MINILUXE REPORTS FULL-YEAR FINANCIAL RESULTS FOR YEAR ENDED DECEMBER 29, 2024

Company announces a Record Year of Results for 2024 with Strong Momentum Across Strategic Priorities and Key Financial Metrics with store-level profitability increasing YoY over 360%

All reported figures in U.S. Dollars unless otherwise noted

Boston, MA, April 29, 2025 (GLOBE NEWSWIRE) -- MiniLuxe Holding Corp. (TSXV: MNLX) today announced its financial results for the 52 weeks ended December 29, 2024 (FY2024). The fiscal year of MiniLuxe (the "Company") is a 52-week reporting cycle which ended in 2024 on Sunday, December 29, 2024.

As the Company has previously and consistently shared, there were three key strategic and performance objectives for 2024.

Key 2024 Strategic Pillars

1. Accelerate overall studio-level profitability (i.e. store level contribution) growth
2. Drive growth through operating partners (via JVs or M&A) and franchise partners
3. Increase fixed cost leverage and SG&A efficiency

Across each of these core strategic pillars and 2024 performance objectives, the Company made material progress.

Highlights of Business Performance

- Studio-level profitability (store-level cash contribution) grew YoY 360 percent.
- As a percentage of revenue, SG&A reduced to under 16 percent, which represented a decrease of approximately 24 percent versus prior year while gross profit grew to $11M or +8 percent improvement versus prior year.
- The net effect of both increasing studio cash contribution, decreasing SG&A and increasing gross profit margin led to adjusted EBITDA losses being cut by more than half in 2024 to -$4.0M from -$9.0M in 2023.
- Operating cash burn improved by a factor of over 3x to just over -$2M in 2024 from -$7M in 2023.
- FY2024 year-end cash, cash equivalent and restricted cash reached $4M, an improvement of $.6M versus $3.4M at year-end FY2023 due to a combination of dramatically reduced cash burn and ~$1.6M coming from the first closing of a non-brokered private placement which was originally announced on November 27, 2024. (more details below).

The Company seeks to maintain this positive momentum in 2025, progressing increasingly closer to overall company-wide profitability. Total Company revenue for 2024 finished at a record level of $26.1M or just over 6% YoY growth, compared to $24.6M in 2023. While the overall quantum of YoY growth was relatively modest, the quality and increased profitability of that growth was both very significant and intentional in terms of the Company's operating strategy. These results were accomplished by driving revenue growth through studio specific KPIs, some studios were held to more constrained growth (to better focus on improving efficiencies and profitability) while the majority of the fleet portfolio were managed to all-time-record revenue highs. In terms of unit-level revenue, two studios crossed over the $2M revenue threshold *before* the end of the year (ultimately reaching ~$1,500 per square feet of sales). The top 25 percent of studios in the fleet are now at a median of ~$1.9M per unit volume and the top 50 percent at ~ $1.6M.

Also noteworthy is that MiniLuxe's most loyal client base – those visiting 20+ times per year – grew 4.5% year-over-year between 2024 and 2023. In any given month, the split of customers is between ~88% repeat and ~12% new customers.

Throughout 2024 and as the Company goes into 2025, the focus on Operating Partners remains core to the Company's strategy to leverage its brand and platform while scaling growth through localized operators. In July of 2024, MiniLuxe announced its first operating and JV partner for the Atlanta region with the business Sugarcoat. As part of the joint venture agreement, MiniLuxe took a majority ownership stake of one Sugarcoat location in The Forum Peachtree Corners in Atlanta. On December 17th of 2024, MiniLuxe also announced its first franchise operating partner, Ms. Quynh Pham, who opened a MiniLuxe studio in Brookline, MA (taking over the old MiniLuxe Academy Studio). Both joint venture and franchise partners have rapidly brought forward fresh ideas and hyper-localized marketing and new operational best-practices translating into increased week-over-week sales, walk-ins and utilization levels. During 2024 the Company also had its first full year of results with its regional operating partner in the Dallas Fort Worth area which saw a lift in profitability of over 5x within the year.

A key driver to longer-term growth and competitive advantage has been the Company's ability to attract and retain its ecosystem of nail designer talent. FY2024 represented a record year in terms of annual retention of designer talent which was at 87 percent, up 3 percentage points from 84 percent in 2023. Additionally, a number of nail designers crossed their five-year anniversaries with the Company and now over 50 percent of the nail designer talent employment base hold tenure with the Company for 5 years or more.

