



MiniLuxe

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MINILUXE ANNOUNCES STRONG PERFORMANCE TRENDS AND COMPLETION OF USD \$6.98M (CDN \$10M) IN CAPITAL-ENHANCING TRANSACTIONS THAT INCLUDE AN OVERSUBSCRIBED PRIVATE PLACEMENT AND DEBT CONVERSION

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Alongside its strong performance momentum, MiniLuxe successfully completes an oversubscribed private placement initially offered for up to \$5M while contemporaneously satisfying the principal of USD \$945,000 of convertible debt obligations.

Boston, MA, Feb. 10, 2025 (GLOBE NEWSWIRE) -- MiniLuxe Holding Corp. (TSXV: MNLX) (“**MiniLuxe**” or the “**Company**”) today announces that it has completed a successful and final closing of an oversubscribed non-brokered private placement of Class A subordinate voting shares of the Company (the “**Subordinate Voting Shares**”). The Company first announced its intention for a [non-brokered private placement on November 27, 2024](#), at a price of USD\$0.55 per share for total proceeds up to \$5.0M USD (the “**Offering**”). Since its announcement of the Offering, the Company has had strong investor demand reinforcing confidence in MiniLuxe’s continued performance and growth strategy.

Per the Company’s press release of [January 2nd, 2025](#), MiniLuxe did a first closing for approximately one-third of the anticipated maximum of the Offering. In this second and final closing, the Company is pleased to announce that it has raised incremental gross proceeds of USD \$3,436,250 (resulting in the issuance of 6,247,717 Subordinate Voting Shares at a price of USD \$0.55 or CDN \$0.79 per Share). Together, the first and second and final closing of the Offering raised total new primary capital for the Company in the

amount of USD \$5.067M or (~CDN \$7.26M). Additionally, the Company finalized the conversion of USD\$945,000 million or ~CDN \$1.35M in principal value of prior convertible notes through shares for debt agreements, with further details provided below.

“We are humbled by the recent oversubscribed investor interest level and quantum raised, but even more excited by the quality of this capital. This financing brings new participants who share aligned principles to our vision and who offer value-add strategic perspectives. The investment interest is also a reflection of the work and progress made by the team over the past year and investors’ conviction behind our future growth plans,” said Tony Tjan, CEO of MiniLuxe.

As [previously shared](#), the company is focused on three key performance objectives:

1. Accelerating overall studio contribution growth
2. Increasing fixed cost leverage and SG&A efficiency
3. Focusing growth through operating and franchise partners and a focused set of innovative products

Overall same studio cash contribution grew materially in 2024, in concert with increased profitability trends of studios across all regions. The most critical factor for the success of our base business is the success the company has in recruiting, developing and retaining nail designer and other beauty service professional talent. The Company’s current retention rate of its talent base stands at its all-time record high at 87 percent. The Company remains focused on ways to reconfigure and create greater SG+A efficiency with year-over-year reduction trends north of 25% on corporate level SG+A. As a percent of revenue on a TTM (trailing twelve month) basis corporate SG+A as a percent of revenue has improved ~2x going from ~32% to ~16% demonstrating continued fixed cost leverage. From the standpoint of key internal cash management metrics, annualized and average monthly operating cash burn have been very materially reduced. While not an IFRS measurement, on a company-wide basis and on a preliminary unaudited basis, it is expected that YoY adjusted EBITDA improvement in 2024 to be over 50 percent. The Company’s focus on instilling an entrepreneurial culture and creating aligned performance incentives with its studio leaders and through operating partners (JVs or franchise partners) with shared ownership of studios have meaningfully contributed to these results.

The net proceeds from the Offering will be used to build momentum on these performance trends while investing behind a focused set of strategic growth investments including the expansion of new studios– especially through an expanded set of world-class operators who hold connection and conviction with the MiniLuxe brand and who seek to own or jointly own and operate a MiniLuxe studio. The Company also intends to be filing for an NCIB (New Course Issuer Bid) to have the option to buy back shares at times when it believes that the market price does not reflect the company’s intrinsic and future value.

