

MiniLuxe Holding Corp.

Consolidated Financial Statements for the fifty-two weeks ended December 28, 2025 and the fifty-two weeks ended December 29, 2024

(Amounts expressed in United States Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MiniLuxe Holding Corp.

Opinion

We have audited the consolidated financial statements of MiniLuxe Holding Corp. (the "Company"), which comprise the consolidated statement of financial position as at December 28, 2025, and the consolidated statements of net loss and comprehensive loss, changes in shareholders' deficit and cash flows for the 52 weeks then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 28, 2025, and its consolidated financial performance and its consolidated cash flows for the 52 weeks then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the 52 weeks ended December 28, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our auditor's report.

Other Matter

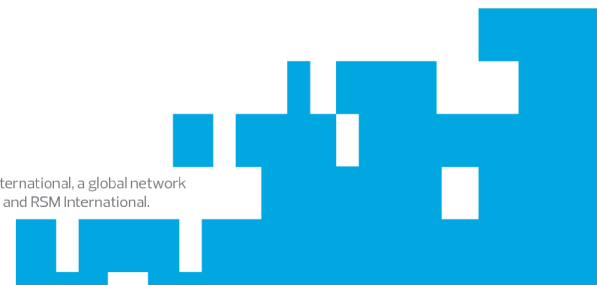
The consolidated financial statements of Company for the 52 weeks ended December 29, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on April 28, 2025.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



We obtained the report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jamie Zuk.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
April 27, 2026
Toronto, Ontario

MiniLuxe Holding Corp.
Consolidated Statements of Financial Position
At December 28, 2025, and December 29, 2024
Amounts expressed in United States Dollars

	Notes	December 28, 2025	December 29, 2024
Assets			
Current assets:			
Cash and cash equivalents		\$ 4,451,157	\$ 3,880,241
Restricted cash		40,000	115,000
Inventories, net	7	891,410	869,730
Prepaid expenses and other current assets		702,311	600,883
Total current assets		6,084,878	5,465,854
Non-current assets:			
Property and equipment, net	8	1,984,876	3,826,369
Intangible assets, net	8	-	41,154
Goodwill	8, 21	126,500	-
Tradenname	8	66,949	66,949
Deposits		248,752	222,624
Long-term investment	9	50,000	50,000
Right-of-use assets, net	14	5,774,802	5,361,956
Total non-current assets		8,251,879	9,569,052
Total assets		14,336,757	\$ 15,034,906
Equity and Liabilities			
Current liabilities:			
Accounts payable and accrued expenses	9	\$ 2,692,206	\$ 2,280,857
Current portion of deferred revenue		3,370,038	2,894,290
Current portion of lease liabilities	14	1,494,997	1,270,636
Derivative liabilities	9	87,902	121,339
Current portion of contingent consideration	18	85,741	85,741
Total current liabilities		7,730,884	6,652,863
Non-current liabilities:			
Lease liabilities	14	5,677,808	5,738,669
Loan payable	9	6,179,055	4,583,474
Contingent consideration	18	613	613
Convertible notes	9	-	3,721,706
Deferred revenue		44,583	44,583
Total non-current liabilities		11,902,059	14,089,045
Total liabilities		19,632,943	20,741,908
Shareholders' deficit:			
Share capital	10	128,290,727	120,662,785
Warrants	9	22,585	22,585
Contributed surplus		2,596,555	1,671,522
Accumulated other comprehensive income	9	86,400	131,000
Accumulated deficit		(136,611,301)	(128,343,247)
Total deficit attributed to owners of the company		(5,615,034)	(5,855,355)
Non-controlling interest	21	318,848	148,353
Total deficit attributed to owners of the company		(5,296,186)	(5,707,002)
Total deficit and liabilities		14,336,757	\$ 15,034,906
Commitments and contingencies	16		
Acquisitions	21		
Subsequent events	22		

See notes to consolidated financial statements

Approved, on behalf of the Board of Directors, by:

"Tony Tjan"

Tony Tjan, Chairman and Chief Executive Officer

"Kelley Morrell"

Kelley Morrell, Director

MiniLuxe Holding Corp.
Consolidated Statements of Net Loss and Comprehensive Loss
Years ended December 28, 2025, and December 29, 2024
Amounts expressed in United States Dollars

	Notes	December 28, 2025	December 29, 2024
Revenue	5	\$ 27,903,087	\$ 26,121,444
Cost of sales	11	16,251,953	15,140,426
Gross profit		<u>11,651,134</u>	<u>10,981,018</u>
General and administrative expense	11	14,913,479	13,215,538
Depreciation and amortization expense	8, 14	2,976,153	3,901,135
Impairment expense	8	-	664,259
Operating loss		<u>(6,238,498)</u>	<u>(6,799,914)</u>
Finance costs	9, 14	(2,233,433)	(1,658,702)
Other income		311,251	1,179
Unrealized gain/loss	9	(47,604)	(180,133)
Loss on debt extinguishment	9	(109,275)	(229,729)
Loss before tax		<u>(8,317,559)</u>	<u>(8,867,299)</u>
Income tax expense	13	-	-
Net loss for the period		<u>\$ (8,317,559)</u>	<u>\$ (8,867,299)</u>
Net profit (loss) for the period attributable to:			
Owners of the parent		(8,268,054)	(8,907,058)
Non-controlling interest ("NCI")	21	(49,505)	39,759
		<u>(8,317,559)</u>	<u>(8,867,299)</u>
Other comprehensive income (loss)			
Adjustments that are not reclassified to profit or loss			
Change in fair value attributable to own credit risk	9	(44,600)	131,000
Comprehensive loss		<u>\$ (8,362,159)</u>	<u>\$ (8,736,299)</u>
Total comprehensive income/loss for the period attributable to:			
Owners of the parent		(8,312,654)	(8,776,058)
Non-controlling interest	21	(49,505)	39,759
		<u>(8,362,159)</u>	<u>(8,736,299)</u>
Basic loss per share	15		
Subordinate voting shares		\$ (0.05)	\$ (0.06)
Proportionate voting shares		\$ (50.11)	\$ (60.14)
Basic weighted-average shares outstanding			
Subordinate voting shares		73,945,812	57,040,391
Proportionate voting shares		91,064	91,064
Diluted loss per share			
Subordinate voting shares		\$ (0.05)	\$ (0.06)
Proportionate voting shares		\$ (50.11)	\$ (60.14)
Diluted weighted-average shares outstanding			
Subordinate voting shares		73,945,812	57,040,391
Proportionate voting shares		91,064	91,064

See notes to consolidated financial statements

MiniLuxe Holding Corp.
Consolidated Statements of Changes in Shareholders' Deficit
Years ended December 28, 2025, and December 29, 2024
Amounts expressed in United States Dollars

