerging trends in consumer preferences could have a material adverse effect on our business, financial condition and results of operations.

We operate in several highly competitive industries and the size and resources of some of our competitors may allow them to compete more effectively than we can, which could adversely impact our growth and market share.

We face strong competition in the apparel, leather goods, accessories and footwear industries. We compete on the basis of a combination of factors, including the location of stores, the breadth, style, quality, price and availability of merchandise; the level of customer service; and brand recognition. We compete with a diverse group of specialty apparel and footwear retailers, department stores, fast fashion retailers, athletic retailers and other manufacturers and retailers of branded apparel and accessories. Our expansion into markets served by our competitors and entry of new competitors or expansion of existing competitors into our markets could have an adverse effect on our business.

Many of our competitors are, and many of our potential competitors may be, larger and have access to greater financial, marketing and other resources. Therefore, these competitors may be able to devote greater resources to the marketing and sale of their products or adopt more aggressive pricing policies than we can. As a result, we may lose market share, which could reduce our sales and adversely affect our results of operations.

Our competitors may seek to emulate facets of our business strategy, in-store experience or merchandise offerings, which could result in a reduction of any competitive advantage that we might possess. As a result, our current and future competitors, especially those with greater financial, marketing or other resources, may be able to duplicate or improve upon some or all of the elements of our in-store experience or merchandise offerings that we believe are important in differentiating our customers' shopping experience. If our competitors were to duplicate or improve upon some or all of the elements of our in-store experience or product offerings, our competitive position and our business could suffer. There can be no assurances that we will continue to be able to compete successfully against existing or future competitors.

Fluctuations in the value of the Canadian dollar in relation to the U.S. dollar and other currencies may impact our financial condition and results of operations and may affect the comparability of our results between financial periods.

We are exposed to market risks attributable to fluctuations in foreign currency exchange rates, primarily changes in the value of the Canadian dollar relative to the U.S. dollar. Exchange rate fluctuations could have an adverse effect on our operating and financial results.

The majority of our sales are derived in Canadian dollars while the vast majority of our cost of goods sold is denominated in U.S. dollars. Our gross margins may be materially impacted by fluctuations in the strength of the Canadian dollar, relative to the U.S. dollar. In the future, we expect to continue to derive a significant portion of our sales in Canadian dollars and incur a significant portion of our cost of goods sold in U.S. dollars, and changes in exchange rates between the Canadian dollar and the U.S. dollar may have a significant effect on our results of operations.

We employ foreign currency forward contracts in a disciplined hedging strategy to mitigate risks associated with forecasted U.S. dollar merchandise purchases sold in Canada, but there can be no assurance that this strategy will prove to be successful, nor will forward contracts allow the Company to permanently avoid foreign exchange volatility. Currency hedging entails a risk of illiquidity through difficulties in exiting hedged positions and, to the extent the applicable foreign currency depreciates or appreciates (depending on the

direction of the hedge) against the Canadian dollar, the use of hedges could result in losses greater than if the hedging had not been used.

Our financial statements are presented in accordance with IFRS, and we report, and will continue to report, our results in Canadian dollars. Any change in the value of the U.S. dollar against the Canadian dollar during a given financial reporting period would result in a foreign currency loss or gain on the translation of U.S. dollar denominated sales and costs. Consequently, our reported earnings could fluctuate materially as a result of foreign exchange translation gains or losses and may not be comparable from period to period.

We are subject to risks associated with leasing retail space and are subject to a number of long-term non-cancelable leases with substantial lease payments. Any failure to make these lease payments when due, or the inability to terminate, extend, renew or continue to lease space in key locations, would likely harm our business, profitability and results of operations.

We do not own any real estate. Instead, we lease all of our North American retail store locations (other than stores operated by our partner in Taiwan), as well as our head office, leather factory and our distribution centre. Accordingly, we are subject to all of the risks associated with leasing, occupying and making tenant improvements to real property, including adverse demographic, co-tenant, and competitive changes affecting the location of the property, changes in availability of and contractual terms for leasable retail space, credit risk in relation to tenant improvement allowances from landlords and potential liability for environmental conditions or personal injury claims.

The success of any store depends substantially upon its location. There can be no assurance that our current store locations will continue to be desirable in the future, or that we will be able to secure new desirable locations in the future on favourable terms or at all. Store locations, customer conversion and sales may be adversely affected by, among other things, social and economic conditions in a particular area, competition from nearby retailers selling similar merchandise, changes in co-tenants that negatively impact the desirability of our store locations, changing lifestyle choices of consumers in a particular market and the closing or decline in popularity of other businesses located near our store locations. Changes in areas around our store locations that result in reductions in customer foot traffic or otherwise render the locations unsuitable could cause our sales to be less than expected. If we cannot obtain desirable locations at reasonable costs, our cost structure will increase, and our sales will be adversely affected. See also “—Bankruptcies by other retailers and licensees may negatively impact us”.

Our existing stores are leased from third parties, with an average remaining lease term of 3.4 years. Some of our lease agreements also have renewal options. However, there can be no assurances that we will be able to exercise the options to extend the lease on our existing store locations or identify and secure alternative suitable locations. In addition to fixed minimum lease payments, most of our store leases provide for additional rental payments based on a percentage of sales, or “percentage rent,” if sales at the respective stores exceed specified levels, as well as the payment of common area maintenance charges, real property insurance, real estate taxes and other charges. Many of our lease agreements have defined escalating rent provisions over the initial term and any extensions. Increases in our occupancy costs and difficulty in identifying economically suitable new store locations could have significant negative consequences, which include:

- requiring that a greater portion of our available cash be applied to pay our rental obligations, thus reducing cash available for other purposes and reducing our profitability;
- increasing our vulnerability to general adverse economic and industry conditions; and
- limiting our flexibility in planning for, or reacting to changes in, our business or in the industries in which we compete.

We depend on cash flow from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities to fund these expenses and sufficient funds are not otherwise available to us, we may not be able to service our lease expenses, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which could harm our business. Additional sites that we lease may be subject to long-term non-cancelable leases if we are unable to negotiate shorter terms. If an existing or future store is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, if we are not able to enter into new leases or renew existing leases on terms acceptable to us, this could have an adverse effect on our results of operations and profitability.

Our operations at our leather factory and distribution facility could involve, from time to time, the handling of potentially hazardous or toxic substances. Pursuant to the terms of our leases in respect of these properties, we are generally not responsible for material environmental liabilities that existed on these properties prior to the closing of the Acquisition (in the case of the leather factory) or the entry into of the lease (in the case of the distribution facility). However, if a leak, spill or other environmental incident were to occur on one or more of these properties, or if our operations were to exacerbate any environmental or occupational health and safety matters that had existed prior to the closing of the Acquisition or the entry into of the lease, as applicable, we could be potentially liable for removal or remediation costs, as well as certain other related costs, including governmental fines and injuries to persons or property. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to remediate properly such substances, could have an adverse effect on our business, financial condition, and results of operations.

A failure to reduce operating expenses and labour costs in a timely manner in response to changes in our business could adversely affect our results of operations.

Our business and results of operations are sensitive to a number of factors, both within and outside our control. In the event of a sustained reduction in sales, for whatever reason, it may be necessary to implement an expense reduction plan. The successful implementation of an expense reduction plan, if and when deemed advisable by management, depends on many factors, including our ability to identify the need for such a plan in a timely manner, to effectively implement such a plan, as well as certain factors which are beyond our control, including economic conditions, labour market conditions and ability to maintain our management team to implement our plan, and any one of these factors or other unforeseen factors could have a material adverse effect on our ability to implement any targeted cost savings to stabilize our results of operations.

Our sales and profitability may decline as a result of increasing product costs and changes to our selling prices.

Our business is subject to significant pressure on costs and pricing caused by many factors, including intense competition, constrained sourcing capacity and related inflationary pressure, commodity prices, inflation, pressure from consumers to reduce the prices we charge for our products, changes in consumer demand, and trade policies (e.g., customs, duties and tariffs). These factors may cause us to experience increased costs, reduce our prices to consumers or experience reduced sales in response to increased prices, any of which could cause our operating margin to decline if we are unable to offset these factors with reductions in operating costs or increases in prices and could have a material adverse effect on our financial condition, results of operations and cash flows. See also “— The imposition of duties, tariffs and other trade protection measures may adversely affect our business, operations and financial condition”.

In addition, fluctuations in the cost, availability and quality of the fabrics or other raw materials, particularly cotton, wool, silk, leather and synthetics used in our manufactured apparel, leather goods, accessories and footwear, could have a material adverse effect on cost of goods sold or our ability to meet customer demands. The prices of fabrics depend largely on the market prices of the raw materials used to produce them. The price and availability of the raw materials and, in turn, the fabrics used in our apparel, leather goods, accessories and footwear, may fluctuate significantly depending on many factors, including

inflationary pressures, weather patterns, crop yields, labour costs, foreign currency exchange rates, changes in oil prices, and trade policies. Further, freight cost is impacted by changes in fuel prices. Fuel prices affect freight cost both on inbound freight from manufacturers to the distribution facility and outbound freight from the distribution facility to our stores, international operating partners and eCommerce customers. Increased fabric, material and transport costs increase our cost of goods sold and could impair our ability to meet production or purchasing requirements in a timely manner. An inability to mitigate these cost increases could lead us to attempt to pass on such cost increases to our customers through retail price increases on our merchandise, which could adversely affect our volume of sales. It could also lead to a change in our merchandise mix or inventory levels, which could result in a decrease in our profitability.

Our ability to obtain merchandise from our suppliers on a timely basis at competitive costs could suffer as a result of any deterioration or change in our supplier and manufacturer relationships or events that adversely affect our suppliers or manufacturers or cause disruptions in their businesses.

Our suppliers and our manufacturers are affected by, among other things, increases in labour and fuel costs, labour disputes and disruptions, regulatory changes, political or economic instability or civil unrest, including terrorist activities, military and domestic disturbances and conflicts, natural disasters, pandemics (such as COVID-19) and epidemics, trade restrictions, tariffs, currency exchange rates, transport stoppages, transport capacity and costs and other factors relating to foreign trade. These factors are beyond our control, may adversely affect us and our suppliers or manufacturers or cause disruptions to their and our businesses and may impact our ability to source raw materials and finished merchandise and manufacture and deliver our merchandise on acceptable terms and within acceptable timelines, which could have a material adverse effect on our profitability and results of operations.

Most of our apparel products are currently manufactured outside of North America. Many countries in which our products are produced or sold internationally have imposed and may impose additional quotas, duties, tariffs, or other restrictions or regulations, or may adversely adjust prevailing quota, duty or tariff levels. Trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could increase the cost or reduce the supply of products available to us or may require us to modify our supply chain organization or other current business practices, any of which could harm our business, financial condition and results of operations. See also “– The imposition of duties, tariffs and other trade protection measures may adversely affect our business, operations and financial condition”.

We have a number of important supplier and manufacturer relationships that we believe provide us with a competitive advantage. We do not own any manufacturing facilities and, with the exception of our leather factory which we lease from entities controlled by the Founders and certain of their family members and which we operate ourselves, we do not operate any manufacturing facilities. Instead, we source fabrics, other materials and selected finished merchandise from third-party suppliers and work with third-party manufacturers to produce the majority of our merchandise. In Fiscal 2025, our top ten suppliers (outside of our own leather factory) accounted for approximately 76% of our total inventory purchases, with no single supplier accounting for more than 26% of our product costs. A complete list of our third party factories (including details such as addresses and number of workers) is published on our website roots.com under the heading “Supply Chain”. We do not have long-term contracts with our suppliers and manufacturers and we generally operate without any contractual assurances of continued supply. Any of our suppliers or manufacturers could discontinue their relationship with us, or cease to provide materials, merchandise or services on a satisfactory basis for a variety of reasons.

The benefits we currently experience from our vendor relationships may be adversely affected if our suppliers or manufacturers:

- choose to cease their relationship with us;
- raise the prices they charge us;

- change pricing terms to require us to pay earlier or upfront, including as a result of changes in the credit relationships that some of our suppliers or manufacturers have with their various lending institutions;
- sell merchandise to our competitors with similar or better pricing, many of whom already purchase merchandise in significantly greater volume and, in some cases, at lower prices than we do; or
- lengthen their lead times.

There can be no assurance that we will be able to obtain desired merchandise from our suppliers in sufficient quantities on acceptable terms, or at all, in the future, especially if we need significantly greater amounts of inventory in connection with the growth of our business. We may need to develop relationships with new suppliers and manufacturers as our current suppliers and manufacturers may be unable to supply us with and produce sufficient quantities and we may not be able to obtain the same terms from new suppliers and manufacturers. If we are unable to obtain suitable merchandise in sufficient quantities, at acceptable prices with adequate delivery times due to the loss of or a deterioration or change in our relationship with one or more of our key suppliers or manufacturers or events harmful to our suppliers or manufacturers occur, it may adversely affect our business and results of operations.

Our brand image and reputation may be negatively impacted by actions taken by us, our suppliers and manufacturers or activists and protestors.

We recognize that our business activities may affect people along the value chain, both directly and indirectly. With approximately 1,885 employees as at January 31, 2026, a network of third-party suppliers and manufacturers across the globe with their own workforces, and a presence in several communities across the value chain, there are a vast number of people potentially affected by our business. We are committed to respecting and upholding human rights along our value chain, by striving to do business responsibly. We recognize the risks of modern slavery, including human trafficking, forced labour and child labour across our global supply chains and therefore mitigating and managing human rights risks is pivotal to our business success. A potential or perceived human rights violation against any person across our value chain could negatively impact our reputation, employee retention, business and financial results.

The actions and business practices of our suppliers and manufacturers may negatively impact our brand. We source materials for our merchandise and our independent suppliers and manufacturers operate predominantly in China, Cambodia, and Canada. We do not supervise or control our suppliers or manufacturers. However, our suppliers and manufacturers are subject to our Vendor Workplace Code of Conduct and manufacturing standards. We perform, through third parties, factory, and social compliance audits for compliance with local laws and global standards, and our sourcing team conducts site visits to our key suppliers. Monitoring compliance by independent manufacturers is complicated by the fact that expectations of ethical business practices continually evolve, may be substantially more demanding than applicable legal requirements and are driven in part by legal developments and by diverse groups active in publicizing and organizing public responses to perceived ethical shortcomings. Accordingly, we cannot predict how such expectations might develop in the future and cannot be certain that our guidelines would satisfy all parties who are active in monitoring and publicizing perceived shortcomings in labour and other business practices worldwide. Any failure by us, or by our suppliers or manufacturers, to maintain customer service levels, merchandise quality and integrity, labour practices generally accepted in North America or ethical and socially responsible operations could adversely affect our brand image and reputation, which could materially adversely affect our business, financial condition, and results of operations.

Additionally, despite our continual improvements in monitoring and transparency in our supply chain, if we do not meet the transparency standards expected by parties active in promoting ethical business practices, we may attract negative publicity, regardless of whether the actual labour and other business practices adhered to by us, our suppliers, and manufacturers satisfy substantive expectations of ethical business practices. Any negative publicity about, or significant damage to, our brand or reputation could negatively

impact sales, reduce employee morale, productivity, and diminish customer trust, any of which could harm our business, financial condition, and results of operations.