> "*In 2024 the team demonstrated our deepest understanding of unit economics and KPIs, delivering the strongest studio performance across the portfolio, while diversifying our revenue streams with new JV, franchise and operating partners – setting us up on our journey towards greater scale and growth. We head into 2025 with a record level of 360%+ YoY studio profitability, deepening brand loyalty amongst our customer base, a strong balance sheet, and much enthusiasm for what's ahead.*" said Tony Tjan, Chief Executive Officer and Co-founder of MiniLuxe.

Subsequent Events and 2025 Outlook

To date, the first part of Q1 2025 presented the Company with both early progress towards its strategic priorities but also headwinds in the form of the LA wildfires and the introduction of US tariffs on trade partners.

The LA fires impacted foot traffic and demand for Beverly Hills and Brentwood Studios. The Company has taken measures to address this potential impact to studio economics with increased leadership support and connectivity with the local community such that demand has begun to return (but is not anticipated to fully recover until 2H 2025).

While the vast majority of MiniLuxe's products are made in the US, the company is still making efforts to further minimize supply related exposure by exploring options to shift sourcing from China to US based vendors and lower tariff markets like Vietnam and Taiwan. These early moves are designed to optimize and protect gross margins in MiniLuxe's proprietary products and Paintbox custom press on products and packaging.

Early wins in Q1 of 2025 include closing on a new tranche of funding and reaching an agreement for the conversion of all of the Company's remaining balance of convertible notes as explained below.

Effective February 10, 2025, the Company completed a non-brokered private placement of Class A subordinate voting shares of the Company and raised a total of USD $3.49M or (~CDN $4.94M) through the issuance of 6,247,717 Subordinate Voting Shares at a price of USD $0.55 each (CDN $0.79) Together, with the first private placement closing and this 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).

Alongside the private placement offering, the Company also finalized additional shares-for-debt agreements to satisfy an aggregate of USD$1,055,577 (~CDN$1.49 million) of outstanding debt related to the principal and accrued but unpaid interest on certain convertible debentures of the Company (the "Debentures"). As part of this debt conversion, an aggregate of 2,294,731 Subordinate Voting Shares were 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.

On March 11, 2025, the Company announced the refinancing and extension of maturity of its existing senior debt to 2028 to be coincident with a new tranche of $1.675M of senior debt from Flow Capital.

On March 21, 2025, the Company announced that it had reached agreement for the conversion of all of its remaining balance of convertible notes.

2024 Results

Selected Financial Measures

In thousands of U.S. dollars	Fiscal Year Ended December 29, 2024	Fiscal Year Ended December 31, 2023	YoY Change $ Change	YoY Change % Change
Talent	25,730	23,955	1,775	7%
Product	391	598	(207)	-35%
Total Revenue	**26,121**	**24,553**	1,568	6%
Gross Profit ($)	10,981	10,122	859	8%
Gross Margin (%)	42%	41%		

Non-IFRS Metrics *In thousands of U.S. dollars*	Fiscal Year Ended December 29, 2024	Fiscal Year Ended December 31, 2023	YoY Change $ Change	YoY Change % Change
Adjusted EBITDA	($4,024)	($9,034)	5,010	55%
Fleet Adjusted EBITDA	$2,301	$1,258	1,044	83%

Results of Operations

The following table outlines the consolidated statements of loss and comprehensive loss for the fiscal year which ended December 29, 2024, and December 31, 2023.

in thousands of U.S. dollars	Fiscal Year Ended December 29, 2024	Fiscal Year Ended December 31, 2023
Revenue	$26,121	$24,553
Cost of sales	15,140	14,431
Gross profit	10,981	10,122
General and administrative expense	13,216	17,079
Depreciation and amortization expense	3,901	3,482
Impairment expense	664	960
Operating loss	(6,800)	(11,399)
Finance costs	(1,659)	(1,421)
Other income	1	3,257
Unrealized loss	(180)	(131)
Debt extinguishment	(230)	-
Net loss	(8,867)	(9,694)
Net loss attributable to		
Owners of the parent	(8,907)	(9,694)
Non-controlling interest	40	-
Net comprehensive loss	**(8,736)**	**(9,694)**
Net comprehensive loss attributable to		
Owners of the parent	(8,776)	(9,694)
Non-controlling interest	40	-
Full Company Adjusted EBITDA	**(4,024)**	**(9,034)**
Earnings per share		
Subordinate voting shares (basic)	(0.06)	(0.07)
Proportionate voting shares (basic)	(60.14)	(65.90)
Subordinate voting shares (diluted)	(0.06)	(0.07)
Proportionate voting shares (diluted)	(60.14)	(65.90)

Cash Flows

The following table presents cash and cash equivalents for the fiscal year which ended December 29, 2024, and December 31, 2023.