		<u>Number of Shares</u>									
		Proportionate Voting Shares	Subordinate Voting Shares	Amount	Contributed Surplus	Warrants	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total equity attributed to owners of the company	Non-Controlling Interest	Total Shareholders' Deficit
Balance at December 31, 2023		91,064	56,042,837	\$ 117,713,247	\$ 1,113,691	\$ 3,356	\$ -	\$ (119,436,189)	\$ (605,895)	\$ -	\$ (605,895)
Share-based payments	12	-	-	-	557,831	-	-	-	557,831	-	557,831
Exercise of stock options	13	-	156,186	27,077	-	-	-	-	27,077	-	27,077
Shares repurchased through normal course issuer bid	10	-	(51,200)	(16,692)	-	-	-	-	(16,692)	-	(16,692)
Shares issued for settlement of debt	10	-	597,446	221,959	-	-	-	-	221,959	-	221,959
Shares issued upon conversion of convertible notes	10	-	2,360,746	1,085,944	-	-	-	-	1,085,944	-	1,085,944
Shares issued in private placement	10	-	2,965,906	1,631,250	-	-	-	-	1,631,250	-	1,631,250
Warrants issued with convertible notes	9	-	-	-	-	19,229	-	-	19,229	-	19,229
Non-controlling interest for MNLX SC LLC	21	-	-	-	-	-	-	-	-	108,594	108,594
Change in fair value of convertible notes due to credit risk		-	-	-	-	-	131,000	-	131,000	-	131,000
Net comprehensive loss		-	-	-	-	-	-	(8,907,058)	(8,907,058)	39,759	(8,867,299)
Balance at December 29, 2024		91,064	62,071,921	\$ 120,662,785	\$ 1,671,522	\$ 22,585	\$ 131,000	\$ (128,343,247)	\$ (5,855,355)	\$ 148,353	\$ (5,707,002)
Balance at December 29, 2024		91,064	62,071,921	\$ 120,662,785	\$ 1,671,522	\$ 22,585	\$ 131,000	\$ (128,343,247)	\$ (5,855,355)	\$ 148,353	\$ (5,707,002)
Share-based payments	12	-	-	-	955,033	-	-	-	955,033	-	955,033
Shares repurchased through normal course issuer bid	10	-	(268,251)	(87,054)	-	-	-	-	(87,054)	-	(87,054)
Shares issued for settlement of debt	10	-	118,750	34,237	-	-	-	-	34,237	-	34,237
Shares issued in lieu of bonus payment		-	60,000	30,000	(30,000)	-	-	-	-	-	-
Shares issued upon conversion of convertible notes	9	-	7,693,743	4,039,509	-	-	-	-	4,039,509	-	4,039,509
Shares issued in private placement	10	-	6,247,717	3,436,250	-	-	-	-	3,436,250	-	3,436,250
Non-controlling interest for MNLX LW LLC	21	-	437,500	175,000	-	-	-	-	175,000	220,000	395,000
Change in fair value of convertible notes due to credit risk	9	-	-	-	-	-	(44,600)	-	(44,600)	-	(44,600)
Net loss		-	-	-	-	-	-	(8,268,054)	(8,268,054)	(49,505)	(8,317,559)
Balance at December 28, 2025		91,064	76,361,380	\$ 128,290,727	\$ 2,596,555	\$ 22,585	\$ 86,400	\$ (136,611,301)	\$ (5,615,034)	\$ 318,848	\$ (5,296,186)

MiniLuxe Holding Corp.
Consolidated Statements of Changes in Cash Flows
Years ended December 28, 2025, and December 29, 2024
Amounts expressed in United States Dollars

	Notes	December 28, 2025	December 29, 2024
Cash flows from operating activities:			
Net loss		(8,317,559)	(8,867,299)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense	8, 14	2,976,153	3,901,135
Share-based payments	12	955,033	557,831
Loss (gain) on disposal of property and equipment	8	399,429	-
Loss on impairment of property, equipment and intangibles		-	664,259
Inventory reserve		(372,927)	273,613
Real estate modifications	14	-	47,838
Gain on lease termination		(148,090)	-
Loss on extinguishment of debt		109,275	229,729
Change in fair value of derivative liabilities		(225,600)	(6,899)
Change in fair value of convertible note	9	273,203	272,953
Change in fair value of contingent consideration		-	(85,921)
Interest expense, debt	9	672,728	634,254
Interest expense, leases	14	1,316,830	1,024,448
Loss on settlement of earnout from Paintbox business combination		-	36,692
<i>Changes in operating assets and liabilities</i>			
Inventories	7	351,247	226,199
Prepaid expenses and other current assets		(101,428)	120,681
Deposits		(26,128)	103,402
Accounts payable and accrued expenses	9	445,587	(529,737)
Deferred revenue	4	475,748	277,528
		(1,216,499)	(1,119,294)
Interest paid		(1,316,830)	(1,024,448)
Cash flows used in operating activities		(2,533,329)	(2,143,742)
Cash flows from investing activities:			
Acquisition of equipment	8	(211,755)	(215,240)
Proceeds from sale of property and equipment		-	125,000
Investment in joint ventures	21	395,000	(150,000)
Business acquisition	21	(126,500)	-
Cash flows provided by (used in) investing activities		56,745	(240,240)
Cash flows from financing activities:			
Proceeds from issuance of convertible notes and warrants	10	-	1,700,000
Proceeds from loan payable	9	1,556,491	1,909,950
Repayment of loan payable (interest)	9	(550,750)	(543,750)
Repayment of principal portion of lease liabilities	14	(1,382,437)	(1,664,795)
Shares issued in private placement	9	3,436,250	1,556,250
Shares repurchased through NCIB	12	(87,054)	(16,692)
Option exercises	12	-	27,077
Cash flows provided by financing activities		2,972,500	2,968,040
Increase in cash and cash equivalents		495,916	584,058
Cash, cash equivalents and restricted cash, beginning of period		3,995,241	3,411,183
Cash, cash equivalents and restricted cash, ending of period		4,491,157	3,995,241

See notes to consolidated financial statements

MiniLuxe Holding Corp.
Consolidated Statements of Changes in Cash Flows
Years ended December 28, 2025, and December 29, 2024
Amounts expressed in United States Dollars

	Notes	December 28, 2025	December 29, 2024
Supplemental disclosures of cash flow information:			
Shares issued for settlement of debt	11	\$ 34,237	\$ 221,959
Shares issued in private placement (proceeds received subsequent to year-end)	11	-	75,000
Shares issued upon conversion of convertible notes	10	4,039,509	1,085,944
Total		<u>\$ 4,073,746</u>	<u>\$ 1,382,903</u>

See notes to consolidated financial statements

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
Years ended December 28, 2025 and December 29, 2024

Note 1. Nature of Business

MiniLuxe, Inc. (“MiniLuxe”) was incorporated on April 26, 2008 in the state of Delaware, United States of America (USA). In 2021, MiniLuxe and MiniLuxe Holding Corp (“MiniLuxe Holding” or “the Company”) completed a reverse takeover transaction, providing for the acquisition by MiniLuxe Holding of all the issued and outstanding common shares of MiniLuxe. The Company’s subordinate shares are listed on the Toronto Venture Exchange (the “TSXV”) under the trading symbol “MNLX” and on the OTCQX under the trading symbol “MNLXF.” The office of the Company is located at 1 Faneuil Hall Sq Fl 7 Boston, Massachusetts.