We have also occasionally received, and may in the future continue to receive, shipments of merchandise that fail to comply with our specifications or that fail to conform to our quality control standards. We have also received, and may in the future continue to receive, merchandise that either meets our specifications but that is nonetheless unacceptable to us, or products that are unacceptable to certain of our customers or to other members of the public. Under these circumstances, unless we are able to obtain replacement products in a timely manner, we risk the loss of sales resulting from the inability to sell such merchandise and related increased administrative and shipping costs. Additionally, if the unacceptability of our merchandise is not discovered until after it is purchased or viewed by our customers or members of the public, our customers or members of the public could form unfavourable opinions of our merchandise, we could face a merchandise recall, our results of operations could suffer, and our reputation and brand may be harmed.

We may also be the target of activists in the future. Our products include certain animal products, including leather and down, which may draw the attention of animal welfare activists. In addition, protestors can disrupt sales at our stores, or use social media or other campaigns to sway public opinion against our products. If any such activists are successful at either of these tactics, our sales and results of operations may be adversely affected.

Among other countries, Canada and the United States have determined that the mass detention of Uyghurs and other ethnic minorities in the Xinjiang Uyghur Autonomous Region (XUAR) of China constitutes forced labour. On December 23, 2021, the United States enacted the Uyghur Forced Labor Prevention Act, which establishes a rebuttable presumption that the importation of any goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in the XUAR, or produced by certain entities, is prohibited by Section 307 of the Tariff Act of 1930 and that such goods, wares, articles, and merchandise are not entitled to entry to the United States. On January 13, 2021, the United States announced the imposition of withhold release orders (“**WROs**”) on the shipment of products containing cotton from the XUAR. As part of these WROs, the U.S. Customs and Border Protection Agency are instructed to detain cotton products including apparel, textiles and other products containing cotton grown or produced by entities operating in the XUAR. The January 2021 WRO was preceded by several WROs on XUAR entities in November 2020, related to cotton and cotton products. In Canada, a prohibition against the importation of goods produced wholly or in part by forced labour was implemented effective July 1, 2020 pursuant to amendments to the Customs Tariff Act and the Schedule to the Customs Tariff Act. We do not source any product directly from the XUAR region and require our direct suppliers to certify an absence of forced labour in their supply chain. Despite our effort to take increased actions to ensure our entire supply chain is free of any forced labour, there is nonetheless a risk of forced labour on products we source from third parties where we may not have complete visibility into their supply chain. As a result, we may face regulatory challenges in complying with applicable sanctions and trade regulations and reputational challenges with our consumers and other stakeholders if we are unable to sufficiently verify the origins for the material sourced.

On January 1, 2024, the Modern Slavery Act came into force in Canada. The Modern Slavery Act obligates the Company to publish an annual modern slavery report detailing steps regarding the previous year's efforts to mitigate the risk of forced labour or child labour used at any step in its supply chain, including production of goods in Canada or elsewhere or of goods imported into Canada. There is a risk that the Company's supply chain may actually use or be alleged to have used forced labour or child labour, and there may be difficulty in gathering sufficient information from third party suppliers. Work is ongoing to monitor this risk and implement measures to mitigate any identified exposures, which may affect the Company's operational efficiency, results of operations, financial condition, or reputation. Our Modern Slavery Report for Fiscal 2024 is available on our website [roots.com](https://www.roots.com) under the heading “Supply Chain” and on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca), and an updated version for Fiscal 2025 will be available on or before May 31, 2026.

Furthermore, consumers are increasingly attuned to the environmental and social impact of the products they purchase and companies with which they do business. A failure to effectively communicate our core principles with our customers and investors or respond to concerns raised with respect to our social responsibility and sustainability initiatives, including through our social media channels, could result in a negative public perception of our brand and products and negatively impact our business.

Our new stores, once opened, may not be profitable initially, and may adversely impact our business.

Our new stores, once opened, may experience an initial ramp-up period during which they generate sales and income below the levels we would otherwise expect. This is in part due to the time it takes to build a loyal customer base in a new market, higher fixed costs relating to increased labour needs, other start-up inefficiencies that are typical of new stores and cash build-out costs of new stores that may be higher than our target cash build-out costs, development costs, additional store features, and budgets. It may also be difficult for us to attract a customer base, or otherwise overcome the higher costs associated with new store locations. New stores may not have results similar to existing stores or may not be profitable. If new stores remain unprofitable for a long period of time, we may decide to close these stores, which could have a negative impact on our business and results of operations.

A portion of our sales are and will be dependent on sales to, royalties from, and licensing with, our existing and future operating partners.

Our Partners and Other operating segment is profitable because the operating expenses directly associated with administering and monitoring an individual licensing or similar agreement with operating partners are low. Therefore, the loss of our current operating partner or new partners, whether due to the termination or expiration of the relationship, the cessation of a partners' operations or otherwise, including as a result of financial difficulties of the partner, without an equivalent replacement, or material changes to the terms of our agreements with partners, could impact our profitability.

While we generally have significant control over our operating partners' products and advertising, we rely on our partners for, among other things, operational and financial controls over their businesses. Our partners' failure to successfully market our products, material changes to the terms of our agreements with any such partner, or our inability to replace our existing operating partners could adversely affect our sales due to reduced wholesale sales of our products to our partners and from reduced royalties. Risks are also associated with our partners' ability to obtain capital, execute their business plans, manage their labour relations, manage their credit risk effectively and maintain relationships with their customers.

In addition, we rely on our partners to preserve the value of our brand. Although we attempt to protect our brand through, among other things, approval rights over packaging, merchandising, distribution, advertising and promotion of our products, we cannot make any assurances that we will be able to completely control our partners' use of our brand. The misuse of our brand by a partner could have an adverse effect on our business.

Any expansion into new markets may present increased risks due to lower customer awareness of our brand, our unfamiliarity with those markets and other factors.

Our long-term future growth depends, in part, on our expansion efforts. As at the end of Fiscal 2025, excluding pop-up locations, we had 97 corporate retail stores in Canada, two stores in the United States and over 100 partner-operated stores in Taiwan. While we have significant experience and brand awareness in Canada, Taiwan, certain regions in the United States and a growing presence in China, we have significantly lower brand awareness outside of these regions and our operating experience with respect to our existing stores (and partner-operated stores) may not be relevant or necessarily translate into similar results broadly in our target markets. In addition, any new markets that we enter in the future may have different competitive conditions, less familiarity with our brand and/or different consumer tastes and discretionary spending patterns. As a result, new stores in these markets may be less successful than stores in our existing markets. Accordingly, we cannot guarantee that we or our international operating

partners will be able to penetrate or successfully operate in new markets. In order to build greater brand awareness in these new markets, we and, outside of North America, our international operating partners, will need to make greater investments in store openings, expansion through digital marketplaces, advertising and promotional activity, with no guarantee of success, which could negatively impact the profitability of our operations in those markets.

We and our international operating partners may also find it more difficult in these new markets to hire, motivate and keep qualified employees who can project our vision, passion, and culture. In addition, labour costs may be higher in international markets due to regulation or local market conditions, and new stores could have higher construction and occupancy costs. International markets may also have a different regulatory environment and market practices than the regions in which we currently have stores, with which we and our international operating partners may have limited experience. These regulations and market practices could subject us and our international operating partners to significant additional expense or impact our ability to achieve compliance. In connection with any future expansion efforts outside of the regions in which we currently have stores, we would expect to encounter many obstacles that we do not currently face in our current regions, including cultural and linguistic differences, differences in regulatory environments and market practices, difficulties in keeping abreast of market, business and technical developments and local market customers' tastes and preferences. Each of these factors may have an adverse impact on us and our international operating partners' sales or profitability in those markets and could in turn adversely impact our sales and results of operations.

Our business in existing markets, and/or expansion into new markets, may expose us to certain geopolitical risks and challenges.

Our products are available for sale through our eCommerce platform, roots.com, to over 75 countries worldwide. Some of these countries have greater economic, political, and social risks than Canada. Some of these risks include:

- possible social, labour, political and economic instability;
- costs associated with the use of foreign agents and contractors;
- the burden of complying with a wide variety of foreign laws;
- changes in laws and regulations governing our business in the region;
- changes in taxation and trade policies dramatically increasing our tax and other costs;
- economic and legal sanctions; and
- non-compliance with applicable anti-corruption and bribery laws.

Any changes in regulations or shifts in political or economic conditions are beyond our control or influence and could cause a disruption in our ability to enter into or to operate in these foreign markets, which could have an adverse effect on our business, financial condition and results of operations.

The imposition of duties, tariffs and other trade protection measures may adversely affect our business, operations and financial condition.

Beginning in February 2025, the U.S. government implemented substantial and rapidly evolving changes to U.S. trade policies, including increased tariffs and changes in U.S. participation in multilateral trade agreements, while other countries, such as China and Canada, have undertaken retaliatory measures in response to such changes. In addition, the U.S. President issued an executive order to suspend the "de minimis" exemption, which previously permitted shipments valued at US\$800 or less to enter the U.S. duty free. Many of the tariffs implemented by the U.S. government were struck down by the U.S. Supreme Court

on February 20, 2026; however, in response, the U.S. Government imposed, for a period of 150 days, a 10% *ad valorem* import duty on articles imported into the U.S. pursuant to the Trade Act of 1974, subject to certain exemptions including United States-Mexico-Canada Agreement compliant goods.

The full extent of the impact of the U.S. Supreme Court ruling is uncertain and the impact of previously implemented tariffs and trade policies and of tariffs and trade policies announced in the future could adversely impact the Company's operations, costs and expenses. It remains unclear the extent to which additional duties, tariffs and/or other trade restrictions or other similar measures may be imposed by the U.S. or other countries, whether and if any changes to the currently announced tariffs and/or duties will be applied, how long they may be in effect, the extent to which further retaliatory measures will be imposed, and whether other factors will support a pass through of all or a part of the tariffs to the market. While the Company is in the process of exploring supply chain and transfer pricing strategies and other tariff/duty mitigation measures, there can be no certainty that any such strategies or measures will ultimately be implemented or, if implemented, will be successful or achieve the desired result.

A significant portion of our products are currently manufactured outside of Canada, the U.S., and Mexico. Our suppliers and manufacturers are affected by, among other things, regulatory changes, political or economic instability, trade restrictions, tariffs, currency exchange rates, financial instability and other factors relating to foreign trade. These factors are beyond our control, may adversely affect our suppliers or manufacturers or cause disruptions to their businesses and may impact our ability to source and transport raw materials and finished merchandise and manufacture our merchandise on acceptable terms. Trade restrictions, including tariffs, quotas, embargoes, safeguards, customs and/or other similar measures could increase the cost or reduce the supply of products available to us or may require us to modify our supply chain or other current business practices, any of which could harm our business, financial condition and results of operations. If such tariffs or duties apply to, or new tariffs or duties are imposed on, the products we source and import, we could experience supply chain disruptions and our costs could increase accordingly. For example, we currently source products from China and, as a result of the additional tariff imposed by the U.S. on all goods from China and the suspension of the "de minimis" exemption, these tariffs increase our cost of goods sold. Any further increases in tariffs imposed on products imported from China or other countries that we source from could similarly result in additional cost increases for us.

Given the global supply chain in the industry in which we operate and the global nature of our business, the imposition of new duties, tariffs and other trade restrictions or other similar measures (and any retaliatory measures), or the suspension or removal of certain tariff exemptions (including the "de minimis" exemption), may also result in a decrease in demand for the products we sell. Further, demand for our products may also be impacted by general macroeconomic conditions, which could worsen as a result of the imposition of new duties, tariffs and other trade restrictions or other similar measures.

As a result, the disruptions caused by the threat of, the potential or actual imposition of, and increases in the rate or scope of, such duties, tariffs and other trade restrictions or other similar measures (and any retaliatory measures) could materially adversely impact the profitability of our business, financial condition and results of operations and the price and market value of our Shares.

The long-term impact of such measures on the profitability of our business, financial condition and results of operations is not possible to predict, but could be significant and may increase the likelihood and intensity of these risks and other risks discussed in this Annual Information Form.

The operation and expansion of our eCommerce platform may present risks and challenges that we have not yet experienced and there can be no assurance that we will successfully manage and grow our eCommerce business, as planned.

Growing our eCommerce platform is essential to our growth, as is expanding our product offerings available through this platform. If our eCommerce web-store design does not appeal to our customers, reliably function as designed, maintain the privacy of customer data, or if we are unable to consistently meet our brand promise to our customers, we may experience a loss of customer confidence or lost sales, or be exposed to fraudulent purchases, which could adversely affect our reputation and results of operations.

The usability of, and customer experience provided by, our online shopping platform is critical to the success and growth of our eCommerce business. Many of our competitors already have eCommerce businesses that are substantially larger and more developed than ours. In addition, eCommerce is a rapidly changing channel and many of our competitors update their eCommerce business on an ongoing basis to match consumer preferences. Any extended software disruption of our eCommerce business or a failure on our part to provide an attractive, effective, reliable, user-friendly eCommerce business that offers a wide assortment of merchandise with rapid delivery options to multiple countries and that continually meets the changing expectations of online customers, could place us at a competitive disadvantage, result in the loss of sales or harm our reputation with customers and could have a material adverse effect on our growth, our business and our results of operations.

Our products are available for sale through our eCommerce platform, roots.com, to over 75 countries worldwide. The growth of our eCommerce business is dependent on our ability to successfully manage international shipping of our merchandise and successfully manage the costs, difficulties and competitive pressures associated with international shipping. Other risks specific to our eCommerce business include diversion of sales from our stores, difficulty in recreating the in-store experience through direct channels and liability for online content. If we are unable to expand or update our eCommerce business commensurately with our competitors, manage international shipping and successfully respond to the risks inherent to eCommerce, our financial results and the growth of our eCommerce business may be negatively impacted, and the price of our Shares could decline.

The countries to which we currently ship our product, and new countries in which we intend to ship our product through our eCommerce channel, may impose different and evolving laws governing the operating and marketing of eCommerce websites, as well as the collection, storage and use of information on consumers interacting with those websites. We may incur additional costs and operational challenges in complying with these laws, and differences in these laws may cause us to operate our businesses differently in different jurisdictions. If so, we may incur additional costs which could negatively impact our financial condition and results of operations.

A material disruption in, or security breach affecting, our information technology systems or eCommerce business could significantly affect our business and lead to reduced sales, growth prospects and reputational damage.

The protection of customer, employee and company data is critical to us. We rely extensively on our information technology systems to track inventory and customer data, manage our supply chain, record and process transactions, collect and summarize data and manage our business. While our systems are designed to operate without interruption, we may experience interruptions to the availability of our information technology systems from time to time. The failure of our information technology systems to operate effectively, keep pace with our growing capacity requirements, smoothly transition to upgraded or replacement systems or integrate with new systems could adversely affect our business. In addition, our information technology systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attacks, phishing attacks, denial-of-service attacks, social engineering attacks, ransomware attacks, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, public health emergencies and usage errors by our employees. If our information technology systems are damaged or cease to function properly, we may have to make a significant investment to fix or replace them, and we may suffer loss of critical data, compromise to the integrity or confidentiality of customer and employee information in our systems or networks, disruption to the systems or networks of third parties on which we rely, and interruptions or delays in our operations. A lack of relevant and reliable information that enables management to effectively manage our business could preclude us from optimizing our overall performance. Any significant loss of data or failure to maintain reliable data could have a material adverse effect on our business and results of operations. A disruption to our eCommerce business could reduce our eCommerce sales, increase our costs, diminish our growth prospects, expose us to litigation, decrease customer confidence and damage our brand, and a material interruption to any of our information technology systems could adversely affect our business or results of operations and our reputation.