Alongside the Offering, the Company has also finalized additional shares-for-debt agreements to satisfy an aggregate of USD\$1,055,577 (~CDN\$1.51 million) of outstanding debt related to the principal and accrued but unpaid interest on certain convertible debentures of the Company (the “**Debentures**”). This is in addition to USD\$1,085,944 (~CDN\$1.56 million) of Debentures converted in the first tranche. As part of this debt conversion, an aggregate of 2,294,731 Subordinate Voting Shares will be issued at a deemed price of USD\$0.46 per share, with an effective conversion date of February 7,

2025. The Company offered existing Debenture holders participating in the Offering the opportunity to elect to receive Subordinate Voting Shares at a discounted conversion price relative to the original terms of the Debentures. All Debenture holders electing to convert are deemed to be at arm's length from the Company. The issuance of these shares remains subject to TSX Venture Exchange approval. Similarly, completion of all tranches of the private placement Offering is subject to the satisfaction of customary closing conditions, including the approval of the TSX Venture Exchange. The securities issued pursuant to the initial closing of the Offering are subject to a hold period of four months and one day from the issuance date in accordance with applicable securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities described in this news release. Such securities have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws, and, accordingly, may not be offered or sold within the United States, or to or for the account or benefit of persons in the United States or "U.S. Persons", as such term is defined in Regulation S promulgated under the U.S. Securities Act, unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

About MiniLuxe

[MiniLuxe](#), a Delaware corporation based in Boston, Massachusetts. MiniLuxe is a lifestyle brand and talent empowerment platform servicing the beauty and self-care industry. Through its company-owned and partner-operated studios, Company delivers high-quality nail care and esthetic services that incorporate the brand's proprietary products. For over a decade, MiniLuxe has been elevating industry standards through healthier, ultra-hygienic services, modern design, ethical labor practices, and better-for-you, cleaner products. MiniLuxe's vision is to radically transform the highly fragmented and under-regulated self-care and nail care industry through its brand, standards, and technology platform that together enable better talent and client experiences.

Towards building long-term durable value for its stakeholders, MiniLuxe is expanding its reach through franchising and operating JV partners seeking ownership and impact with a brand recognized as the [best nail salon franchise](#). Through self-care and self-expression, MiniLuxe is empowering one of the largest hourly work forces through professional development, economic mobility, and equity ownership. Since its founding, MiniLuxe has performed over 4.5 million services.

For further information

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Forward-looking statements

This press release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking information") concerning the Company and its subsidiaries within the meaning of applicable securities laws. Forward-looking information may relate to the future financial outlook and anticipated events or results of the Company and may include information regarding the Company's financial position, business strategy, growth strategies, acquisition prospects and plans, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding the Company's expectations of future results, performance, achievements, prospects or opportunities or the markets in which the Company operates 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", "budgets", "scheduled", "estimates", "outlook", "forecasts", "projects", "prospects", "strategy", "intends", "anticipates", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will" occur. 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 historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

Many factors could cause the Company's actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking information, including, without limitation, those listed in the "Risk Factors" section of the Company's filing statement dated November 9, 2021. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance, or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this press release.

Forward-looking information, by its nature, is based on the Company's opinions, estimates and assumptions in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company currently believes are appropriate and reasonable in the circumstances. Those factors should not be construed as exhaustive. Despite a careful process to prepare and review forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking information. Although the Company bases its forward-looking information on assumptions that it believes were reasonable when made, which include, but are not limited to, assumptions with respect to the Company's future growth potential, results of operations, future prospects and opportunities, execution of the Company's business strategy, there being no material variations in the current tax and regulatory environments, future levels of indebtedness and current economic conditions remaining unchanged, the Company cautions readers that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from the forward-looking statements contained in this press release. In addition, even if the Company's results of operations, financial condition and liquidity, and the development of the industry in which it operates are consistent with the forward-looking information contained in this press release, those results or developments may not be indicative of results or developments in subsequent

periods.

Although the Company has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to the Company or that the Company presently believes 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, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made (or as of the date they are otherwise stated to be made). Any forward-looking statement that is made in this press release speaks only as of the date of such statement.