MiniLuxe owns and operates nail and beauty salons and provides consumers with nail, hand, foot care, and waxing services, and sells personal beauty products. The Company’s business model today consists of one principal operating segment that includes Talent Revenue (revenue generated through the delivery of services) and Product Revenue (revenue generated on retail sales of proprietary and third-party products across an omni-channel platform).

Under an accounting convention common in the retail industry, the fiscal year of the Company is a 52-week reporting cycle ending on the Sunday closest to December 31, which periodically necessitates a fiscal year of 53 weeks. The years ended December 28, 2025 and December 29, 2024 (referred to in these statements as 2025 and 2024, respectively) include 52 weeks.

On January 31, 2024, the Company established a wholly owned subsidiary, MiniLuxe Franchise, LLC, organized as a single-member limited liability company under the laws of Delaware, United States. The entity is wholly owned and controlled by MiniLuxe, Inc. and is treated as a disregarded entity for U.S. tax purposes. The parent has full control over the entity’s operations, financial and operating policies, and bears all associated risks and rewards. The formation of MiniLuxe Franchise, LLC was primarily for the purpose of franchising, developing services and training to support franchisees. The first franchise location opened in December 2024 and the second franchise location was opened in August 2025.

On July 1, 2024, the Company, acquired a majority of the assets of the Sugarcoat Forum studio (“Sugarcoat”), a nail salon located in Atlanta, Georgia. On August 14, 2025, the Company acquired the majority of the assets of the Bliss Nail Lounge (“Bliss”), a nail salon located in the Dallas-Fort Worth area. On October 31, 2025, the Company entered into an agreement with Coastline Capital as a strategic partner focusing on opening and operating a new studio. Further information on these transactions can be found in Note 21.

The Board of Directors approved these consolidated financial statements on April 27, 2026.

The Company’s services and products are marketed and sold to consumers in the states of Massachusetts, Rhode Island, California, Texas, Florida, New York, and Georgia.

Note 2. Basis of Presentation

i) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
Years ended December 28, 2025 and December 29, 2024

Note 2. Basis of Presentation (continued)

ii) Basis of consolidation

The consolidated financial statements are comprised of the financial results of the Company, its wholly owned subsidiaries MiniLuxe, Inc. and MiniLuxe Franchise LLC, its majority-owned subsidiary MNLX SC LLC, (70% ownership interest) its majority-owned subsidiary MNLX LW LLC (65.5% ownership interest) and its majority-owned subsidiary MNLX Mansfield, LLC (51% ownership interest). Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. All intercompany balances and transactions have been eliminated upon consolidation. The interests of MNLX SC, LLC, MNLX LW, LLC and MNLX Mansfield, LLC not owned by the Company are reflected as a non-controlling interest, and its share of the Company's net loss is included in net profit/loss attributable to non-controlling interest.

iii) Basis of presentation

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss or financial assets at fair value through other comprehensive profit or loss. The Company's financial assets and liabilities revalued at fair value through comprehensive profit or loss include contingent consideration, long term investments, derivative liabilities, and convertible debt.

Note 3. Material Accounting Policy Information

Cash and cash equivalents

The Company considers highly liquid investments purchased with an original maturity date of three months or less, that are readily convertible to a known amount of cash and subject to insignificant risk of changes in value, to be cash equivalents. Amounts in-transit from banks for customer credit card and debit card transactions that are processed in less than seven days are classified as cash and cash equivalents. The banks process the majority of these amounts within one to two business days.

Foreign currencies

The functional and presentation currency of the Company and its subsidiaries is the United States dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that time. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses are recognized in profit or loss.

Inventories, net

Inventories consist principally of finished goods merchandise products for sale to customers. Inventories are stated at the lower of cost or net realizable value determined on a first-in, first-out basis. Cost includes all direct and reasonable expenditures that are incurred in bringing inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. A reserve for excess and obsolete inventory is recognized based on management's review of inventory aging, historical trends, and future demand forecasts.

Property and equipment, net

Property and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Furniture, fixtures, and equipment are depreciated over the estimated useful lives of the related assets using the straight-line method with an estimated useful life ranging from three to five years. Leasehold improvements are depreciated using the straight-line method over the shorter of the term of the lease or the estimated useful life of the related asset.

Note 3. Material Accounting Policy Information (continued)

The residual values, useful lives, and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Any property and equipment held for disposal or classified as held for sale is no longer depreciated once reclassified. Any gain or loss on the sale of property and equipment is recorded in the statement of net loss and comprehensive loss.

Intangible assets, Goodwill and Tradename

Intangible assets that have a definite useful life are measured at cost less any accumulated amortization and accumulated impairment losses. Intangible assets with definite lives are amortized over their useful economic life on a straight-line basis from the date that they are available for use. The estimated useful lives for the current period are as follows:

- Tradename: indefinite life
- Goodwill: indefinite life
- Website: 3 years

Amortization methods and useful lives are reviewed at each annual reporting date and adjusted, prospectively.

Intangible assets with indefinite lives, comprising of goodwill and tradenames, are not amortized but are tested annually for impairment, or more frequently, if events or changes in circumstances indicate that the asset might be impaired.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill and tradename are tested for impairment at least annually at the year-end reporting date, and whenever there is an indication that the asset may be impaired.

For purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). The Company has assessed its CGUs to be at the individual studio unit level. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss in respect of goodwill is not reversed. The Company determined there was impairment to tangible and intangible assets during the year ended December 29, 2024 as disclosed in Note 8.

Note 3. Material Accounting Policy Information (continued)

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term calculated using the Company's incremental borrowing rate. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Non-lease components

The Company does not separate lease and non-lease components for all classes of underlying assets. As a result, non-lease components and non-components are accounted for together with the lease component(s).

Variable lease payments

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

MiniLuxe Holding Corp.
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Note 3. Material Accounting Policy Information (continued)

Modifications

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- (a) if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy,
- (b) in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount,
- (c) if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognized in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Financial assets

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. At initial recognition, the Company classifies financial assets according to the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified in one of the following measurement categories: (i) amortized cost, (ii) fair value through other comprehensive income ("FVOCI"), and (iii) fair value through profit or loss ("FVTPL").

As of December 28, 2025, the Company's financial assets are cash and cash equivalents, along with a long-term investment. Cash and cash equivalents are carried at amortized cost, while the long-term investment is measured at FVTPL.

Financial liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings or as payables, as appropriate. All financial liabilities are recognized initially at fair value, plus or minus transaction costs that are directly attributable to the acquisition of financial liabilities that are measured at amortized cost. Transaction costs directly attributable to financial liabilities classified as fair value through profit or loss are expensed as incurred.