Experienced computer programmers and hackers, or even internal users, may be able to penetrate or create system disruptions or cause shutdowns of our network security or that of third-party companies with which we have contracted to provide services. We generally collect and store customer information for marketing purposes and employee information for human resource purposes and any compromise of such information could subject us to litigation, which would harm our reputation and could adversely affect our business and growth. Moreover, we could incur significant expenses or disruptions of our operations in connection with system failures or data breaches. An increasing number of websites, including several large retail businesses, have recently disclosed breaches of their security, some of which have involved sophisticated and highly targeted attacks on portions of their sites. Because the techniques used to obtain unauthorized access, disable or degrade services or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, sophisticated hardware and operating system software and applications that we buy or license from third parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the security and operation of the systems. The costs to us to eliminate or alleviate security problems, viruses and bugs could be significant, and efforts to address these problems could result in interruptions, delays or cessation of service that may impede our sales, distribution or other critical functions.

In addition, many jurisdictions in which we operate have adopted breach of privacy and data security laws or regulations that require notification to affected individuals if the security of their personal information is made public, among other requirements. Governmental focus on data security may lead to additional legislative action, and the increased emphasis on information security may lead customers to request that we take additional measures to enhance security or restrict the manner in which we collect and use customer information to gather insights into customer behaviour and develop our marketing programs. As a result, we may have to modify our business systems and practices with the goal of further improving data security, which would result in increased expenditures and operating complexity. Any compromise of our security or accidental loss or theft of customer or employee data in our possession could result in a violation of applicable privacy and other laws, significant legal and financial exposure and damage to our reputation, which could adversely impact our business, results of operations and the price of our Shares.

Recently, data security breaches suffered by well-known companies and institutions have attracted a substantial amount of media attention, prompting new foreign, federal, provincial and state laws and legislative proposals addressing data privacy and security, as well as increased data protection obligations imposed on merchants by credit card issuers. As a result, we may become subject to more extensive requirements to protect the customer information that we process in connection with the purchase of our products, resulting in increased compliance costs.

In addition, a significant portion of our operational functions are carried out by employees working from home or otherwise remotely. Remote working by employees, the potential increased use of public Wi-Fi and use of office equipment off-premises, may make our business more vulnerable to cybersecurity breach attempts, create data accessibility concerns, and make us more susceptible to communication disruptions, any of which could have a material adverse effect on our business and results of operations. There is no guarantee that our disaster recovery procedures will be adequate in these circumstances. This period of uncertainty has also resulted and may continue to result in increases in phishing and social engineering attacks.

Recently, the Company has incorporated, and may continue to incorporate, AI solutions into its IT infrastructure, and these applications may become important in its operations over time. The Company's competitors or other third parties may incorporate AI into their products and services more quickly or more successfully than the Company, which could impair its ability to compete effectively and adversely affect its results of operations. Additionally, if the content, analyses, search results or recommendations that AI applications assist in producing are, or are alleged to be, deficient, inaccurate, or biased, the Company's business, reputation, financial condition, and results of operations could be adversely affected.

The use of AI applications may also result in cybersecurity incidents which could adversely affect the Company's reputation and results of operations. AI also presents emerging ethical issues, such as the

proper use of copyrighted material with AI applications, and if the Company's use of AI becomes controversial, it may experience brand or reputational harm, competitive harm, or legal liability. The rapid evolution of AI, including potential government regulation of AI, may require significant resources to develop, test and maintain the Company's IT infrastructure and systems to ensure the Company implements AI ethically and minimizes any unintended and harmful impacts.

Development of artificial intelligence and its integration with our operations could present risks and challenges to our business.

Recently, the Company incorporated, and may continue to incorporate, AI solutions into its IT infrastructure, and these applications may become important in its operations over time. Failure to keep pace with the advancement of AI technologies or successfully integrate them into our operations could impact our competitive advantage or negatively affect our business, financial condition and results of operations. The Company's competitors or other third parties may incorporate AI into their products and services more quickly or more successfully than the Company, which could impair its ability to compete effectively and adversely affect its results of operations. AI may also reduce barriers to entry in our industry, resulting in increased competition. Competition for specialized AI talent may increase costs or limit our ability to implement AI initiatives as planned.

Furthermore, our implementation of and reliance on AI technologies increases the risk that flaws in algorithms, processes or data may result in inaccurate, biased or otherwise deficient output or decisions. If the content, recommendations or analyses that AI applications assist in producing are, or are alleged to be, deficient or inaccurate, we could be subject to legal liability or the Company's business, reputation, financial condition, and results of operations could be adversely affected. We may also face increased costs associated with operational interruptions resulting from errors or malfunctions in AI systems.

The use of AI applications may also result in cybersecurity or privacy incidents, including through unauthorized use or misuse of AI tools by employees or third parties. Experienced hackers or malicious actors may use AI to impersonate our personnel, infringe upon our intellectual property, falsely represent our products or engage in other harmful activities which could adversely affect the Company's reputation and results of operations.

In addition, the use of AI may also present emerging ethical, legal and social concerns. AI tools may increase risks relating to the infringement of third-party intellectual property rights or rely on datasets that include content subject to license, copyright, trademark, patent or other intellectual property protections, which could expose the Company to reputational harm, litigation, regulatory fines or penalties. Future legislative or regulatory action limiting or otherwise restricting the use of AI technologies could adversely impact our ability to use such technologies, which could negatively affect our business, financial condition and results of operations. The rapid evolution of AI, including potential government regulation of AI, may require significant resources to develop, test and maintain the Company's IT infrastructure and systems to ensure the Company implements AI ethically and minimizes any unintended and harmful impacts. There can be no assurance that we will be successful in adopting and implementing appropriate AI governance, risk management and oversight measures, or in keeping pace with the evolution of AI adoption and regulation.

Our business is subject to industry consolidation risk.

Consolidation is a trend that has recently affected retail and other industries over the past few years. Management believes that recent consolidation efforts within the industry have come about as a result of continued growth as well as the increased opportunities that the transition to eCommerce within the industry offers. Consolidation in the retail apparel industry would result in a reduction in the number and an increase in the size of companies that compete with Roots. If our competitors consolidate, or are consolidated by a global multi-channel organization, they will likely increase their market share, gain economies of scale that enhance their ability to compete with us or acquire additional expertise, products and technologies that could displace our product offerings or business model, which could have a material adverse effect on our business, financial condition and results of operations and could cause the price of our Shares to decline.

If we lose the services of members of our management team or other key personnel, or are unable to attract new team members who possess specialized market knowledge and technical skills, it could reduce our ability to compete and to manage our operations effectively.

Our current management team consists of a core group of senior executives with a complementary mix of finance, merchandising, retail, apparel, marketing, eCommerce and operational expertise developed through years of experience. The loss of the technical knowledge, management expertise and understanding of our operations of one or more members of our team could result in a diversion of management resources, as the remaining members of management would need to cover the duties of any senior executive who leaves us and would need to spend time usually reserved for managing our business to search for, hire and train new members of management.

The loss of some or all of our management team or other key personnel, including our designers and managers of key functional areas, could negatively affect our ability to develop and pursue our growth strategy, which could adversely affect our business and financial condition. Any departures of key personnel could also be viewed in a negative light by investors and analysts, which could cause the price of our Shares to decline.

Additionally, the market for key personnel in our industries is highly competitive. As a result, we may not be able to attract and retain key personnel with the skills and expertise necessary to manage our business and pursue our growth strategy.

Many of our business functions are centralized at our head office location. Disruptions to the operations at this location could have an adverse effect on our business.

Our head office is located in Toronto, Ontario. We have centralized a large number of business functions at this location, including product and store design, customer support, marketing, and retail management. Most of our senior management, our primary data centre and critical resources dedicated to merchandising, financial and administrative functions, are all located at our head office. If we were required to shut down the head office location for any reason, including fire, earthquake or other natural disaster, civil disruption or pandemic, our management and our operations staff would need to find an alternative location (including remote working), causing significant disruption and expense to our business and operations.

We recognize the need to continually review, update and enhance our disaster recovery, business continuity and document retention plans in order to ensure that we can remain operational despite unforeseen events impacting our head office. Without sufficient disaster recovery, business continuity and document retention plans, if we were to encounter difficulties or disasters at our head office, our critical systems, operations and information may not be restored in a timely manner, or at all, and may adversely impact our business operations.

If we fail to attract new customers, we may not be able to increase sales.

Our success depends, in part, on our ability to attract new customers, particularly in markets in which we have limited stores and brand awareness. In order to expand our customer base in these new markets, we must appeal to and attract consumers who identify with our products, which may be more difficult outside of Canada. We have made significant investments in enhancing our brand and attracting new customers in the United States and internationally, and expect to continue to make significant investments to promote our products to current and new customers, including through our eCommerce platforms and retail store presence. Such campaigns can be expensive, time consuming and may not ultimately be successful in increasing sales. Further, as our brand becomes more widely known outside of Canada, we may not attract new customers at the rate at which we have in the past. If we are unable to attract new customers, we may not be able to increase our sales.

If we fail to adequately continue to connect with our customer base, our business may be adversely affected.

We use word-of-mouth and in-store marketing to capture the interest of our customers and entice them to our stores and eCommerce website. We also use online advertising platforms and traditional advertising channels, such as paid search, social media, e-mail, newspapers, magazines, billboards, television and radio, which are also used by some of our competitors. We have no assurance that our word-of-mouth, in-store marketing or other advertising efforts will prove successful in new markets or continue to be successful in our existing markets. As we expand into new geographic markets, consumers in these markets may not be drawn to our brand image. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive.

We also rely on social media, such as Facebook, Instagram, TikTok, X (formerly Twitter), Reddit, Pinterest, LinkedIn, WeChat, RedNote / Little Red Book, Weibo and Douyin in China to connect with our customer base. If our marketing efforts are not successful using social media, there may be no immediately available or cost-effective alternative marketing channel for us to use to build or maintain brand awareness. If we are required to use traditional advertising channels more prominently in our overall marketing strategy, we will incur additional expense associated with the transition to and operation of a traditional advertising channel. As we execute our growth strategies, our ability to successfully increase brand awareness and expand our eCommerce business will be adversely impacted if we fail to connect with our target customers, which could adversely affect our business, results of operations and financial condition.

In addition, we aim to effectively leverage our celebrity, influencer, and ambassador relationships to further promote our brand and products. In the event that one or more celebrities, influencers, or ambassadors with which we have an existing arrangement no longer promotes our brand or is subject to negative publicity in the media, we may be required to spend time and resources cultivating new celebrity, influencer, and ambassador relationships, and these new relationships might not be as successful as our existing relationships. If we are unable to effectively recruit celebrities, influencers, and ambassadors with a meaningful following to promote our brand and products, our business and results of operations may be adversely affected.

We are dependent on a single distribution facility and a single leather factory. If our distribution facility or our leather factory becomes inoperable, capacity is exceeded or if operations are disrupted, our business, financial condition and results of operations may be negatively affected.

We depend on the orderly operation of the receiving and distribution process, and manufacturing of our leather products, which relies on adherence to shipping schedules and effective management of the distribution facility, our leather factory and sufficiently planned capacity. Although we believe that our current receiving and distribution processes and the manufacture of our leather products are efficient, and we have appropriate contingency plans, unforeseen disruptions in operations due to fire, severe weather conditions, natural disasters, pandemics or other catastrophic events, electronic or power interruptions, failure of software and hardware or other system failures, labour disagreements or other shipping or manufacturing problems may result in delays in the manufacture or delivery of merchandise to our stores, international operating partners and eCommerce customers. In addition, our distribution capacity depends on the timely performance of services by third parties, including the shipping of our products to and from our distribution facility. If we encounter problems with our distribution system, our ability to meet customer expectations, manage inventory, complete sales, and achieve objectives for operating efficiencies may be harmed. See also “Risks associated with our transition to a third-party distribution model and our dependence on Metro Supply Chain” below.

If we were to lose access to our leather factory, temporarily or permanently, potential difficulties or delays in sourcing a suitable alternative location that meets our specific capacity and manufacturing requirements in a timely fashion, or at all, may result in delays in the manufacture of our leather products. In addition, if we were unable to source a suitable alternative leather factory within Canada and were required to manufacture all leather products from outside of Canada, we would not be able to apply a “Made in Canada” designation on the leather products currently manufactured in our leather factory, which could have an adverse effect on our brand and sales of our leather products.

Although we maintain business interruption insurance and property insurance, we cannot provide any assurance that our insurance coverage will adequately protect us from the adverse effects that could result from significant disruptions to our distribution system or leather factory, such as the long-term loss of customers or an erosion of our brand, or that insurance proceeds will be paid to us in a timely manner, or at all.

Risks associated with our transition to a third-party distribution model and our dependence on Metro Supply Chain.

On January 20, 2026, we entered into a 10-year strategic partnership with Metro Supply Chain, pursuant to which our distribution operations will transition from our current Company-operated distribution centre in Mississauga, Ontario to a Metro Supply Chain facility located in Bolton, Ontario.

This transition involves significant execution risk, including the transfer of inventory and integration of warehousing systems and technology. We may experience disruptions or delays in our logistics system while migrating inventory, systems and technology during this transition period that could adversely affect our ability to fulfill orders to our retail stores and eCommerce customers in a timely manner, which could result in lost sales, increased costs and reputational harm. We cannot guarantee that the transition will be completed on schedule, within budget, or without operational disruption. Furthermore, if we were required in the future to change distribution service providers, we could face logistical difficulties that could adversely impact deliveries and we may incur costs and expend resources in connection with such change. Moreover, we may not be able to obtain terms as favourable as those received from Metro Supply Chain, which may also result in increased costs. In addition, extended strike action or work-related stoppages at the distribution facility could cause significant upheaval to our distribution operations.

Following the transition, we will be dependent on Metro Supply Chain as our sole third-party distribution provider for substantially all of our retail and eCommerce fulfillment. If Metro Supply Chain fails to perform its obligations under our agreement, or experiences its own operational disruptions, financial difficulties or insolvency, our ability to deliver merchandise to customers and stores could be materially impaired.

Any of the foregoing risks, individually or in combination, could negatively impact our ability to optimize merchandise offerings, customer service levels or brand reputation, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our sales and inventory purchases fluctuate on a seasonal basis, which could adversely affect our business and financial condition.

Our business is highly seasonal, with a significantly higher proportion of sales and operating cash flows historically generated during the second half of the fiscal year, which includes the back-to-school and holiday selling seasons. We also have higher working capital requirements in the periods preceding the launch of new seasonal lines as we receive and pay for new inventory. We manage our working capital needs through cash flow from operations and our Credit Facilities (as defined herein), resulting generally in increased leverage during the first half of the fiscal year and during the period preceding the launch of new seasonal lines.

This seasonality in sales, cash flows and expenses may impact the comparability of our results of operations and could adversely affect our business and financial condition. Seasonal or cyclical variations in our business may become more pronounced over time and may harm our results of operations in the future.

Our quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including, among other things: the timing of new store openings; sales and profits contributed by new stores; increases or decreases in Comparable Sales; changes in our product mix; the timing of new advertising and brand or product introductions; and shifts in observed seasonal holiday schedules.

Any future seasonal or quarterly fluctuations in our results of operations may not match the expectations of market analysts and investors. Disappointing quarterly results could cause the price of our Shares to decline. Seasonal or quarterly factors in our business and results of operations may also make it more difficult for market analysts and investors to assess the longer-term profitability and strength of our business at any particular point, which could lead to increased volatility in the price of our Shares. Increased volatility could cause the price of our Shares to suffer in comparison to less volatile investments.