In thousands of U.S. dollars	Fiscal Year Ended December 29, **2024**	December 31, **2023**
Cash, cash equivalents and restricted cash, beginning of period	$ 3,411	$ 8,343
Net cash provided by (used in):		
Operating activites	(2,144)	(2,581)
Investing activities	(240)	(2,837)
Financing activities	2,968	486
Net decrease in cash and cash equivalents	584	(4,932)
Cash, cash equivalents and restricted cash, end of period	$ 3,995	$ 3,411

Non-IFRS Measures and Reconciliation of Non-IFRS Measures

This press release references certain non-IFRS measures used by management. These measures are not recognized under International Financial Reporting Standards ("IFRS"), do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The non-IFRS measures referred to in this press release are "Adjusted EBITDA" and "Fleet Adjusted EBITDA".

Adjusted EBITDA

Management believes Adjusted EBITDA most accurately reflects the commercial reality of the Company's operations on an ongoing basis by adding back non-cash expenses. Additionally, the rent-related adjustments ensure that studio-related expenses align with revenue generated over the corresponding time periods.

Adjusted EBITDA is calculated by adding back fixed asset depreciation, right-of-use asset amortization under IFRS 16, asset disposal, and share-based compensation expense to IFRS operating income, then deducting straight-line rent expenses net of lease abatements. IFRS operating income is revenue less cost of sales (gross profit), additionally adjusted for general and administrative expenses, and depreciation and amortization expenses.

A reconciliation of IFRS operating income to Adjusted EBITDA is included in *Selected Consolidated Financial Information*.

The Company also uses Fleet Adjusted EBITDA to evaluate the performance of its MiniLuxe Core Studio business (19 MiniLuxe-branded studios operating for 18+ months). This metric is calculated in a similar manner, starting with Talent revenue and adjusting for non-fleet Talent revenue and cost of sales, further adjusted by fleet general and administrative expenses and finally subtracting straight line rent expense (similar to amount used in the full company Adjusted EBITDA, less amounts allocated to locations outside of MiniLuxe's core studio business, i.e. Paintbox). The Company believes that this metric most closely mirrors how management views the fleet portion of the business. A reconciliation of Talent revenue to Fleet Adjusted EBITDA is included in *Selected Consolidated Financial Information.*

The following table reconciles net Operating Loss to Adjusted EBITDA for FY24 and FY23.

	Fiscal Year Ended	
in thousands of U.S. dollars	December 29, **2024**	December 31, **2023**
Operating Loss	**($6,800)**	**($11,399)**
Right-of-Use Asset Amortization Expense	1,463	1,393
Fixed Asset Depreciation Expense	2,438	2,089
Disposals/Impairment	1,072	1,149
Stock Compensation Expense	558	315
Straight Line Rent	(2,755)	(2,581)
Full Company Adjusted EBITDA	**($4,024)**	**($9,034)**

The following table reconciles Fleet Talent Revenue to Fleet Adjusted EBITDA for FY24 and FY23.

	Fiscal Year Ended	
in thousands of U.S. dollars	December 29, **2024**	December 31, **2023**
Talent Revenue	**$25,730**	**$23,955**
Less: Non-Fleet Revenue	(2,389)	(1,430)
Talent Cost of Sales	(14,772)	(13,945)
Less: Non-Fleet Cost of Sales	1,510	991
Fleet SG&A	(5,507)	(6,025)
Fleet Straight Line Rent	(2,270)	(2,288)
Fleet Adjusted EBITDA	**$2,301**	**$1,258**

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[1] Straight-line rent expense for a given payment period is calculated by dividing the sum of all payments over the life of the lease (the figure used in the present value calculation of the right-of-use asset) by the number of payment periods (typically months). This number is then annualized by adding the rent expenses calculated for the payment periods that comprise each fiscal year. For leases signed mid-year, the total straight-line rent expense calculation applies the new lease terms only to the payment periods after the signing of the new lease.

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. The Company focuses on delivering high-quality nail care and esthetic services and offers a suite of trusted proprietary products that are used in the Company's owned-and-operated studio services. For over a decade, MiniLuxe has been elevating industry standards through healthier, ultra-hygienic services, a modern design esthetic, socially responsible labor practices, and better-for-you, cleaner products. MiniLuxe's aims to radically transform a highly fragmented and under-regulated self-care and nail care industry through its brand, standards, and technology platform that collectively enable better talent and client experiences. For its clients, MiniLuxe offers best-in-class self-care services and better-for-you products, and for nail care and beauty professionals, MiniLuxe seeks to become the employer of choice. In addition to creating long-term durable economic returns for our stakeholders, the brand seeks to positively impact and empower one of the most diverse and largest hourly worker segments through professional development and certification, economic mobility, and company ownership opportunities (e.g., equity participation and future franchise opportunities). Since its inception, MiniLuxe has performed over 4 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.