The Company's financial liabilities include accounts payable and accrued expenses, lease liabilities, loans payable, convertible notes, derivative liabilities and contingent consideration. Accounts payable and accrued expenses, lease liabilities, and loans payable are subsequently measured at amortized cost. Contingent consideration and derivative liabilities are measured at fair value through profit or loss. The Company elected the fair value option for the convertible notes. The amount of the change in the fair value that is attributable to changes in the credit risk shall be presented in other comprehensive income (OCI) and the remaining amount of the change in the fair value shall be recognized in profit and loss.

Financial liabilities are initially analyzed for classification as debt or equity or both as applicable. Liabilities that have both debt and equity features are classified as compound financial instruments where the liability component is determined at fair value and any residual value is allocated to equity. Such liabilities are further analyzed for any other embedded features which are evaluated separately to determine if they qualify as embedded derivatives which should be bifurcated from the host instrument.

Note 3. Material Accounting Policy Information (continued)

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement. Refer to Note 18 for more details.

Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Earnings per share

Basic and diluted earnings per share have been determined by dividing the net comprehensive income or loss attributable to the Company's shareholders for the period, by the basic and diluted weighted average number of shares, respectively. The diluted weighted average number of shares outstanding is calculated as if all dilutive options had been exercised at the beginning of the reporting period or date of grant, as applicable. However, in periods where the Company is in a loss position, the effect of potential ordinary shares is anti-dilutive and therefore excluded from the calculation.

Revenue recognition

IFRS 15 provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with the customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when or as performance obligations are satisfied.

The Company derives its revenue from salon services and product sales to customers.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods and services to the customer. Revenue on sales of services and products is recorded based on a fixed transaction price. Payments for services, retail sales and gift cards are due at the point of sale.

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
Years ended December 28, 2025 and December 29, 2024

Note 3. Material Accounting Policy Information (continued)

The Company records salon service revenue at a point in time when the service is provided, which is when the performance obligation is satisfied. The Company records revenue from product sales at a point in time of sale, which is when the performance obligation is satisfied. Online product sales are recorded upon the shipment of merchandise as control is transferred at point of shipment. Customers typically receive goods within a few days of shipment.

The Company collects and remits sales tax on transactions with customers and reports such amounts under the net method in the statement of operations. Accordingly, these taxes are not included in gross revenue.

When consideration is received and revenue has not yet been recognized, a contract liability (deferred revenue) is recorded. Historically the Company has only received consideration in advance of provided goods and services related to the sale of gift cards and nail service packages. The Company sells gift cards in its salons and through its website. The Company records a liability in the period in which a gift card is sold. The Company does not charge administrative fees on unused gift cards, and gift cards do not have an expiration date. As gift cards are redeemed, the Company recognizes revenue and reduces the related liability. See accounting policy and estimation process related to gift card breakage in Note 4.

Income taxes

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Note 3. Material Accounting Policy Information (continued)

Share-based payments

The Company has stock option plans in place that are deemed to be equity-settled, share-based payment plans. The Company uses the Black-Scholes option-pricing model to determine the fair value of share-based awards and option grants in determining share-based compensation. The fair value at grant date of share-based payments under the plan is expensed over the service period in which the employees unconditionally become entitled to the awards, based on the estimate of shares that will eventually vest.

The fair value of share-based awards granted to non-employees is the fair value of the identifiable goods or services or the fair value of the equity instrument granted if the goods or services are not reliably measurable. The measurement date of the fair value is the date at which the Company receives the goods or services from the non-employees or the grant date of the instrument when the goods or services are unidentifiable. Goods or services are recognized in expense over the period that the services are received.

Further information regarding share-based compensation can be found in Note 12.

Current and non-current classification

The Company presents assets and liabilities in the statements of financial position based on current/non-current classification.

An asset is current when it is expected to be realized or intended to be sold or consumed within the normal operating cycle, held primarily for the purpose of trading, expected to be realized within twelve months after the reporting period, or cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in the normal operating cycle, is held primarily for the purpose of trading, is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The terms of the liability that could, at the option of its counterparty, result in settlement by the issue of equity instruments do not impact its classification. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Business Combinations

The Company follows the acquisition method to account for business combinations in accordance with IFRS 3, *Business Combinations*. The consideration for the acquisition of a business is measured as the fair value of assets transferred, equity instruments issued, and liabilities incurred as of the date of acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured at their estimated fair values on the date of acquisition. Intangible assets in the form of trade name are valued using the income approach, which is a method of using discounted cash flows. The excess of the consideration transferred over the estimated fair value of the net assets acquired is recorded as goodwill. If the consideration transferred is less than the net assets acquired, the difference is recognized directly in the consolidated statements of net loss and comprehensive loss.

Results of operations of a business acquired are included in the Company's consolidated financial statements from the date of the acquisition. Transaction costs, other than those associated with the issue of debt or equity instruments, that the Company incurs in connection with a business combination are expensed as incurred.

Note 3. Material Accounting Policy Information (continued)

Contingent consideration to be transferred by the acquirer is recognized at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognized in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

New information obtained during the measurement period about facts and circumstances existing at the acquisition date may affect the purchase price allocation. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all information possible to determine fair value.

Refer to Note 21 for additional information on the Company's business combinations.

Extinguishment of financial liabilities with equity instruments

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*, provides guidance on how to account for the partial or full extinguishment of a financial liability by issuing equity instruments. The Company measures the equity instruments issued to creditors to settle or extinguish financial liabilities at fair value. The difference between the carrying amount of the financial liability extinguished and the initial measurement amount of the equity instruments are included in the Consolidated Statement of Net Loss and Comprehensive Loss.

Restricted share units

Restricted share units ("RSUs") are granted without an exercise price and the vesting period is determined by the Board of Directors at each grant date. The Company has the option to settle RSUs at the time of vesting in shares of the Company or in cash. The Company treats these units as equity settled. Stock based compensation expense related to RSUs is determined based on the estimated fair value of the RSU which is the price of shares on the date they are granted.

The stock based compensation expense is recognized in earnings over the vesting period, with a corresponding increase in contributed surplus. Forfeitures are estimated for at date of grant, which may result in a reduction of stock based compensation expense in the period of the forfeiture.

Deferred share units

Deferred share units ("DSUs") may be granted to officers or directors of the Company without an exercise price and the vesting period is determined by the Board of Directors at each grant date. The Company has the option to settle the DSUs at the time of vesting in shares of the Company or in cash with settlement to occur upon the director or officers retirement or termination from the Company. The Company treats these units as equity settled. Stock based compensation expense related to DSUs is determined based on the estimated fair value of the DSU which is the price of the shares on the date they are granted.

The stock-based compensation expense is recognized in earnings over the vesting period, with a corresponding increase in contributed surplus. Forfeitures are estimated for at date of grant, which may result in a reduction of stock-based compensation expense in the period of the forfeiture.