We may be unable to protect our trademarks or other intellectual property rights, and may be subject to claims that we, or our suppliers, have infringed upon the trademarks or other intellectual property rights of third parties.

We believe that our trademarks are integral to our business and our success in building our brand image and customer loyalty. We rely on trademark registrations and common law trademark and copyright rights to protect the distinctiveness of our brand and have registered those trademarks that we believe are important to our business in many jurisdictions around the world. We have registered certain of our trademarks in many foreign countries to seek protection of our key trademarks and may seek to expand these registrations in the future. However, international protection of our brand image and the use of these marks may be unavailable or could be limited. In some cases, there may be trademark owners who have prior rights to our marks because the laws of certain foreign countries may not protect intellectual property rights to the same extent as do the laws of Canada. In other cases, there may be holders who have prior rights to similar marks. We are not aware of any infringement upon or material challenges to our right to use any of our brand names or trademarks in connection with our core product categories. Nevertheless, we cannot provide any assurances that our registrations will prevent imitation of our name, or our brand, or the infringement of our other intellectual property rights by others within Canada, the United States, Taiwan, China, or elsewhere. Imitation of our brand in a manner that projects lesser quality or carries a negative connotation of our brand image could have an adverse effect on our business, financial condition and results of operations. Similarly, use of or negative publicity or events associated with our brand or trademarks in jurisdictions where our intellectual property rights are not protected may negatively affect our image and reputation in Canada, the United States, Taiwan, China, or elsewhere. If we fail to enforce or maintain any of our intellectual property rights, we may be unable to capitalize on our efforts to maintain and, in new markets, increase our brand equity.

We currently own no patents or exclusive intellectual property rights in the fabrics or processes used for our merchandise. Any such intellectual property rights are owned or controlled by our suppliers and manufacturers and are generally not unique to us. We do not generally seek to patent our merchandise designs given the time, expense and degree of distinctiveness required to do so. Intellectual property protection for our merchandise is therefore limited. As a result, our current and future competitors may be able to manufacture and sell merchandise with fabrics, characteristics and styling similar to our merchandise. Because some of our competitors may have greater financial, distribution, marketing, and other resources than we do, they may be able to manufacture and sell merchandise based on our designs, fabrics and manufacturing processes at lower prices than we can. If our competitors do sell similar merchandise to ours at lower prices, our sales and profitability could suffer.

Litigation may be necessary to protect and enforce our trademarks and other intellectual property rights, or to defend against claims brought by third parties. Furthermore, our internally designed merchandise or our marketing materials may, or may in the future, be claimed to violate intellectual property rights of third parties. We also purchase certain finished merchandise that may be subject to design copyrights, design patents or otherwise may incorporate protected intellectual property and we do not independently investigate whether the suppliers legally hold the intellectual property rights to the merchandise sold to us.

Although we cannot currently estimate the likely outcome of any intellectual property-related claims or lawsuits, any such litigation or claims brought by or against us could result in substantial costs and diversion of our resources, which could have an adverse effect on our business, financial condition and results of operations. If disputes arise in the future, we may not be able to successfully resolve these types of conflicts to our satisfaction.

If we are unable to attract, motivate and retain quality sales staff, we may not be able to maintain a consistently high level of customer service and grow or sustain our operations and, as a result, our brand, business and financial results may be harmed.

Our business is dependent on our ability to attract, motivate and retain a sufficient number of store employees, including store managers, who understand and appreciate our customers, brand and corporate culture, and are able to adequately and effectively represent our culture and establish credibility with our customers. Many of these employees are in entry level or part-time positions with historically high rates of turnover. Historically, we have prided ourselves on our commitment to employee growth, diversity, and development, and we focus on promoting from within our team. If we are unable to attract, train and retain store personnel capable of consistently providing exceptional customer service, as demonstrated by their enthusiasm for our culture and brand, understanding of our customers and knowledge of the merchandise we offer, the performance of our existing and new stores may be materially adversely affected and our brand image and our ability to continue to implement our growth strategies may be negatively impacted.

We rely upon independent third-party transportation providers for substantially all of our merchandise shipments.

We currently rely upon independent third-party transportation providers for substantially all of our merchandise shipments, including shipments to our distribution facility, all of our stores, our international operating partner, and our eCommerce customers. Our use of outside delivery services for shipments is subject to risks, including increases in fuel prices, which would increase our shipping costs (freight and delivery), labour disruptions, transportation-related stoppages, inclement weather, industry-wide supply and demand fluctuations, and shipment delays. If we change transportation providers, we could face logistical difficulties that could adversely impact deliveries and we may incur costs and expend resources in connection with such change. Moreover, we may not be able to obtain terms as favourable as those received from the independent third-party transportation providers we currently use, which may also result in increased costs. In addition, we depend on multiple forms of transportation to distribute our products to, and receive raw materials from, international markets, including road, rail, and port. As with all companies that are dependent on road, rail, port, and other transportation methods for distribution purposes, strikes of certain operational groups of such transportation workers or other transport-related stoppages can disrupt our distribution system, thereby representing an ongoing risk to our business. Extended strike action or transportation-related stoppages can cause significant upheaval to our distribution operations.

Failure of our third-party transportation providers to deliver our merchandise in a timely manner may negatively impact our ability to optimize merchandise offerings, customer service levels, brand reputation and profitability.

We may upgrade or replace certain core information technology systems, which could disrupt our operations and adversely affect our financial results.

The risks associated with information technology systems changes, as well as any failure of such systems to operate effectively, could adversely impact human capital management and the promptness and accuracy of our merchandise distribution, transaction processing and financial accounting and reporting capabilities. Internal controls over financial reporting, the efficiency of our operations and our ability to properly forecast earnings and cash requirements may be adversely affected, and we may be required to make significant additional capital expenditures to remediate any such failures or problems.

Significant delays and cost overruns can occur in implementing system changes. Actual costs may vary materially from those forecasted by management. Additional unforeseen costs in developing infrastructure, including eCommerce and distribution infrastructure and other information technology improvements may adversely impact our business operations. We may not be able to successfully implement these new systems or, if implemented, we may still face unexpected disruptions in the future. Any resulting delays or disruptions could harm our business, prospects, financial condition, and results of operations.

Union attempts to organize our employees or increased labour costs could negatively affect our business.

None of our employees are currently subject to collective bargaining agreements. As we continue to grow and enter different regions, unions may attempt to organize all or part of our employee base at certain stores, the distribution facility (prior to our transition to a third-party distribution facility), the leather factory or within certain regions. Responding to such organization attempts may distract management and employees and may have a negative financial impact on individual stores, or on our business as a whole.

The maintenance of a productive and efficient labour environment and, in the event of unionization of these employees, the successful negotiation of a collective bargaining agreement, cannot be assured. Protracted and extensive work stoppages or labour disruptions, such as strikes or lockouts, could have a material adverse effect on our business, financial condition, and results of operations.

A significant portion of our employees are subject to provincial or state laws governing such matters as minimum wage, working conditions and overtime. Changes in these laws in the markets in which we operate, particularly increases to minimum wage, could cause our operating expenses to increase. A significant increase in labour costs could have an adverse effect on our business, financial condition, and results of operations.

We may be unable to grow sales levels, which could cause the price of our Shares to decline.

Our success depends, in part, upon our ability to achieve sales growth through our stores, international operating partners and eCommerce business. Various factors affect sales levels, including competition, consumer trends and preferences, the general economic and retail environment, our ability to efficiently source and distribute products, brand innovation and changes in our merchandising mix, the timing of release of new merchandise and promotional events, the success of marketing campaigns, prior period sales levels, inventory shrinkage, the timing and amount of markdowns, weather conditions, and changes in the other tenants in the shopping centres or other locations in which our stores are located. These factors may cause our sales results to differ materially from prior periods and from expectations. Past sales and other financial results are not an indication of future results, and there can be no assurance that our sales levels will not decrease in the future. We have made and intend to continue to make significant capital investments to increase sales by focusing on brand and product innovation and optimizing store layout, merchandise and product offerings and presentation (see also “Our Future Growth”). Failure to continue to grow sales or failure to meet analyst expectations could adversely affect our sales and the price of our Shares could decline.

We are subject to numerous laws and regulations that could adversely affect our business.

We are subject to numerous laws and regulations, including labour and employment, consumer protection, human rights, advertising, environmental, customs, taxes, accessibility and other laws that regulate retailers generally or govern the importation, labeling, promotion, distribution and sale of merchandise and the operation of stores, other facilities and eCommerce platforms in each of the jurisdictions in which our merchandise is distributed and sold. Although we have implemented procedures designed to ensure compliance with applicable laws and regulations, if our management, employees, suppliers, manufacturers or others fail to comply with any of these laws or regulations for any reason, we could become subject to enforcement actions or the imposition of significant penalties or claims, or suffer reputational harm, any of which could adversely affect our business. Additionally, although we undertake to monitor applicable laws, it is possible that changes may be implemented, or new laws or regulations may be introduced, without our knowledge, creating a greater risk of non-compliance. The adoption of new laws, regulations or requirements for public companies or changes in the interpretation of existing laws or regulations may result in increased compliance costs and could make the ordinary conduct of our business more expensive or require us to change the way we do business. It is often difficult for us to plan and prepare for potential changes to applicable laws, and future actions or expenses related to any such changes may be material to us.

Certain of our marketing practices rely upon e-mail to communicate with consumers on our behalf. We may face risk if our use of e-mail is found to violate applicable law. In addition, any failure by us to comply with privacy-related laws and regulations could result in proceedings which could potentially harm our business. In addition, as data privacy and marketing laws change, we may incur additional costs to ensure we remain in compliance with such laws. If applicable data privacy and marketing laws become more restrictive at the international, federal, provincial or state levels, our compliance costs may increase, our ability to effectively engage customers via personalized marketing may decrease, our investment in our eCommerce platform may not be fully realized, our opportunities for growth may be curtailed by our compliance burden or our potential reputational harm or liability for security breaches may increase.

We are subject to the *Accessibility for Ontarians with Disabilities Act* (the “**AODA**”) and similar federal, state and provincial laws that give civil rights protections to individuals with disabilities in the context of employment, public accommodations and other areas. We may in the future have to modify stores, for example by adding access ramps or redesigning certain architectural features, to provide service to, or make accommodations for, disabled persons or modify our eCommerce platforms under these laws. The expenses associated with these modifications, or any damages, legal fees and costs associated with litigating or resolving claims under the AODA or similar federal, state or provincial laws, could be material.

We may be subject to in-store and workplace health and safety liability, claims and penalties.

We are committed to protecting the health and well-being of our customers and employees in all of our stores and workplaces. We have workplace and in-store health and safety programs in place and have established policies and procedures aimed at ensuring compliance with applicable legislative requirements within our stores. Failure to comply with established policies and procedures or applicable legislative requirements could result in increased workplace or in-store injury-related liability and penalties. Any workplace or in-store injuries could lead to claims or litigation being brought against us, which could adversely affect our reputation and could have a material adverse effect on our business, operating results and financial condition. Although we maintain insurance policies we deem sufficient to address those situations, there can be no guarantee that a particular claim would be accepted by the insurer or that the insurance coverage would be sufficient.

We may be subject to additional taxes, which may affect our operating results.

We may be subject to assessments for additional taxes, including sales taxes and international import taxes, which may reduce our operating results. In accordance with current law, we pay, collect or remit taxes in those jurisdictions where we maintain a physical presence or exceed nexus thresholds, as defined by each jurisdiction. In computing our tax obligations in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that may not be entirely free from doubt and for which we have not received rulings from the governing authorities.

While we believe that we have appropriately remitted all taxes based on our interpretation of applicable law, it is possible that some taxing jurisdictions may attempt to assess additional taxes and penalties on us if the applicable authorities do not agree with our positions. A successful challenge by a tax authority, through asserting either an error in our calculation, or a change in the application of law or an interpretation of the law that differs from our own, may adversely affect our results of operations.

We are subject to insurance-related risks.

We maintain director and officer insurance, liability insurance, business interruption and property insurance and our insurance coverage includes deductibles, self-insured retentions, limits of liability and similar provisions. However, there is no guarantee that our insurance coverage will be sufficient, or that insurance proceeds will be paid to us on a timely basis. In addition, there are types of losses we may incur but against which we cannot be insured or which we believe are not economically reasonable to insure, such as losses due to acts of war, certain natural disasters or pandemics. If we incur these losses and they are material, our business, operating results, and financial condition may be adversely affected. Also, certain material events may result in sizable losses for the insurance industry and materially adversely impact the availability

of adequate insurance coverage or result in significant premium increases. Accordingly, we may elect to self-insure, accept higher deductibles, or reduce the amount of coverage in response to such market changes.

We are subject to payment-related risks.

We accept payments using a variety of methods, including credit cards, debit cards, gift cards, digital wallets, and buy now, pay later services. For existing and future payment methods we offer to our customers, we may become subject to additional regulations and compliance requirements, as well as fraudulent activities. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time, raising our operating costs and lowering profitability. We rely on third-party service providers for payment processing services, including the processing of credit and debit cards. Our business may be negatively affected if these third-party service providers become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, including data security and management rules, certification requirements and rules governing electronic funds transfers and if we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for card issuing banks' costs, be subject to fines or higher transaction fees or may lose our ability to accept credit and debit card payments from our customers, to process electronic funds transfers or to facilitate other types of payments, and our business and operating results may be adversely affected.

In addition, we have in the past incurred and may in the future incur losses from various types of fraud, including stolen credit card numbers, claims that a customer did not authorize a purchase, merchant fraud and customers who have closed bank accounts or have insufficient funds in open bank accounts to satisfy payments, and any such losses may be significant. In addition to the direct costs of such losses, if the fraud is related to credit card transactions and becomes excessive, it could potentially result in us paying higher fees or losing the right to accept credit cards for payment. In addition, under current credit card practices, we are liable for fraudulent in-store credit card transactions because we do not obtain a cardholder's signature. Our failure to adequately prevent fraudulent transactions could damage our reputation, result in litigation or regulatory action and lead to expenses that could substantially impact our results of operations.

We face various risks related to health epidemics, pandemics, and similar outbreaks and geopolitical events such as the conflicts in Ukraine and the Middle East, which have serious impacts on our people, how they work and the supply and distribution of our products.

Our business and financial results have been, and could be in the future, adversely affected by health epidemics, pandemics, and similar outbreaks. In May 2023, the World Health Organization declared the end of COVID-19 as a public health emergency of international concern. While the economic impact of the COVID-19 pandemic has eased in many regions, supply chain disruptions and volatility in commodity prices persist, contributing to increased inflationary pressures. For example, as a result of the COVID-19 pandemic, we reduced or restricted operations in many of our stores to meet local and provincial government requirements and to protect the safety of our customers and associates, which decreased our store revenues and may continue to adversely affect such revenues for an uncertain period of time. These impacts were only worsened by supply shocks arising from the conflicts in Ukraine and the Middle East and other geopolitical events worldwide. In response, central banks around the world aggressively raised interest rates in an effort to ease rising inflation, and have subsequently cut interest rates as inflation declined. The U.S. government has also adopted a new approach to trade policy as further described in the risk factor entitled "The imposition of duties, tariffs and other trade protection measures may adversely affect our business, operations and financial condition". We rely, to a large extent, on free movement of goods, services and capital from around the world, and as a result, are facing upward cost pressures. Geopolitical concerns may continue to adversely affect our business, financial position, results of operations, and cash flows, including by resulting in (i) significant volatility in demand for our products and services, (ii) changes in consumer behaviour and preferences, (iii) disruptions of our manufacturing and supply chain operations, (iv) disruption of our cost saving programs, (v) limitations on our employees' ability to work and travel, and (vi) changes to economic or political conditions in markets in which we operate. Given the ongoing and dynamic nature of geopolitical events worldwide, it is difficult to predict how

significant these continuing events will be on the global economy and on our business and employees, or for how long any further disruptions in the future are likely to continue. Despite our efforts to manage these matters, their ultimate effects also depend on factors beyond our knowledge or control, and such further developments could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Natural disasters and unusual weather could adversely affect our operations and financial results.