Note 3. Material Accounting Policy Information (continued)

Adopted and future accounting pronouncements

New standards, amendments and interpretations

The following amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after January 1, 2025:

IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability amendments: The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and in determining the exchange rate to use and the disclosures to provide when it cannot.

The Company has determined that the amendments have no material impact on the financial statements as of December 28, 2025.

Future Accounting Standards and Interpretations

There are a number of upcoming amendments to standards and interpretations which have been issued by the IASB that the Company has decided not to adopt early. The Company is currently evaluating the impact of these standards.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures; amendments to the Classification and Measurement of Financial Instruments: The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at FVOCI and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted.

IFRS 18 Presentation and Disclosure in Financial Statements: The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of management performance measures in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted.

Note 4. Significant Accounting Judgments, Estimates and Uncertainties

In the process of applying the Company's accounting policies, management has made the following judgements and estimates, while noting uncertainties, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Deferred Revenue

The Company uses historic gift card redemption patterns to determine the probability of gift card redemption. When a gift card is not subject to escheatment and it is probable that a portion of a gift card will not be redeemed, this amount is considered to be breakage. Breakage is recognized as revenue consistent with the historic redemption patterns of the associated gift cards. The Company recognized breakage income of \$122,588 and \$114,676 in the years ended December 28, 2025 and December 29, 2024, respectively, and these amounts have been included in revenue in the statements of net loss and comprehensive loss.

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Note 4. Significant Accounting Judgments, Estimates and Uncertainties (continued)

Please see below for a summary of deferred revenue activity related to gift cards:

Balance at December 31, 2023	\$	2,289,788
Gift Card Issuances		1,274,444
Gift Card Usage		(1,099,582)
Gift Card Breakage		(114,676)
Balance at December 29, 2024	\$	<u>2,349,974</u>
Gift Card Issuances		1,362,092
Gift Card Usage		(1,110,942)
Gift Card Breakage		(122,588)
Balance at December 28, 2025	\$	<u>2,478,536</u>

The Company reports the gift card contract liabilities within deferred revenue on the statements of financial position. In addition to the deferred revenue related to gift cards, the Company also records deferred revenue related to service package sales.

Balance at December 31, 2023	\$	371,557
Package Issuances		530,902
Package Usage		(363,143)
Balance at December 29, 2024	\$	<u>539,316</u>
Package Issuances		526,039
Package Usage		(456,606)
Balance at December 28, 2025	\$	<u>608,749</u>

Leases - Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain it will exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Company did not include the renewal period as part of the lease term for leases of real estate and equipment with non-cancellable periods as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Leases - Estimating the incremental borrowing rate

If the Company cannot readily determine the interest rate implicit in its leases, it instead uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
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Note 4. Significant Accounting Judgments, Estimates and Uncertainties (continued)

Share-based payments

The fair value of share-based payment transactions is determined upon initial recognition by an acceptable option pricing model such as the Black-Scholes model. The inputs to the model include share price, exercise price, assumptions regarding expected volatility, expected life of share option and expected dividend yield.

Fair value measurement hierarchy

The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. For more details of the fair value disclosures, refer to Note 18.

Impairment of non-financial assets

In assessing for indicators of impairment at the annual impairment date, management noted certain internal sources of information that would result in an adverse effect to one of its existing CGUs during the year ended December 29, 2024. This determination was made through extensive consideration of the environment in which MiniLuxe operates as well as company performance. Refer to Note 8 for more detail.

Note 5. Segment Information

The Company has one operating segment, which consists of talent revenue and product revenue. The revenue recognition for the talent revenue and product revenue are recognized at a point in time.

The Company operates in only one geographical region which is the United States of America (USA).

52 weeks ended

	<u>December 28, 2025</u>	<u>December 29, 2024</u>
Talent revenue	\$ 27,680,456	\$ 25,730,503
Product revenue	222,631	390,941
	<u>\$ 27,903,087</u>	<u>\$ 26,121,444</u>

MiniLuxe Holding Corp.
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Note 6. Capital Management

For the purpose of the Company's capital management, capital includes subordinate voting shares, proportionate voting shares, contributed surplus and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may declare discretionary dividend payments to shareholders, return capital to shareholders or issue new shares. The Company includes within net (excess) debt, interest and non-interest-bearing loans and borrowings, accounts payable and accrued expenses, less cash and short-term deposits.

	December 28, 2025	December 29, 2024
Interest-bearing loans and borrowings:		
Loan payable	\$ 6,179,055	\$ 4,583,474
Convertible notes	-	3,721,706
Current portion of lease liabilities	1,494,997	1,270,636
Lease liabilities	5,677,808	5,738,669
Accounts payable and accrued expenses	2,692,208	2,280,857
Less cash and restricted cash	<u>(4,491,157)</u>	<u>(3,995,241)</u>
Net debt	<u>11,552,911</u>	<u>13,600,101</u>
Deficit	<u>(5,296,186)</u>	<u>(5,707,002)</u>
Total capital	<u>(5,296,186)</u>	<u>(5,707,002)</u>
Capital and net debt	<u>\$ 6,256,725</u>	<u>\$ 7,893,099</u>

No changes were made in the objectives, policies or processes for managing capital during the years ended December 28, 2025 or December 29, 2024.

Note 7. Inventories

Inventory consisted of the following at December 28, 2025 and December 29, 2024:

	December 28, 2025	December 29, 2024
Merchandise and retail products	\$ 295,341	\$ 177,638
Inventory supplies	149,782	259,148
Polish	196,951	223,510
Raw materials	249,336	209,434
Total inventories	<u>\$ 891,410</u>	<u>\$ 869,730</u>
Inventory write-downs	<u>\$ -</u>	<u>\$ 273,613</u>

There was a reversal of inventory write-downs of \$372,927 for the year ended December 28, 2025, and no reversals for the year ended December 29, 2024.

Inventory recognized as an expense in cost of sales is \$1,743,043 and \$1,795,358 for the years ending December 28, 2025 and December 29, 2024, respectively.

The allowance for excess and obsolete inventory was \$nil and \$372,970 at December 28, 2025 and December 29, 2024, respectively.