Extreme weather conditions, as a result of climate change or otherwise, in the areas in which our stores are located, could adversely affect our business. For example, frequent or unusually heavy snowfall, ice storms, rainstorms, forest fires or other extreme weather conditions over a long period could make it difficult for our customers to travel to our stores and thereby reduce our sales and profitability, as our business depends on high customer conversion. Our business is also susceptible to unseasonable weather conditions, as a result of climate change or otherwise. For example, extended periods of unseasonably warm temperatures during the winter season or cool weather during the summer season could render a portion of our inventory incompatible with those unseasonable conditions, which could adversely affect our ability to execute our strategy to effectively present seasonal inventory. Reduced sales from extreme or prolonged unseasonable weather conditions could adversely affect our business.

As climate change accelerates, its impacts to businesses and their supply chains is becoming more widespread and unpredictable. The short-term and long-term financial and operational impacts are uncertain. The physical impacts as a result of climate change leading to more volatile weather patterns including flooding, hurricanes, rising sea levels and diminishing freshwater availability may impact operations and supply chains in the textile manufacturing industry as well as the global logistics, distribution and retail operations. These events could also reduce the availability and quality of the fabrics or other raw materials used to manufacture our products, which could result in delays in responding to consumer demand resulting in the potential loss of customers and revenues, or we may incur increased costs to meet demand and may not be able to pass all or a portion of higher costs on to our customers, which could adversely affect our profitability and results of our operations. Our ability to source raw materials may be adversely impacted by severe weather events that significantly destroy the raw material crops, such as cotton, or significantly limit the processing of raw materials due to droughts that bring on water scarcity in geographic areas where our raw materials are processed.

Furthermore, climate change-related transition risks are also growing in many countries, as governmental bodies are enacting new legislation and regulations to reduce or mitigate the potential impacts of climate change. If we, or our suppliers are required to comply with these laws and regulations, or if we choose to take voluntary steps to reduce or mitigate our impact on climate change, we may experience increases in energy, production, transportation, and raw material costs, capital expenditures, or insurance premiums and deductibles. Varied legislation and regulations across jurisdictions may also make it more challenging and affect the costs of compliance with such laws and regulations. Any assessment of the potential impact of future climate change legislation, regulations, or industry standards, as well as any international treaties and accords, is uncertain given the wide scope of potential regulatory change.

In addition, natural disasters such as floods, hurricanes, tornadoes, forest fires and earthquakes, or a combination of these or other factors, could severely damage or destroy one or more of our stores or warehouses located in the affected areas, thereby disrupting our business operations. Natural disasters or volatile weather may also negatively impact or disrupt raw material suppliers, third party factories that supply merchandise to us, and related shipping, logistics and distribution operations, reducing or delaying availability of merchandise and increasing our costs.

Furthermore, a significant portion of our business functions operate out of our headquarters in Toronto, Ontario, and our current distribution centre and our leather factory are nearby. As a result, our business is vulnerable to disruptions due to local weather, economics, and other factors.

There are claims made against us from time to time that can result in litigation that could distract management from our business activities and result in significant liability or damage to our brand.

We face the risk of litigation and other claims against us. Litigation and other claims may arise in the ordinary course of our business and include employee and customer claims, commercial disputes, landlord-tenant disputes, intellectual property issues, product-oriented allegations, and personal injury claims. These claims can raise complex factual and legal issues that are subject to risks and uncertainties and could require significant management time. Most of our products are produced and supplied by third-party manufacturers and suppliers and some of these products may expose us to various claims, including class action claims relating to merchandise that is subject to a product recall or liability claim. Litigation and other claims against us could result in unexpected expenses and liabilities, which could materially adversely affect our operations and our reputation.

Although we maintain liability insurance to mitigate potential claims, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available on economically reasonable terms or at all.

Merchandise returns could harm our business.

We allow our customers to return merchandise, subject to our return policy. If merchandise return economics become more costly, our business, financial condition and results of operations could be harmed. Further, we modify our policies relating to returns from time to time, which may result in customer dissatisfaction or an increase in the number of merchandise returns. Supplier non-compliance can also result in increased returns. From time to time, our products are damaged in transit, which can increase return rates and harm our brands. Competitive pressures could cause us to alter our return policies or our shipping policies, which could result in an increase in damaged products and an increase in merchandise.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our reported financial results or financial condition.

IFRS and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including revenue recognition, impairment of goodwill and intangible assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported financial performance or financial condition in accordance with generally accepted accounting principles, which could have a material adverse effect on our business, financial condition, results of operations or profitability, and could cause the price of our Shares to decline.

The terms of our Credit Facilities, and any additional debt financing, may restrict our current and future operations, which could adversely affect our ability to manage our operations and respond to changes in our business.

We are currently indebted under our Credit Facilities and we may incur additional indebtedness under the Credit Facilities or otherwise in the future. We are exposed to changes in interest rates on our cash and cash equivalents, bank indebtedness and long-term debt. Debt issued at variable rates exposes us to cash flow interest rate risk. Debt issued at fixed rates exposes us to fair value interest rate risk. Our borrowings, current and future, will require interest payments and need to be repaid or refinanced, could require us to divert funds identified for other purposes to debt service and could create additional cash demands or impair our liquidity position and add financial risk for us. Diverting funds identified for other purposes to service debt may adversely affect our business and growth prospects. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets, reduce or delay expenditures, or issue equity to obtain necessary funds. We do not know whether we would be able to take any of these actions on a timely basis, on terms satisfactory to us, or at all.

Our Credit Agreement (as defined herein) contains restrictive financial and other covenants which affect, among other things, the manner in which we may structure or operate our business. A failure by us to comply with our contractual obligations (including restrictive, financial and other covenants), or to pay our

indebtedness and fixed costs under our current or future financing arrangements could result in a variety of material adverse consequences, including the acceleration of our indebtedness and the exercise of remedies by our creditors, and such defaults could trigger additional defaults under other agreements. In such a situation, it is unlikely that we would be able to repay the accelerated indebtedness or fulfill our obligations under certain contracts, or otherwise cover our fixed costs, and our future financial condition would be materially adversely affected.

Our degree of leverage could have a material adverse effect on our business and results of operations, including:

- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- restricting our flexibility and discretion to operate our business;
- limiting our ability to declare dividends on our securities;
- having to dedicate a larger portion of our cash flows from operations to the payment of interest on our existing indebtedness and not having such cash flows available for other purposes;
- exposing our business to debt capital market risks, including interest rate risk and refinancing risk at maturity;
- exposing us to increased interest expense on borrowings at variable rates;
- limiting our ability to adjust to changing market conditions;
- placing us at a competitive disadvantage compared to our competitors that have less debt;
- making us vulnerable to a downturn in general economic conditions; and
- preventing us from making expenditures that are important to implementing our growth strategies.

A failure to maintain an effective system of internal controls over financial reporting could harm our financial performance, our ability to raise capital and our listing on the TSX.

We are responsible for establishing and maintaining adequate internal controls over financial reporting, which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Because of inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A failure to prevent or detect errors or misstatements may result in a decline in the price of our Shares and harm our ability to raise capital in the future.

If our management is unable to certify the effectiveness of our internal controls or if material weaknesses in our internal controls are identified, we may be subject to regulatory scrutiny and a loss of public confidence, which could harm our business and cause a decline in the price of our Shares. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to accurately report our financial performance on a timely basis, which could cause a decline in the price of our Shares and harm our ability to raise capital. Failure to accurately report our financial performance on a timely basis could also jeopardize our listing on the TSX or any other stock exchange on which our Shares may be listed. Delisting of our Shares on any exchange would reduce the liquidity of the market for our Shares, which would reduce the price of and increase the volatility of the price of our Shares.

A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results may be materially adversely affected, which could also cause investors to lose confidence in our reported financial information, which in turn could result in a reduction in the trading price of our Shares.

Bankruptcies by other retailers, licensees and other business partners may negatively impact us.

A bankruptcy or cessation of operations by one or more of our international or licensee partners or their major wholesale customers could result in failure to recover accounts receivable with respect to products that we have licensed to such partners and would result in the loss of a distribution partner. Furthermore, bankruptcies of certain mall co-tenants could reduce the level of foot traffic to our stores in that location, and therefore the purchases made at that store could be adversely affected. If any of these actions were to occur, it could have a material adverse effect on our business, prospects, financial condition, and results of operations.

In addition, a competitor that is experiencing financial instability or entering liquidation or restructuring proceedings may flood the market with their product at low prices, which could have a temporary impact on our ability to sell our products during their liquidation window, which could have an adverse effect on our business and results of operations during that period.

We are party to contracts, transactions, and business relationships with various third parties, pursuant to which such third parties have performance, payment, and other obligations to us. If any of these third parties were to become subject to declines in their revenues or become subject to bankruptcy, receivership or similar proceedings, our rights and benefits in relation to our contracts, transactions and business relationships with such third parties may be terminated, modified in a manner adverse to us, or otherwise impaired. We cannot make any assurances that we would be able to arrange for alternate or replacement contracts, transactions, or business relationships on terms as favourable as our existing contracts, transactions or business relationships, if at all. Any inability on our part to do so could have a material adverse effect on our business and results of operations.

Risks Related to Ownership of Our Shares

The market price for Shares may be volatile.

The market price of our Shares may be subject to significant fluctuations. Some of the factors that may cause the market price of our Shares to fluctuate include:

- volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in our operating results or in the expectations of market analysts;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- short sales, hedging and other derivative transactions in our Shares;

- litigation or regulatory action against us;
- investors' general perception of us and the public's reaction to our press releases, our other public announcements and our filings with Canadian securities regulators, including our financial statements;
- publication of research reports or news stories about us, our competitors or our industry;
- positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in general political, economic, industry and market conditions and trends;
- sales of our Shares by existing Shareholders;
- recruitment or departure of key personnel;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or our competitors; and
- the other risk factors described in this section of this Annual Information Form.

Furthermore, our Shares may have limited liquidity and Shareholders may be unable to sell significant quantities of our Shares into the public trading markets without a significant reduction in the price of their Shares, or at all.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of our environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Shares by those institutions, which could materially adversely affect the trading price of our Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, our operations and the trading price of our Shares may be materially adversely affected.

In addition, broad market and industry factors may harm the market price of our Shares. Consequently, the price of our Shares could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our Shares regardless of our operating performance. In the past, following a significant decline in the market price of a company's securities, there have been instances of securities class action litigation having been instituted against that company. If we were involved in any similar litigation, we could incur substantial costs, our management's attention and resources could be diverted and it could harm our business, results of operations and financial condition.

Searchlight continues to have significant influence over us, including control over decisions that require the approval of Shareholders, which could limit your ability to influence the outcome of matters submitted to Shareholders for a vote.

As at January 31, 2026, Searchlight beneficially owns, controls or directs, in the aggregate, approximately 52.4% of our issued and outstanding Shares and has the right to nominate 40% of our Board. As long as Searchlight owns or controls a significant number of our outstanding Shares, they will have the ability to exercise substantial control over all corporate actions requiring shareholder approval, irrespective of how our other Shareholders' may vote, including the election and removal of directors and the size of our Board, any amendments to our constating documents, or the approval of any merger, acquisition or other significant corporate transaction, including a sale of all or substantially all of our assets. See "Material Contracts – Investor Rights Agreement".

In addition, Searchlight's interests may not align with the interests of our other Shareholders. Searchlight is in the business of making investments in companies and may acquire and hold, from time to time, interests in businesses that compete directly or indirectly with us. Searchlight may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Future sales of our securities by existing Shareholders or by us could cause the market price for our Shares to decline.

Sales of a substantial number of our Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Shares intend to sell their Shares, could significantly reduce the market price of our Shares. We cannot predict the effect, if any, that future public sales of these securities or the availability of these securities for sale will have on the market price of our Shares. If the market price of our Shares was to drop as a result, this might impede our ability to raise additional capital and might cause remaining Shareholders to lose all or part of their investment.

Moreover, certain of our Shareholders will have certain rights under the Investor Rights Agreement (as defined herein) to require us to file a prospectus covering their registrable securities or to include their registrable securities in prospectuses that we may file for ourselves or on behalf of other Shareholders.

Further, we cannot predict the size of future issuances of our Shares or the effect, if any, that future issuances and sales of our Shares will have on the market price of our Shares. Sales of substantial amounts of our Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Shares.

We do not expect to pay any cash dividends for the foreseeable future.

We currently expect to retain all available funds and future earnings for use in the operation and growth of our business and do not anticipate paying any cash dividends for the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board, subject to compliance with applicable law and any contractual provisions, including under the Credit Agreement and other agreements for indebtedness we may incur, that restrict or limit our ability to pay dividends, and will depend upon, among other factors, our results of operations, financial condition, earnings, capital requirements and other factors that our Board deems relevant. Accordingly, if you purchase our Shares, realization of a gain on your investment will depend on the appreciation of the price of our Shares, which may never occur. Investors seeking cash dividends in the foreseeable future should not purchase our Shares.

Any issuance of preferred shares could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Shares, which could depress the price of our Shares.

Our Board has the authority to issue preferred shares and to determine the preferences, limitations and relative rights of preferred shares and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our Shareholders. Our preferred shares may be issued with liquidation, dividend and other rights superior to the rights of our Shares. The potential issuance of preferred shares may delay or prevent a change in control of Roots, discourage bids for our Shares at a premium over the market price and adversely affect the market price and other rights of the holders of our Shares.

If securities or industry analysts cease to publish research or publish inaccurate or unfavourable research about us or our business, our trading price and our trading volume could decline.

The trading market for our Shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If any analyst who covers us downgrades our Shares or publishes inaccurate or unfavourable research about our business, the trading price of our Shares may decline. If any

analyst ceases coverage of us or fails to publish reports on us regularly, demand for our Shares could decrease, which could cause the trading price and volume of our Shares to decline.

There are risks related to forward-looking information in this Annual Information Form.

The forward-looking information included in this Annual Information Form relating to, among other things, our future results, performance, achievements, prospects, targets, intentions or opportunities or the markets in which we operate (including, in particular, the information contained in “Our Business” and the other statements listed in “Forward-Looking Information”), is based on opinions, assumptions and estimates made by our management in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Our actual results in the future may vary significantly from the historical and estimated results and those variations may be material. We make no representation that our actual results in the future will be the same, in whole or in part, as those included in this Annual Information Form. See “Forward-Looking Information”.

DIVIDEND POLICY

We intend to retain any future earnings to fund the development and growth of our business and do not currently anticipate paying dividends on the Shares. Any determination to pay dividends in the future will be at the discretion of our Board and will depend on many factors, including, among others, our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that our Board may deem relevant.

DESCRIPTION OF SHARE CAPITAL

The following is a summary of the material attributes and characteristics of the Company’s authorized share capital. This summary is qualified in its entirety by reference to the terms and provisions of our articles of incorporation (“**Articles**”).