MiniLuxe Holding Corp.
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Note 8. Property and Equipment, net and Intangible Assets, net

Property and equipment, net consists of the following at December 28, 2025 and December 29, 2024:

	Furniture, Fixtures & Equipment	Leasehold Improvements	Construction in Progress	Total
Cost				
At December 31, 2023	\$ 2,563,223	\$ 16,776,853	\$ -	\$ 19,340,076
Additions	147,368	351,865	-	499,233
Disposals	(47,867)	(756,722)	-	(804,589)
Impairment	(36,054)	(30,959)	-	(67,013)
At December 29, 2024	\$ 2,626,670	\$ 16,341,037	\$ -	\$ 18,967,707
Additions	125,174	42,123	44,459	211,755
Disposals	(140,577)	(492,173)	-	(632,750)
At December 28, 2025	\$ 2,611,266	\$ 15,890,986	\$ 44,459	\$ 18,546,712
Depreciation				
At December 31, 2023	\$ 2,094,223	\$ 11,451,362	\$ -	\$ 13,545,585
Depreciation charge for the year	237,308	1,903,855	-	2,141,163
Disposals	(29,280)	(516,130)	-	(545,410)
At December 29, 2024	\$ 2,302,251	\$ 12,839,087	\$ -	\$ 15,141,338
Depreciation charge for the year	231,048	1,422,770	-	1,653,819
Disposals	(93,632)	(139,689)	-	(233,321)
At December 28, 2025	\$ 2,439,666	\$ 14,122,169	\$ -	\$ 16,561,836
Net book value				
At December 29, 2024	\$ 324,419	\$ 3,501,950	\$ -	\$ 3,826,369
At December 28, 2025	\$ 171,601	\$ 1,768,818	\$ 44,459	\$ 1,984,876

Intangible assets, goodwill and tradename consist of the following at December 28, 2025 and December 29, 2024:

	Website	Goodwill	Tradename	Total
Cost				
At December 31, 2023	\$ 888,072	\$ -	\$ 664,195	\$ 1,552,267
Impairment	-	-	(597,246)	(597,246)
At December 29, 2024	\$ 888,072	\$ -	\$ 66,949	\$ 955,021
Additions (Note 21)	-	126,500	-	126,500
At December 28, 2025	\$ 888,072	\$ 126,500	\$ 66,949	\$ 1,081,521
Depreciation				
At December 31, 2023	\$ 550,360	\$ -	\$ -	\$ 550,360
Depreciation charge for the year	296,558	-	-	296,558
At December 29, 2024	\$ 846,918	\$ -	\$ -	\$ 846,918
Depreciation charge for the year	41,154	-	-	41,154
At December 28, 2025	\$ 888,072	\$ -	\$ -	\$ 888,072
Net book value				
At December 29, 2024	\$ 41,154	\$ -	\$ 66,949	\$ 108,103
At December 28, 2025	\$ -	\$ 126,500	\$ 66,949	\$ 193,449

MiniLuxe Holding Corp.
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Note 8. Property and Equipment, net and Intangible Assets, net (continued)

Impairment

Goodwill and tradename are tested for impairment at least annually at the year-end reporting date, and whenever there is an indication that the asset may be impaired.

As of the year ended December 28, 2025, management completed its annual test for impairment on CGUs containing goodwill and tradenames and did not identify any impairment. Management did not identify any indicators of impairment pertaining to any of its CGUs including property, equipment and intangible assets.

2024 Impairment:

As of the year ended December 29, 2024, management completed its annual test for impairment of its tradename and determined that the asset was impaired. The Company also identified a triggering event for the Paintbox GCU. The Company compared the carrying amount of the Paintbox CGU's assets to the value in use of the CGU based on discounted future cash flows, which is higher than the fair value less costs to sell. Based on this assessment, the Company determined that impairment of tradename existed, as well as additional impairment that was allocated pro rata to the other assets within the CGU.

The key inputs used in the estimation of the enterprise value are set out below.

Discount rate: 43%
Terminal multiple: 2.44x

The discount rate is estimated based on the historical industry average weighted-average cost of capital, with a debt leveraging of 5% at a market rate of 5% and a tax rate for interest shield purposes of 27%. The pre-tax discount rate would also be 43%.

The cash flow projections included specific estimates for 5 years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term annual growth rate of 2%, consistent with the assumptions that a market participant would make.

Net operating income was estimated by taking into account a shift in focus for the Paintbox brand, including the 2024 closure of a physical location, as well as increased projections in the e-commerce and wholesale revenue coupled with cost optimization for certain products.

The estimated recoverable amount of the CGU was determined to be \$136,662, which was \$664,259 less than its carrying amount. Therefore, an impairment loss of \$664,259 was recognized as of year-end, leading to a reduction of tradename of \$597,246 and an additional reduction of \$67,013 applied across the remaining CGU assets. Such impairment charges were included in Impairment Expense on the Consolidated Statements of Net Loss and Comprehensive Loss.

Long lived asset impaired	Impairment charge
Tradename	\$ 597,246
Furniture, fixtures & equipment	36,054
Leasehold improvements	30,959
Total	<u>\$ 664,259</u>

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
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Note 9. Financial Instruments

The Company's financial assets are comprised of cash and cash equivalents and a long-term investment.

On December 15, 2021, the Company invested in BeautyByMe, a volumetric device brand focused on the creation of small-batch, on-demand cosmetic products for \$50,000. The investment is classified as FVTPL with all changes in value being recorded through the statement of net loss and comprehensive loss. The investment is presented as a long-term asset.

The Company's financial liabilities are comprised of the following:

	Interest Rate	Maturity	December 28, 2025	December 29, 2024
Current interest-bearing loans and borrowings				
Lease liabilities	15%	2026	\$ 1,494,997	\$ 1,270,636
Total current interest-bearing loans and borrowings			1,494,997	1,270,636
Non-current interest-bearing loans and borrowings				
Lease liabilities	15%	2026-2035	5,677,808	5,738,669
Loan payable	15%	2028	6,179,055	4,583,474
Convertible notes	12%	2027	-	3,721,706
Total non-current interest-bearing loans and borrowings			11,856,863	14,043,849
Total interest-bearing loans and borrowings			13,351,860	15,314,485
Financial liabilities, other than interest-bearing loans and borrowings				
Accounts payable and accrued expenses			2,692,951	2,280,857
Derivative liabilities			87,902	121,339
Contingent consideration			86,354	86,354
Total other financial liabilities			\$ 2,867,207	\$ 2,488,550
Total current			\$ 4,361,591	\$ 3,758,573
Total non-current			\$ 11,857,476	\$ 14,044,462

Convertible notes

On November 28, 2023, January 22, 2024 and April 25, 2024, the Company issued \$2,585,000, \$1,225,000 and \$475,000, respectively, in subordinated convertible debentures ("convertible notes"), resulting in the issuance of 2,585, 1,225 and 475 units at a price of \$1,000 per unit. Each unit consisted of a right to the payment of principal and interest at the stated rate of 11.5%, a conversion feature and an attached warrant. The maturity date of the convertible notes was 42 months from the date of issuance. At maturity, the Company had the option to repay either a portion or the entire principal plus accrued and unpaid interest either in cash or through the issuance of shares.

The Company elected the fair value option to account for the principal and interest payable under the convertible note, inclusive of all embedded features. The attached warrants are classified as equity instruments. No subsequent remeasurement is required on these equity-classified warrants.

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
Years ended December 28, 2025 and December 29, 2024

Note 9. Financial Instruments

The allocation of proceeds at closing is as follows:

Date Issued:	April 25, 2024	January 22, 2024	November 30, 2023
Fair value of convertible note when issued:	\$ 465,135	\$ 1,215,636	\$ 2,581,644
Warrants	9,865	9,364	3,356
Total gross proceeds	\$ 475,000	\$ 1,225,000	\$ 2,585,000

If the Company elected to exercise its right to convert the accrued principal and interest into shares, the amount of shares to be issued would have been calculated by dividing the principal and interest by the greater of: (i) the market price of the shares on the date before the public announcement by the Company of its intention to satisfy the payment in shares, or (ii) the volume-weighted average price ("VWAP") of the shares for the 5 trading days immediately prior to the same. At any point up until the maturity date, the holder of the convertible note had the right to convert all or any portion of the principal amount of the debenture into shares at the conversion price of \$0.52 per share. Additionally, the Company held an accelerated conversion right. If 4 months and 1 day following the issuance of the convertible note the 21-day consecutive VWAP exceeds \$0.57, the Company had the option to require the holder to convert the principal amount into shares of the Company at the conversion price of \$0.52.

Each convertible note was issued with an attached warrant, with the number of warrants issued calculated as 15% of the principal balance received at the strike price of \$0.52.

In accordance with IFRS 9.5.7.7, the amount of the change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income (OCI) and the remaining amount of the change in the fair value shall be recognized in profit and loss.

On December 27, 2024 the Company settled \$975,000 in convertible notes and \$110,994 accrued interest thereon in exchange for 2,360,746 Class A subordinate voting shares. The notes were valued at the time of conversion using a price of \$0.46 per share and the resulting amount was recorded directly to share capital.

On February 7, 2025 the Company settled \$945,000 in convertible notes and \$110,576 accrued interest thereon in exchange for 2,294,731 Class A subordinate voting shares. The notes were valued at the time of conversion using a price of \$0.46 per share and the resulting amount was recorded directly to share capital.

On March 24, 2025 the Company settled the remaining \$2,365,000 in convertible notes and \$345,562 accrued interest thereon in exchange for 5,399,012 Class A subordinate voting shares. The notes were valued at the time of conversion using a price of \$0.50 per share and the resulting amount was recorded directly to share capital.

As at March 30, 2025, the convertible notes had been fully converted to share capital and an unrealized loss of \$273,203 and unrealized loss attributable to changes in the credit risk of \$44,600 were recognized in the consolidated statements of net loss and comprehensive loss.

All outstanding principal and interest of the convertible notes have been fully converted, as of December 28, 2025.

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
Years ended December 28, 2025 and December 29, 2024

Note 9. Financial Instruments (continued)

Senior debt and associated warrants

The Company issued \$2,500,000 of senior debt recorded at \$2,460,000 (net of approximately \$40,000 in transaction costs) during the quarter ended June 27, 2021 repayable no later than April 27, 2025.

On April 5, 2024, the Company completed a re-financing of its senior debt, extending maturity for 24 months for the original \$2,500,000 principal and adding an additional \$2,000,000 of new capital, all of which will now mature in May 2027 (the “new senior debt”). The new senior debt shall pay 15.0% cash-pay interest along with 2.0% simple, paid-in-kind interest that accrues until maturity. In connection with the re-financing, the Company issued warrants to purchase 1,692,308 Subordinate Voting Shares of the Company at a strike price of \$0.52 USD (~\$.71 CDN) per share for a period of three years from the date of issuance. The warrants are subject to a hold period of four months and one day from the issuance date in accordance with applicable securities laws. The refinancing was approved by the TSX Venture Exchange.

Under IFRS 9, it was determined that the terms of this re-financing were substantially different than the terms of the original debt based on the “10% test.” Therefore, the re-financing was accounted for as an extinguishment of the original debt. This original debt was derecognized with a loss on extinguishment of debt of \$229,729 recognized in the Consolidated Statements of Net Loss and Comprehensive Loss. Just prior to the extinguishment, the original debt had a carrying amount of \$2,490,098. The new debt was recognized at fair value, which was determined to be to be \$4,554,456 at the date of modification.

The associated warrants were determined to meet the definition of a derivative liability and were also recognized at fair value. Upon recognition, the fair value of the warrants was determined to be \$128,238.

On March 7, 2025, the Company completed an additional re-financing of its existing senior debt, which extended the maturity of such existing debt of \$4,500,000 to April 30, 2028 and concurrently added an additional \$1,675,000 of new debt financing (“new senior debt”) which will also mature on April 30, 2028, together (“total senior debt”). The existing senior debt will continue to pay 15.0% cash-pay interest along with 2.0% simple, paid-in-kind interest that accrues until May 2027, and then shall pay 14.0% cash-pay interest along with 0.5% simple, paid-in-kind interest that accrues until the extended maturity date of April 30, 2028. The additional \$1,675,000 will pay 14.0% cash-pay interest along with 0.5% simple, paid-in-kind interest that accrues through maturity. In connection with the re-financing, the Company issued warrants to purchase Subordinate Voting Shares of the Company, with 1,069,545 warrants exercisable at a strike price per share of \$0.55 USD. Further, the Company amended the terms of the 1,692,308 warrants issued in connection with the re-financing completed in April 2024 and the warrants issued in April 2021 to extend the maturity date to March 2030, if conditions were met.

This did not change the classification of the warrants. All new and existing warrants associated with the existing senior debt and new senior debt financing will have an expiry date of 3 years from the closing of the financing. The warrants are subject to a hold period of four months and one day from the issuance date in accordance with applicable securities laws. The refinancing of the existing senior debt and financing of the new senior debt was approved by the TSX Venture Exchange.

Under IFRS 9, it was determined that the terms of this re-financing were substantially different than the terms of the original debt based on the “10% test.” Therefore, the re-financing was accounted for as an extinguishment of the original debt. This existing senior debt was derecognized with a loss on extinguishment of debt of \$109,275 recognized in the consolidated statements of net loss and comprehensive loss.

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
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Note 9. Financial Instruments (continued)

Just prior to the extinguishment, the existing senior debt had a carrying amount of \$4,591,835. The total refinanced senior debt was recognized initially at fair value, which was determined to be to be \$6,137,448 at the date of modification.

The warrants issued as part of the re-financing in March 2025 were determined to meet the definition of a derivative liability and were also recognized at fair value.

The fair value of the 1,692,308 warrants was estimated at \$77,313, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.29; expected dividend yield of 0%; expected volatility of 44% (based on the Company's historical share price); risk-free interest rate of 4.49% and an expected life of 3 years.

The fair value of the 1,069,545 warrants was estimated at \$165,245, using the Black-Scholes option pricing model with the following assumptions: stock price of \$0.42; expected dividend yield of 0%; expected volatility of 46% (based on the Company's historical share price); risk-free interest rate of 4.09% and an expected life of 4.98 years.

As of December 28, 2025 the fair value of the warrants was determined to be \$87,902 and an unrealized gain of \$350,651 was recognized in the consolidated statements of net loss and comprehensive loss.

The senior debt is held by a related party, who serves as a member of the Company's audit committee.

Interest expense on the senior debt for the years ended December 28, 2025 and December 29, 2024 was \$916,603 and \$634,254, respectively.