Authorized Share Capital

Our authorized share capital consists of (i) an unlimited number of Shares and (ii) an unlimited number of preferred shares, issuable in series. As at the date of this Annual Information Form, there are 39,196,165 Shares issued and outstanding and no preferred shares issued and outstanding.

In addition, as at such date we had 112,448 options and nil restricted share units (“**RSU**”) issued and outstanding under our legacy option plans, which were established prior to the IPO and amended and restated upon closing of the IPO (the “**Legacy Option Plans**”), 1,615,918 options and 481,250 RSUs issued and outstanding under our new omnibus incentive plan adopted upon closing of the IPO, as amended, and 100,000 common share purchase warrants (“**Warrants**”). All options, RSUs and Warrants are exercisable to acquire Shares. The Legacy Option Plans govern options granted prior to our IPO with no further awards permitted to be granted thereunder.

Common Shares

Rank

The Shares rank *pari passu* with respect to the payment of dividends, return of capital and distribution of assets in the event of our liquidation, dissolution or winding-up.

Dividend Rights

Holders of Shares (“**Shareholders**”) are entitled to receive dividends on a *pari passu* basis out of our assets legally available for the payment of dividends at such times and in such amount and form as our Board may from time to time determine, subject to any preferential rights of the holders of any outstanding preferred shares.

Voting Rights

Shareholders are entitled to one vote in respect of each Share held at meetings of Shareholders, as described below.

Meetings of Shareholders

Shareholders will be entitled to receive notice of any meeting of Shareholders and may attend and vote at such meetings. A quorum for the transaction of business at a meeting of Shareholders is present if Shareholders who, together, hold not less than 25% of the votes attaching to our outstanding Shares entitled to vote at the meeting are present in person or represented by proxy.

Pre-Emptive Rights

Certain Shareholders will be entitled to certain pre-emptive rights to subscribe for additional Shares provided for in the Investor Rights Agreement. Further information regarding the pre-emptive rights provided for in the Investor Rights Agreement is described under “Material Contracts – Investor Rights Agreement – Pre-Emptive Rights”.

Liquidation Rights

Upon our liquidation, dissolution or winding-up, whether voluntary or involuntary, the Shareholders, without preference or distinction, will be entitled to receive rateably all of our assets remaining after payment of all debts and other liabilities, subject to any preferential rights of the holders of any outstanding preferred shares.

Preferred Shares

The preferred shares may at any time and from time to time be issued in one or more series. Subject to the provisions of the CBCA and our Articles, our Board may, by resolution, from time to time before the issue thereof determine the maximum number of preferred shares of each series, create an identifying name for each series, attach special rights or restrictions to the preferred shares of each series including, without limitation, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights on our liquidation, dissolution or winding-up and any sinking fund or other provisions, the whole to be subject to filing Articles of Amendment to create the series and to include the special rights or restrictions attached to the preferred shares of the series. Except as provided in any special rights or restrictions attaching to any series of preferred shares issued from time to time, the holders of preferred shares will not be entitled to receive notice of, attend or vote at any meeting of Shareholders.

Preferred shares of each series, if and when issued, will, with respect to the payment of dividends, rank *pari passu* with the preferred shares of every other series and be entitled to preference over the Shares and any other of our shares ranking junior to the preferred shares with respect to payment of dividends.

In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of preferred shares will be entitled to preference with respect to distribution of our property or assets over the Shares and any other of our shares ranking junior to the preferred shares with respect to the repayment of capital paid up and the payment of unpaid dividends accrued on the preferred shares. We currently

anticipate that there will be no pre-emptive, subscription, redemption or conversion rights attaching to any series of preferred shares issued from time to time.

Advance Notice By-Laws

We have included certain advance notice provisions with respect to the election of our directors in our by-laws (the “**Advance Notice Provisions**”). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings of our Shareholders; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a Shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting of Shareholders (the “**Notice Date**”) is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Forum Selection

We have adopted a forum selection by-law that provides that, unless we consent in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario, Canada and the appellate courts therefrom, will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or our Articles or by-laws; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective shareholders, directors and/or officers, but excluding claims related to our business or the business of such affiliates. Our forum selection by-law also provides that our security holders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of our by-law.

MARKET FOR SECURITIES

Trading Price and Volume

The Shares are listed on the TSX and are traded under the symbol “ROOT”. The high and low reported trading price and volumes of Shares on the TSX from February 2, 2025 to January 31, 2026 were as follows:

Month	High	Low	Volume
2026			
January	\$3.30	\$3.04	90,100
2025			
December	\$3.45	\$2.99	106,700

Month	High	Low	Volume
November	\$3.35	\$3.10	90,400
October	\$3.42	\$3.10	55,500
September	\$3.44	\$2.98	213,400
August	\$3.25	\$2.81	43,000
July	\$3.24	\$2.78	53,000
June	\$3.34	\$2.75	108,000
May	\$3.31	\$2.71	220,800
April	\$2.75	\$2.04	205,800
March	\$2.57	\$2.11	174,000
February (2 – 28)	\$2.61	\$2.35	134,900

NORMAL COURSE ISSUER BID

On April 11, 2025, we commenced a normal course issuer bid (the “**NCIB**”) for our Shares through the facilities of the TSX (or other alternative Canadian trading systems) to purchase for cancellation up to 1,347,118 of our Shares, representing 10.0% of the Company’s public float, during the 12-month period commencing April 11, 2025 and ending April 10, 2026.

In conjunction with the NCIB, we entered into an automatic share purchase plan (the “**ASPP**”) with a designated broker for the purpose of permitting us to purchase Shares for cancellation under the NCIB during regularly scheduled blackout periods during the term of the NCIB.

During Fiscal 2025, the Company purchased for cancellation an aggregate of 1,286,700 Shares, at an average price of \$3.12 per Share, under the NCIB. The NCIB and the ASPP expires on April 10, 2026.

DIRECTORS AND EXECUTIVE OFFICERS

The names and jurisdiction of residence of the directors and executive officers of the Company, their respective positions and offices held with the Company and their principal occupation for the last five or more years are shown below as at the date hereof. Directors are elected to serve until the next annual meeting or until their successors are elected or appointed, unless their office is earlier vacated.

Directors

Name, Province or State and Country of Residence	Position/Title	Office Held Since	Principal Occupation
Erol Uzumeri <i>Ontario, Canada</i>	Director, Chairman of the Board ⁽¹⁾	December 2015	Founding Partner, Searchlight
Phil Bacal <i>Ontario, Canada</i>	Director ⁽²⁾	July 2020	Managing Director, Bullet Trade Services
Scott Cameron <i>Ontario, Canada</i>	Director ⁽³⁾⁽⁴⁾	July 2025	Self-employed consultant
Mary Ann Curran <i>Ontario, Canada</i>	Director ⁽³⁾⁽⁴⁾	June 2018	Corporate Director
Gregory David <i>Ontario, Canada</i>	Director ⁽¹⁾⁽⁴⁾	October 2017	Chief Executive Officer, GRI Capital Inc.
Edward H. Kernaghan <i>Ontario, Canada</i>	Director ⁽³⁾⁽⁴⁾	July 2025	President, Kernwood Limited and Partner, Kernaghan & Partners
Dale H. Lastman <i>Ontario, Canada</i>	Lead Director ⁽¹⁾⁽⁴⁾	October 2017	Chair and Partner, Goodmans LLP
Dexter Peart <i>Quebec, Canada</i>	Director ⁽⁴⁾	March 2021	Co-Founder, GOODEE Inc.
Meghan Roach <i>Ontario, Canada</i>	Director, President & Chief Executive Officer	May 2020 ⁽⁵⁾	President & Chief Executive Officer, Roots

Notes:

- (1) Member of our Governance, Compensation and Nominating Committee.
- (2) Prior to his current role at Bullet Trade Services, Mr. Bacal held successive roles at Searchlight between September 2012 and December 2023.
- (3) Member of our Audit Committee.
- (4) Independent director for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators.

- (5) Prior to Ms. Roach's appointment as the Company's permanent President & Chief Executive Officer, Ms. Roach served as Interim Chief Executive Officer of Roots from January 2020 to May 2020 and as Interim Chief Financial Officer of Roots from August 2019 to January 2020. Prior to Roots, Ms. Roach served as Managing Director, Searchlight.

Executive Officers

Name, Province or State and Country of Residence	Position/Title	Office Held Since	Previous Principal Occupations
Meghan Roach <i>Ontario, Canada</i>	Director, President & Chief Executive Officer	May 2020	Interim Chief Executive Officer, Roots (Jan. 2020-May 2020); Interim Chief Financial Officer, Roots (Aug. 2019-Jan. 2020); Managing Director, Searchlight (2012-2020)
Leon Wu <i>Ontario, Canada</i>	Chief Financial Officer	January 2023	Vice President, Finance and Strategy, Roots (Jul. 2021-Jan. 2023); Senior Director, Finance, APP Group (Feb. 2021-Jul. 2021); Senior Director, Finance, Roots (Aug. 2019-Feb. 2021); Director, Reporting & Planning, Roots (Oct. 2017-Jul. 2019)
Leslie Golts <i>Ontario, Canada</i>	Chief Marketing Officer	November 2023	Head of Beauty & Wellbeing Business Unit, Unilever Canada (Jul. 2022-Nov. 2023); Global Dove Masterbrand and Equity Lead, Unilever Global (Sep. 2021-Jun. 2022); Global Dove Men and Care Masterbrand and Digital Lead, Unilever Global (Jul. 2019-Sept 2021); Skin Cleansing Category Lead, Unilever Canada (2017-Jul. 2019)
Rosie Pouzar <i>Ontario, Canada</i>	Chief Commercial Officer	April 2025 ⁽¹⁾	Senior Vice President, Retail, Sephora Canada (Sep. 2023-Mar. 2025); SVP, Chief Operating Officer, Sephora Canada (Sep. 2021-Sep. 2023); Vice President, Finance & Strategy, Sephora Canada (Nov. 2019-Sep. 2021).
Kaleb Honsberger <i>Ontario, Canada</i>	Senior Vice President, General Counsel and Corporate Secretary	January 2020	Vice President, General Counsel and Corporate Secretary, Roots (Feb. 2018-Jan. 2020)
Melinda McDonald <i>Ontario, Canada</i>	Vice President, Wholesale and Business Development	March 2004	N/A
Joseph Mangattoor <i>Ontario, Canada</i>	Vice President, Operations	May 2022	Senior Director, Global Logistics and Distribution, Roots (Jun. 2018-May 2022)
Alan Chan <i>Ontario, Canada</i>	Vice President, Product Development, Sourcing & Logistics	July 2023	Senior Director, Sourcing, Product Development and Materials, Roots (Nov. 2022-Jul. 2023); Managing Director, Carter's Inc. (Apr. 2019-Feb. 2021)
James Gideon <i>Ontario, Canada</i>	Vice President, Merchandising and Planning	March 2024	Vice President, Product Merchandising, adidas Canada (Feb. 2022-Apr. 2023); Category Director, adidas Canada (Jan. 2020-Feb. 2022); Senior Marketing Operations Manager, adidas Canada (Feb. 2019-Jan. 2020)
Anjana Moitra-Ohri <i>Ontario, Canada</i>	Vice President, Human Resources	April 2024	Vice President, Human Resources, CBI Health (Mar. 2022-Apr. 2024); National Director, Organizational Development (Jul. 2018-Feb. 2022), CBI Health
Gianni Rino <i>Quebec, Canada</i>	Vice President, Information Strategy & Systems	January 2025	Vice President, Information Technology, Laura Canada (Jan. 2022-Oct. 2024); Director, Global Marketing – Retail & Consumer Services, CGI (Jan. 2013–Jan. 2022)
Andre Goddard <i>Ontario, Canada</i>	Vice President, Finance	February 2020 ⁽²⁾	N/A

- (1) Prior to Ms. Pouzar's appointment as the Company's Chief Commercial Officer, Ms. Pouzar served as Head of Omnichannel Growth of Roots from April 2025 to February 2026.
- (2) Prior to Mr. Goddard's appointment as Vice President, Finance, of the Company, Mr. Goddard served as Senior Director, Finance from February 2023 to March 2025, and as Director of Reporting and FP&A from February 2020 to February 2023.

Biographical Information Regarding the Directors

Erol Uzumeri

Mr. Uzumeri is a founding partner of Searchlight and is jointly responsible for overseeing the firm's activities with the two other founding partners. Prior to co-founding Searchlight in 2010, Mr. Uzumeri was the head of Private Equity for the Ontario Teachers' Pension Plan. Mr. Uzumeri serves on the boards of Mitel Networks and the Sick Kids Hospital Foundation. Mr. Uzumeri graduated from the University of Toronto, with a Bachelor of Science degree in Honours Industrial Engineering and received a Master of Science degree in Finance from the London Business School.

Phil Bacal

Mr. Bacal is the Managing Director of Bullet Trade Services. Prior to this role, Mr. Bacal was a Partner of Searchlight, which he joined in 2012. Mr. Bacal worked at The Catalyst Capital Group in Toronto, Ontario, as an associate from 2010 to 2012 and in investment banking at Credit Suisse in London, UK, as an analyst from 2007 to 2010. Mr. Bacal currently serves as a member of the board of directors of Bullet Trade Services, Care Advantage, Inc. and B Communications Ltd. Mr. Bacal received an HBA from the Richard Ivey School of Business at the University of Western Ontario. Mr. Bacal previously served on our Board from December 2015 to October 2017.

Scott Cameron

Mr. Cameron is a self-employed consultant advising and financing ventures in the consumer, apparel, and sports/athletics sectors. Between 2021-2022, he served as CEO of Hourglass Cosmetics, a cruelty-free luxury beauty brand. Prior to that, Mr. Cameron held several senior executive roles at Canada Goose from 2016-2021, including President of Asia-Pacific, President of Greater China, EVP of Stores and Ecommerce, and Chief Strategy and Business Development Officer. Before Canada Goose, Mr. Cameron was a Part

ner in the Consumer and Retail practice at McKinsey & Company, advising global brands on growth strategy, merchandising, international expansion, organization, and digital transformation. He holds an MBA from Harvard Business School, where he was a George Baker Scholar, and a Bachelor of Commerce (Honours) from Queen's University.

Mary Ann Curran

Ms. Curran served as the Chief Executive Officer of Busy Bees North America and BrightPath Early Learning Inc. until her retirement at the end of December 2025. The Busy Bees Group is a leading provider of early childhood learning and care with more than 1,000 centres globally. Prior to that, Ms. Curran was President and Chief Executive Officer of Jones Apparel Group Canada. Prior to her role with Jones Apparel Group Canada, Ms. Curran served in various strategy and finance leadership roles with Abitibi-Price and PepsiCola Canada. Ms. Curran served as a director of the Toronto Rehabilitation Institute and Wellspring Cancer Support Foundation. She is a Chartered Professional Accountant and holds a Master of Business Administration degree from York University and a Bachelor of Business Administration degree from Wilfrid Laurier University. Ms. Curran also holds an ICD.D designation from the Institute of Corporate Directors.

Gregory David

Mr. David is the chief executive officer of GRI Capital Inc., a private investment management firm, and has been with the company and its affiliates since 2003. Mr. David provided financial and strategic advisory services to private and public companies from 2000 to 2003. Previously, he worked at Claridge Inc. from 1998 to 2000 and at McKinsey & Co. from 1996 to 1998. Mr. David also currently serves on the board of Dollarama Inc., a position he has held since 2004. Mr. David received a Bachelor of Commerce degree from Queen's University, a Bachelor of Common Law and a Bachelor of Civil law degree from McGill University and a Master of Business Administration with Distinction from Harvard Business School.

Edward H. Kernaghan

Mr. Kernaghan is currently President of Kernwood Limited ("**Kernwood**") and a partner at Kernaghan & Partners, positions he has held since October 2000 and January 2015, respectively. Mr. Kernaghan has over 15 years of experience in the financial services business. He held the position of Executive Vice-President at Kernaghan Securities, a firm he started along with his father, Ted Kernaghan, in 2001. Mr. Kernaghan also currently serves on a number of other public company boards, including Velan Inc., Exco Technologies Limited, Obsidian Energy Ltd. and Black Diamond Group Limited. Mr. Kernaghan is a graduate of the University of Toronto with a Master of Science in Theoretical Physics, and he has a Bachelor of Science, Honors degree from Queen's University.

Dale H. Lastman C.M.

Mr. Lastman is the Chair of Goodmans LLP. He practices corporate, commercial and securities law and provides counsel in connection with public offerings, mergers and acquisitions, as well as business restructurings. He is a Director of MLSE Ltd. and an Alternate Governor for the NHL and NBA. He previously served as Chair of the Board of Governors of the CFL and currently serves as the Governor representing the Toronto Argonauts. He has extensive experience on corporate boards and currently sits on the Board of Directors of RioCan Real Estate Investment Trust in addition to Roots Corporation. He is actively involved in community and charitable organizations and is a Director and former Chair of Baycrest Health Sciences and an Honorary Trustee of the Hospital for Sick Children. Mr. Lastman is a Member of the Order of Canada and Order of Ontario and an Honorary Captain of the Royal Canadian Navy. He has been awarded the rank of an Honorary Chief of Police from the Toronto Police Service and an Honorary Big by Big Brothers Big Sisters of Toronto. He is recognized among Toronto's 50 Most Influential People by Toronto Life and as a leading lawyer in numerous publications around the world. For over 30 years, Mr. Lastman was one of Osgoode Hall Law School's longest serving lecturers in securities law. During his tenure, he received the Adjunct Faculty Award for Teaching Excellence as well as the Alumni Gold Key award for outstanding professional achievement and contribution to the legal community. In 2024, Mr. Lastman was awarded an Honorary Doctor of Laws degree from York University for his legal achievements and dedicated engagement to charitable work.

Dexter Peart

Mr. Peart is co-founder of leading sustainable design marketplace GOODEE Inc., a B-Corp certified eCommerce platform. His most recent endeavour, founded in May 2019 with his identical twin brother, Byron, GOODEE brings together the values of good design and good purpose across home, beauty and accessory brands. GOODEE was recently honoured as a finalist for Fast Company's "World Changing Ideas" 2020. Mr. Peart was named one of Fast Company's 100 Most Creative People in 2015, and he received the Accessory Designer of the Year Award in 2014 and 2016 at the Canadian Arts & Fashion Awards. He has also been included regularly amongst Business of Fashion's prestigious BoF 500 list. Mr. Peart began his career in fashion with the launch of WANT Agency in 2000, where he and his brother introduced many of-the-moment brands to the North American market. In 2007, they founded the critically-acclaimed accessories brand WANT Les Essentiels, which they followed with the multi-brand retail concept store WANT Apothecary in 2011. Mr. Peart is currently Vice Chairman of the Board of DESTA Black Youth Network. Mr. Peart has a Bachelor of Arts degree in economics from the University of Western Ontario.

Meghan Roach

Ms. Roach is the President and Chief Executive Officer of Roots Corporation, a position she has held since 2020. She also serves on the Board of Directors. Prior to her current role, Ms. Roach served as both the Interim Chief Executive Officer and Interim Chief Financial Officer at Roots Corporation. Before joining Roots, Ms. Roach was a Managing Director at Searchlight Capital Partners, L.P., where she played a role in the firm's growth and in executing successful transactions. In 2008, she joined Teachers' Private Capital, the private equity arm of the Ontario Teachers' Pension Plan, where she showcased her capability in handling complex transactions and supporting strategic growth. She also worked in Transaction Advisory and Assurance Services at KPMG.

Ms. Roach holds an MBA from the University of Oxford and a Bachelor of Commerce from Queen's University, along with an FCPA, FCA designation.

Ms. Roach currently serves on the board of the Business Council of Canada and Canada Packers, where she is a member of the Conflicts and Audit Committees and the Chair of the Safety and Sustainability Committee. She has also served on the Board of Directors and Audit Committee of M&M Food Market and has held board positions at Wellington A & B Limited and the Holland Bloorview Kids Rehabilitation Hospital Foundation, where she was Vice Chair and a member of the Investment Committee. Ms. Roach acts as the Co-Chair of the Asia-Pacific working group for the Business Council of Canada and is a member of the Investment Committee of the Nature Conservancy of Canada.

Ms. Roach has been recognized as one of Canada's Most Powerful CEOs and one of the Top 100 Most Powerful Women in Canada.

Ownership Interest

As at January 31, 2026, other than Shares owned by Searchlight and Kernwood, our directors and executive officers, as a group, beneficially own, or control or direct, directly or indirectly, 73,225 Shares, representing approximately 0.19% of our issued and outstanding Shares. In addition, Kernwood, a company controlled by Mr. Kernaghan, holds 6,482,300 Shares, representing approximately 16.5% of our issued and outstanding Shares. Searchlight holds 20,519,887 Shares, representing approximately 52.4% of our issued and outstanding Shares. Mr. Uzumeri, a director of the Company, is a manager of Searchlight Capital Partners II GP, LLC, the general partner of Searchlight Capital Partners II GP, L.P., which is the general partner of the investment funds that own the Shares held by Searchlight. Mr. Uzumeri disclaims beneficial ownership of the Shares held by Searchlight.

Cease Trade Orders and Bankruptcies

Except as described below, none of the directors or executive officers of the Company, and to the best of its knowledge, no shareholder holding a sufficient number of securities to affect materially the control of the Company is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, (a) a director, chief executive officer or chief financial officer of any company that was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or (c) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. For the purposes of this paragraph, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case, that was in effect for a period of more than 30 consecutive days.

Meghan Roach and Kaleb Honsberger served as directors and executive officers of RTS USA Corp. (f/k/a Roots USA Corporation) (“**RTS USA**”). On April 29, 2020, Roots announced the liquidation of RTS USA pursuant to the Chapter 7 bankruptcy filing which resulted in the permanent closure of the Company’s stores in Boston, Washington and Chicago, as well as its pop-up location in Woodbury Common, New York.

Individual Bankruptcies

None of the directors or executive officers of the Company, and to the best of its knowledge, no shareholder holding a sufficient number of securities to affect materially the control of the Company, has, within the 10 years prior to the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties or Sanctions

None of the directors or executive officers of the Company, and to the best of its knowledge, no shareholder holding a sufficient number of securities to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Audit Committee

Our Audit Committee consists of three directors, each of whom are persons determined by our Board to be independent and financially literate, each within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Our Audit Committee is comprised of Mary Ann Curran, who acts as chair of this committee, Edward H. Kernaghan and Scott Cameron. Each of our Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting as further described in each member’s biography under the heading “Directors and Executive Officers”.

Our Board has adopted a written charter as set forth in Appendix A, setting forth the purpose, composition, authority and responsibility of our Audit Committee, consistent with NI 52-110. The Audit Committee assists our Board in discharging its oversight of:

- the quality and integrity of our financial statements and related information;
- the independence, qualifications and appointment of our external auditor;
- our disclosure controls and procedures, internal control over financial reporting and management’s responsibility for assessing and reporting on the effectiveness of such controls;
- our risk management processes;
- monitoring and periodically reviewing our whistleblower policy; and
- transactions with our related parties.

Our Audit Committee has access to all of our books, records, facilities and personnel and may request any information about us as it may deem appropriate. It also has the authority, in its sole discretion and at our expense, to retain and set the compensation of outside legal, accounting or other advisors as necessary to assist in the performance of its duties and responsibilities. Our Audit Committee also has direct

communication channels with the Chief Financial Officer and our external auditors to discuss and review such issues as our Audit Committee may deem appropriate.

External Auditor Service Fee

For Fiscal 2025 and Fiscal 2024, we incurred the following fees by our external auditor, KPMG LLP:

	<u>Fiscal 2025</u>	<u>Fiscal 2024</u>
Audit fees ⁽¹⁾	\$420	\$342
Tax fees ⁽²⁾	116	56
Total fees paid.....	<u>\$536</u>	<u>\$398</u>

Notes:

- (1) Fees for audit service and interim reviews in each case on an accrued basis. Amounts are stated in thousands of Canadian dollars.
- (2) Fees for tax compliance, tax advice and tax planning. Fees are inclusive of technology-related fees. Amounts are stated in thousands of Canadian dollars.

The Audit Committee Charter provides that the Audit Committee must pre-approve the retaining of the auditors for any non-audit service. The Audit Committee may delegate to one or more members the authority to pre-approve the retaining of the auditors for any non-audit service to the extent permitted by law, but pre-approval by such member or members so delegated must be presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

We are, from time to time, involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved in, or have been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to our consolidated financial condition or results of operations.

We are not aware of any penalties or sanctions imposed by a court or securities regulatory authority or other regulatory body against us, nor have we entered into any settlement agreements before a court or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described elsewhere in this Annual Information Form, there are no material interests, direct or indirect, of any of our directors or executive officers, any Shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of the aggregate votes attached to the Shares, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof, that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Our auditor is KPMG LLP, Chartered Professional Accountants, located at 100 New Park Place, Suite 1400, Vaughan, Ontario, L4K 0J3. KPMG LLP has prepared an independent auditor's report dated April 8, 2026 in respect of the consolidated financial statements of the Company as at January 31, 2026 and February 1, 2025 and for the fiscal years then ended. KPMG LLP has confirmed that it is independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

The transfer agent and registrar for the Shares is Computershare Investor Services Inc. at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the only material contracts of the Company that are in effect (other than certain agreements entered into in the ordinary course of business):

- a) the Investor Rights Agreement; and
- b) the Credit Agreement.

The summaries below describe the material attributes of each of the material contracts and are subject to, and qualified in their entirety by reference to, the provisions of that agreement, which contains a complete statement of those attributes and characteristics, copies of which have been filed with the Canadian securities regulatory authorities and are available on SEDAR+ at sedarplus.ca, under our profile. Investors are encouraged to read the full text of such material agreements.

INVESTOR RIGHTS AGREEMENT

In conjunction with the closing of the IPO, Searchlight and the Founders entered into an investor rights agreement with the Company (the “**Investor Rights Agreement**”), which granted Searchlight and the Founders with certain director nomination rights and shareholder rights.

Nomination Rights

The Investor Rights Agreement provides that Searchlight (including its permitted affiliates) will initially be entitled to nominate 40% of our directors (rounded up to the next whole member) and will continue to be entitled to nominate such percentage of our directors for so long as they, as a group, own, control or direct at least 40% of our outstanding Shares (on a non-diluted basis), provided that this percentage will be reduced:

- to 30% of our directors (rounded up to the next whole member) once Searchlight (including its permitted affiliates), as a group, own, control or direct less than 40% but not less than 30% of our outstanding Shares (on a non-diluted basis);
- to 20% of our directors (rounded up to the next whole member) once Searchlight (including its permitted affiliates), as a group, own, control or direct less than 30% but not less than 20% of our outstanding Shares (on a non-diluted basis);
- to 10% of our directors (rounded up to the next whole member) once Searchlight (including its permitted affiliates), as a group, own, control or direct less than 20% but not less than 10% of our outstanding Shares (on a non-diluted basis); and
- to none of our directors once Searchlight (including its permitted affiliates), as a group, own, control or direct less than 10% of our outstanding Shares (on a non-diluted basis).

The Investor Rights Agreement will provide that the Founders will be collectively entitled to nominate one director for so long as the Founders (including its permitted affiliates), as a group, own, control or direct 10% or more of our outstanding Shares (on a non-diluted basis).

Pre-Emptive Rights

In the event that Roots decides to issue equity securities of the Company or securities convertible into or exchangeable or redeemable for equity securities of the Company, or an option or other right to acquire any such securities (“**Issued Securities**”), the Investor Rights Agreement will provide each of Searchlight and the Founders (and their respective permitted affiliates), for so long as such party owns, controls or directs at least 10% of our outstanding Shares (on a non-diluted basis), with pre-emptive rights to purchase Issued Securities or such other securities being contemplated for issuance by Roots, to maintain such party’s effective pro rata ownership interest.

This pre-emptive right will not apply to the issuance of Issued Securities in certain circumstances, including: (i) in respect of the exercise of options, warrants, rights or other securities issued under Roots’ share-based compensation arrangements; (ii) in connection with a subdivision of then-outstanding Shares into a greater number of Shares; (iii) the issuance of equity securities of Roots in lieu of cash dividends, if any; (iv) the exercise by a holder of a conversion, exchange or other similar privilege pursuant to the terms of a security in respect of which Searchlight or the Founders, as the case may be, did not exercise, failed to exercise, or waived, its pre-emptive right or in respect of which the pre-emptive right did not apply; (v) pursuant to a shareholders’ rights plan of Roots, if any, and (vi) to any subsidiary of Roots or an affiliate of any of them (excluding Searchlight).

Searchlight Registration Rights

The Investor Rights Agreement will provide Searchlight (including its permitted affiliates) with the right (the **“Searchlight Piggy-Back Registration Right”**) to require Roots to include Shares held by Searchlight in any future public offering undertaken by Roots by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a **“Searchlight Piggy-Back Distribution”**). Roots will be required to use reasonable commercial efforts to cause to be included in the distribution all of the Shares that Searchlight requests to be sold, provided that if the distribution involves an underwriting and the lead underwriter determines that the total number of Shares to be included in such distribution should be limited for certain prescribed reasons, the Shares to be included in the distribution will be first allocated to Roots.

In addition, the Investor Rights Agreement will provide Searchlight (including its permitted affiliates) with the right (the **“Demand Registration Right”**) to require Roots to use reasonable commercial efforts to file one or more prospectuses with applicable Canadian securities regulatory authorities qualifying Shares held or controlled by Searchlight for public distribution (a **“Demand Distribution”**). Searchlight will be entitled to request not more than three Demand Distributions per calendar year, but no more than once during any 90-day period, and each Demand Distribution must be comprised of such number of Shares that would reasonably be expected to result in aggregate gross proceeds of at least \$20 million. Roots may also distribute its Shares in connection with a Demand Distribution; provided that, if the Demand Distribution involves an underwriting and the lead underwriter determines that the total number of Shares to be included in such Demand Distribution should be limited for certain prescribed reasons, the Shares to be included in the Demand Distribution will be first allocated to Searchlight in full. Any distribution contemplated by a Demand Registration will be through underwriters selected by Searchlight in consultation with Roots.

Each of the Searchlight Piggy-Back Registration Right and the Demand Registration Right is exercisable at any time, provided that Searchlight (including its permitted affiliates), as a group, own, control or direct, in the aggregate, at least 10% of our outstanding Shares (on a non-diluted basis) at the time of exercise. The Searchlight Piggy-Back Registration Right and the Demand Registration Right are subject to customary conditions and limitations, and Roots is entitled to defer any Demand Distribution in certain circumstances for a period not exceeding 90 days. All expenses in respect of a Searchlight Piggy-Back Distribution or a Demand Distribution will be borne by Roots, except that any underwriting fee on the sale of Shares by Searchlight will be borne by Searchlight. The Investor Rights Agreement will provide that Roots will indemnify Searchlight for any misrepresentation in a prospectus under which Shares held by Searchlight are distributed (other than in respect of any information provided by Searchlight, in respect of Searchlight, for inclusion in the prospectus) and Searchlight will indemnify Roots for any information provided by Searchlight, in respect of Searchlight, for inclusion in the prospectus. These registration rights will not, in any circumstance, require Roots to register Shares under the United States Securities Act of 1933, as amended (the **“U.S. Securities Act”**).

Founder Registration Rights

The Investor Rights Agreement provides the Founders (including its permitted affiliates) with the right (the **“Founder Piggy-Back Registration Right”**) to require Roots to include Shares held by the Founders in any future public offering undertaken by Roots (either on its own behalf or as a result of a Demand Distribution initiated by Searchlight) by way of prospectus that it may file with applicable Canadian securities regulatory authorities (a **“Founder Piggy-Back Distribution”**). Roots will be required to use reasonable commercial efforts to cause to be included in the distribution all of the Shares that the Founders request to be sold, provided that if the distribution (i) does not originate from a Demand Distribution initiated by Searchlight, and (ii) involves an underwriting and the lead underwriter determines that the total number of Shares to be included in such distribution should be limited for certain prescribed reasons, the Shares to be included in the distribution will be allocated first to Roots in full, and second (A) if a Searchlight Piggy-Back Registration Right was also exercised in connection with the same distribution, then the remaining number of Shares that may be included in the distribution shall be allocated among Searchlight and the Founders on a pro rata basis or in such other proportion as shall be mutually agreed to by all such selling parties, or (B) if no Searchlight Piggy-Back Registration Right was exercised by Searchlight in connection with the same distribution, then the remaining number of Shares that may be included in the distribution

shall be allocated to the Founders. If, however, the Founders exercise a Founder Piggy-Back Registration Right in respect of a distribution that originated from a Demand Distribution initiated by Searchlight, and such distribution involves an underwriting and the lead underwriter determines that the total number of Shares to be included in such distribution should be limited for certain prescribed reasons, the Shares to be included in the distribution will be first allocated among Searchlight and the Founders on a pro rata basis, or in such other proportion as shall be mutually agreed to by such parties and Roots shall not be entitled to participate in the distribution unless the total number of Shares to be included in the distribution would satisfy, in full, the Shares of Searchlight and the Founders requested to be included in the distribution, in which case Roots shall be entitled to participate in the distribution in an amount not to exceed the difference between (i) the aggregate number of Shares to be sold by Searchlight and the Founders in the distribution, and (ii) the maximum number of Shares that the lead underwriter has determined should be included in such distribution.

The Founder Piggy-Back Registration Right is exercisable at any time, provided that the Founders (including its permitted affiliates) own, control or direct at least 10% of our outstanding Shares (on a non-diluted basis) at the time of exercise. All expenses in respect of a Founder Piggy-Back Distribution in respect of a public offering initiated by Searchlight or Roots, as the case may be, including, without limitation, expenses payable in connection with the qualification of the Shares, the fees and expenses of counsel and auditors and all costs incurred in connection with the preparation, translation, printing and delivery, will be borne by Roots (except for any underwriting fee on the sale of Shares by Searchlight and the Founders which shall be borne by Searchlight and the Founders on a pro rata basis based on the proportion of Shares sold by each). The Investor Rights Agreement will provide that Roots will indemnify the Founders for any misrepresentation in a prospectus under which Shares held by the Founders are distributed (other than in respect of any information provided by the Founders, in respect of the Founders, for inclusion in the prospectus) and the Founders will indemnify Roots for any information provided by the Founders, in respect of the Founders, for inclusion in the prospectus. In the event that Searchlight is also participating in the distribution, Searchlight and the Founders will indemnify one another for any misrepresentation in the applicable prospectus with respect to information related solely to the applicable party and furnished to Roots for use in the prospectus. These registration rights will not, in any circumstance, require Roots to register Shares under the U.S. Securities Act.

Term

The rights to be afforded to Searchlight and the Founders under the Investor Rights Agreement will terminate in respect of that particular party as of the first date upon which such party ceases to own, control or direct at least 10% of our issued and outstanding Shares (on a non-diluted basis). In addition, the Investor Rights Agreement will terminate on the earlier of: (a) the date on which the Investor Rights Agreement is terminated by written agreement of Searchlight, the Founders and us; and (b) our dissolution or liquidation.

CREDIT AGREEMENT

The Company has a secured credit agreement (as amended, amended and restated or otherwise modified from time to time, the “**Credit Agreement**”) with a syndicate of lenders consisting of a term loan (the “**Term Credit Facility**”) and a revolving credit loan (the “**Revolving Credit Facility**”, and together with the Term Credit Facility, the “**Credit Facilities**”).

On April 4, 2023, the Company amended and restated the Credit Agreement to extend the maturity date of September 6, 2024 to September 6, 2026. In addition, the amendment and restatement introduced fallback provisions for the Canadian benchmark given the expected transition from the Canadian Dollar Offered Rate (“**CDOR**”) to the Canadian Overnight Repo Rate Average (“**CORRA**”). The terms of the Credit Agreement have also transitioned from London Inter-Bank Offered Rate (“**LIBOR**”) and now utilize the secured overnight financing rate (“**SOFR**”). There were no changes to the \$60 million Revolving Credit Facility limit, which is inclusive of the \$10 million swing loan portion.

On June 7, 2024, the Company amended the Credit Agreement to adjust certain definitions, update certain covenant limits, and transition from CDOR to CORRA. The Company incurred \$100 of costs associated with the amendment, which were recorded as debt financing costs within long-term debt and will be recognized as interest expense over the remaining term of the loan.

On May 22, 2025, the Company further amended the Credit Agreement to extend the maturity date of September 6, 2026 to September 6, 2027. In addition, the amendment reduced the \$60 million Revolving Credit Facility, which includes a swing loan of \$10 million, down to \$45 million, and increased the maximum annual excess cash flow sweep, as defined in the Credit Agreement, from \$5 million to \$7.5 million. The Company incurred \$274 of costs associated with the amendment, which were recorded as debt financing costs within long-term debt and will be recognized as interest expense over the remaining term of the loan.

The Company has financial and non-financial covenants under the Credit Agreement. The key financial covenants include covenants for total debt to Adjusted EBITDA ratio (“**Leverage Ratio**”), and fixed charge coverage ratio. Adjusted EBITDA used in the calculation of our key financial covenants may differ from the Adjusted EBITDA non-IFRS measure as reported in this Annual Information Form. As at the end of Fiscal 2025, the Company was in compliance with all covenants.

The Credit Facilities bear interest according to the type of borrowing advanced, which may be based on a reference rate of the U.S. base rate or the Canadian prime rate, plus a margin that ranges from 175 to 300 basis points (“**bps**”) or the CORRA rate or SOFR rate, plus a margin that ranges from 275 to 400 bps. The applicable margins are derived from our Leverage Ratio, as follows: (i) where the Canadian prime rate or U.S. base rate is used, the margins range from 175 bps at less than 2.0x Leverage Ratio, to 300 bps at greater than or equal to 3.5x Leverage Ratio; and (ii) where the SOFR rate or CORRA rate is used, the margins range from 275 bps at less than 2.0x Leverage Ratio, to 400 bps at greater than or equal to 3.5x Leverage Ratio.

The mandatory repayment schedule of the Credit Facilities is set out under “Indebtedness” in our MD&A for Fiscal 2025 which is available on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca).

ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of our Company’s securities and securities authorized for issuance under equity compensation plans, will be contained in the Company’s management information circular for the 2026 annual meeting of Shareholders. Additional financial information is provided in the Company’s audited annual consolidated financial statements and management’s discussion and analysis of our financial condition and results of operations for our most recently completed fiscal year ended January 31, 2026. Such documentation, as well as additional information relating to the Company, may be found under the Company’s profile on SEDAR+ at [sedarplus.ca](https://www.sedarplus.ca).

APPENDIX A: AUDIT COMMITTEE CHARTER

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Roots Corporation (the “**Company**”).

1. Statement of Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and related financial disclosure;
- risk management;
- internal control over financial reporting and disclosure controls and procedures; and
- external and internal audit processes.

2. Committee Membership

The Committee shall consist of as many directors of the Board as the Board may determine (the “**Members**”), but in any event, not less than three (3) Members. Each Member shall meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the Company’s securities are listed, including National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) subject to any exceptions permitted under NI 52-110. NI 52-110 requires, among other things, that to be independent, a Member be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member’s independent judgment.

Members shall be appointed by the Board, taking into account any recommendation that may be made by the Governance, Compensation and Nominating Committee of the Board (the “**GC&N Committee**”). Any Member may be removed and replaced at any time by the Board, and will automatically cease to be a Member if he or she ceases to meet the qualifications required of Members. The Board will fill vacancies on the Committee by appointment from among qualified directors of the Board, taking into account any recommendation that may be made by the GC&N Committee. If a vacancy exists on the Committee, the remaining Members may exercise all of its powers so long as there is a quorum in accordance with Section 3 below.

Chair

The Board will designate one of the independent directors of the Board to be the chair of the Committee (the “**Chair**”), taking into account any recommendation that may be made by the GC&N Committee.

Qualifications

Subject to permitted phase-in periods contemplated by Section 3.2 of NI 52-110, at least three (3) Members shall be independent and financially literate as described above. Members must have suitable experience and must be familiar with auditing and financial matters.

Attendance of Management and other Persons

The Committee may invite, at its discretion, senior executives of the Company or such persons as it sees fit to attend meetings of the Committee and to take part in the discussion and consideration of the affairs of the Committee. The Committee may also require senior executives or other employees of the Company to produce such information and reports as the Committee may deem appropriate in the proper exercise of its duties. Senior executives and other employees of the Company shall attend a Committee meeting if invited by the Committee. The Committee may meet without senior executives in attendance for a portion of any meeting of the Committee.

Delegation

Subject to applicable law, the Committee may delegate any or all of its functions to any of its Members or any subset thereof, or other persons, from time to time as it sees fit.

3. Committee Operations

Meetings

The Chair, in consultation with the other Members, shall determine the schedule and frequency of meetings of the Committee. Meetings of the Committee shall be held at such times and places as the Chair may determine. To the extent possible, advance notice of each meeting will be given to each Member unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings of the Committee either in person or by telephone, video or other electronic means. Powers of the Committee may also be exercised by written resolutions signed by all Members.

At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company or any Member, the Chair shall convene a meeting of the Committee. Any such request shall set out in reasonable detail the business proposed to be conducted at the meeting so requested.

Agenda and Reporting

To the extent possible, in advance of every regular meeting of the Committee, the Chair shall prepare and distribute, or cause to be prepared and distributed, to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials.

The Chair shall report to the Board on the Committee's activities since the last Board meeting. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board. Minutes of each meeting of the Committee shall be circulated to the Board following approval of the minutes by the Members. The Committee shall oversee the preparation of, review and approve the applicable disclosure for inclusion in the Company's annual information form.

Secretary and Minutes

The secretary of the Company may act as secretary of the Committee unless an alternative secretary is appointed by the Committee. The secretary of the Committee shall keep regular minutes of Committee proceedings and shall circulate such minutes to all Members

and to the chair of the Board (and to any other director of the Board that requests that they be sent to him or her) on a timely basis.

Quorum and Procedure

A quorum for any meeting of the Committee will be a simple majority. The procedure at meetings will be determined by the Committee. The powers of the Committee may be exercised by a simple majority of Members at a meeting where a quorum is present or by resolution in writing signed by all Members. In the absence of the Chair, the Committee may appoint one of its other Members to act as Chair of any meeting.

Exercise of Power between Meetings

Between meetings, the Chair, or any Member designated for such purpose by the Committee, may, if required in the circumstance, exercise any power delegated by the Committee on an interim basis. The Chair or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

4. Duties and Responsibilities

The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board as well as any other functions that may be necessary or appropriate for the performance of its duties.

Financial Reporting and Disclosure

- Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management's discussion and analysis, financial reports, and other applicable financial disclosure, prior to the public disclosure of such information.
- Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such documents or information.
- Review with senior executives of the Company, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable.
- Seek to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, the Company's disclosure controls and procedures and periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration.

Risk Management

- Review and discuss the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
- Review and make recommendations to the Board regarding the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company.

Internal Controls and Internal Audit

- Review the adequacy and effectiveness of the Company's internal control and management information systems through discussions with senior executives of the Company and the external auditor relating to the maintenance of (i) necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions; (ii) effective internal control over financial reporting; and (iii) adequate processes for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud. From time to time the Committee shall assess any requirements or changes with respect to the establishment or operations of the internal audit function having regard to the size and stage of development of the Company at any particular time.
- Satisfy itself, through discussions with senior executives of the Company that the adequacy of internal controls, systems and procedures has been periodically assessed in accordance with regulatory requirements and recommendations.
- Periodically review the Company's policies and procedures for reviewing and approving or ratifying related-party transactions.

External Audit

- Recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of the Company.
- Ensure the external auditors report directly to the Committee on a regular basis. Review the independence of the external auditors.
- Review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors.
- Review the audit plan of the external auditors prior to the commencement of any audit. Establish and maintain a direct line of communication with the Company's external auditors.
- Meet in camera with (i) only the auditors, (ii) only senior executives of the Company (without the auditors present), or (iii) only the Members (without the auditors or senior executives of the Company present), where and to the extent that such parties are present, at any meeting of the Committee.

- Oversee the work of the external auditors of the Company with respect to preparing and issuing an audit report or performing other audit or review services for the Company, including the resolution of issues between senior executives of the Company and the external auditors.
- Review the results of the external audit and the external auditors' report thereon, including discussions with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with senior executives of the Company and any other matters.
- Review any material written communications between senior executives of the Company and the external auditors and any significant disagreements between the senior executives and the external auditors.
- Discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto.
- Discuss with the external auditors their perception of the Company's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks.
- Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.
- Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to address any such issues.

Associated Responsibilities

- Monitor and periodically review the Whistleblower Policy of the Company and associated procedures for:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
 - the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - any violations of applicable law, rules or regulations that relates to corporate reporting and disclosure, or violations of the Company's Code of Conduct.

- Review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company.

Non-Audit Services

- Pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

Other Duties

- Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties. Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law.

5. The Committee Chair

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for overseeing and reporting on the evaluations to be conducted by the Committee, as well as monitoring developments with respect to accounting and auditing matters in general and reporting to the Committee on any related significant developments.

6. Committee Evaluation

The performance of the Committee shall be evaluated by the Board as part of its regular evaluation of the Board committees.

7. Access to Information and Authority to Retain Independent Advisors

The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors of the Company, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Company's expense, independent legal, financial, and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve their fees. The Committee shall select such advisors, consultants and experts after taking into consideration factors relevant to their independence from management and other relevant considerations.

The Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the external advisors, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors of the Board are subject under applicable law.

The Committee also has the authority to communicate directly with internal and external auditors. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of the senior executives of the Company responsible for such matters and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are directors of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with the constating documents of the Company and all applicable laws and rules. Certain of the provisions of this Charter may be modified or superseded by the provisions of the investor rights agreement between the Company and certain of its shareholders (the "**Investor Rights Agreement**"). In the event of a conflict between this charter and the Investor Rights Agreement, the Investor Rights Agreement shall prevail.

The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its directors or officers, to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

8. Review of Charter

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.