Accounts payable and accrued expenses

	December 28, 2025	December 29, 2024
Accounts payable	\$ 1,237,978	\$ 889,330
Other payables and accrued expenses	1,454,228	1,304,769
Variable rent	-	86,758
	<u>\$ 2,692,206</u>	<u>\$ 2,280,857</u>

Terms and conditions of the above financial liabilities:

- Accounts payables and accrued expenses are non-interest bearing and are normally settled on 30-day terms.
- Variable rent and other payables are non-interest bearing and have an average term of 30 days.

Extinguishment of financial liabilities with equity instruments (related party)

On September 5, 2025, the Company extinguished a financial liability owed to a related party by issuing subordinate voting shares. This transaction was accounted for in accordance with IFRS 9 Financial Instruments and IFRS 19 Extinguishing financial liabilities with Equity Instruments. The equity instruments issued were measured at fair value at the date of extinguishment. The carrying amount of the liability was equal to the fair value of the equity instruments, and therefore no gain or loss was recognized.

As the transaction involved a related party, it was disclosed in accordance with IAS 24 Related Party Disclosures. The nature of the relationship, terms of the transaction and the amount involved has been disclosed in Note 20.

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
Years ended December 28, 2025 and December 29, 2024

Note 9. Financial Instruments (continued)

Finance Costs

Reconciliation of finance costs for the years ended December 28, 2025 and December 29, 2024 are summarized in the following table:

	December 28, 2025	December 29, 2024
Lease adjustments	\$ 1,316,830	\$ 1,024,448
Senior debt Interest	916,603	634,254
	<u>\$ 2,233,433</u>	<u>\$ 1,658,702</u>

Unrealized Gain/Loss

Reconciliation of unrealized gains and losses for the years ended December 28, 2025 and December 29, 2024 are summarized in the following table:

	December 28, 2025	December 29, 2024
Convertible notes	\$ (273,203)	\$ (272,953)
Contingent consideration	-	85,921
Warrants	225,599	6,899
	<u>\$ (47,604)</u>	<u>\$ (180,133)</u>

Note 10. Share Capital

As of December 28, 2025 and December 29, 2024, the Company has authorized an unlimited number of subordinate and proportionate voting shares. The holders of the subordinate and proportionate voting shares are entitled to vote on all matters. The holders of the subordinate voting shares are entitled to the number of votes equal to the number shares held. The holders of the proportionate voting shares are entitled to 1,000 votes for each share held. There were 76,361,380 and 62,071,921 subordinate voting shares issued and outstanding as of December 28, 2025 and December 29, 2024, respectively, and 91,064 proportionate issued and outstanding as of both December 28, 2025 and December 29, 2024.

During the years ended December 28, 2025 and December 29, 2024, the Company acquired a total of 268,251 Class A subordinate voting shares for C\$107,978 and 51,200 subordinate voting shares for C\$23,203 respectively under its Normal Course Issuer Bid ("NCIB"). Under the NCIB, the Company may not acquire more than 2% of its issued and outstanding subordinate voting shares in any 30-day period.

On March 24, 2025, the Company issued shares to settle bonus payments pursuant to its acquisition of Paintbox in 2022. The Company issued 60,000 Class A subordinate shares at a price per share of USD\$0.50

Effective February 7, 2025, the Company completed a non-brokered private placement of Class A subordinate voting shares of the Company and raised a total of USD \$3.44M or (~CDN \$4.94M) through the issuance of an aggregate of 6,247,717 Subordinate Voting Shares at a price of USD \$0.55 each (CDN \$0.79).

On August 14, 2025, the Company issued 437,500 shares to form a limited liability company pursuant to the acquisition in Note 21.

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
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Note 10. Share Capital (continued)

On September 5, 2025, the Company entered into a shares-for-debt settlement agreement with a related party, pursuant to which the related party agreed to accept 118,750 Class A subordinate voting shares of the Company at a deemed issued price of CAD \$0.40 per share in settlement of USD\$34,237 of indebtedness owing to the related party. In accordance with IFRIC 19, the Company measured the shares at the market price on the date of issuance.

There was no difference between the carrying amount of the debt extinguished and the fair value of the shares so no gain or loss was recognized in the consolidated statements of net loss and comprehensive loss.

On March 13, 2024, the Company issued shares to settle its earnout obligations related to the indemnity holdback valued at \$185,267 as of December 31, 2023 and bonus payments pursuant to its acquisition of Paintbox in 2022. The Company issued 597,446 Class A subordinate voting shares at a price per share of CAD\$0.52 in full satisfaction of the indemnity provision.

On December 27, 2024, the Company completed a first tranche of the above noted non-brokered private placement of Class A subordinate voting shares of the Company and raised a total of USD \$1.63M or (~CDN \$2.35M) through the issuance of 2,965,906 Subordinate Voting Shares at a price of USD \$0.55 each (CDN \$0.79). Due to a timing difference of wire receipt, \$75,000 of the proceeds remained outstanding as of year-end and is reflected as a receivable in the Consolidated Statement of Financial Position as of December 29, 2024.

Note 11. General and Administrative Expenses and Cost of Sales

General and administrative expenses are comprised of the following:

	<i>Year ended</i>	
	December 28, 2025	December 29, 2024
Salaries, wages and employee benefits	\$ 7,051,668	\$ 6,262,554
Variable rent	1,048,768	1,064,125
Stock compensation	955,033	557,831
Professional fees	931,791	693,189
Bank and credit card fees	848,203	756,627
IT related costs	618,264	616,331
HR, payroll and recruiting fees	606,807	460,490
Insurance, permits and fines	473,952	535,898
Operating supplies	428,922	481,651
Repairs and maintenance	392,617	374,860
Marketing and selling expenses	389,213	492,280
Travel, meals and entertainment	363,797	276,874
Loss on disposal of property and equipment	237,072	-
Warehouse	211,752	294,326
Equipment	156,041	110,053
Other expenses	137,556	183,577
Listing costs	62,023	54,872
Total general and administrative expense	\$ 14,913,479	\$ 13,215,538

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
Years ended December 28, 2025 and December 29, 2024

Note 11. General and Administrative Expenses and Cost of Sales (continued)

Cost of sales are comprised of the following:

	<i>Year ended</i>	
	December 28, 2025	December 29, 2024
Direct labor	\$ 14,419,166	\$ 13,213,573
Service supplies	1,448,774	1,027,735
Retail supplies and commissions	355,041	813,504
Shipping and fulfillment	28,972	85,614
Total cost of sales	\$ 16,251,953	\$ 15,140,426

Note 12. Share-based payments

Under the Company's Amended and Restated Omnibus Equity Incentive Compensation Plan (the "Plan"), 33,493,526 shares are authorized for issuance at December 28, 2025, representing 20% of the then aggregate number of shares on the effective date of the Plan. The Plan was amended to a fixed Plan at the Company's November 30, 2025 AGM.

Options to purchase 1,690,522 and 282,978 subordinate voting shares were available for issuance under the Plan as of December 28, 2025, and December 29, 2024, respectively. As of December 28, 2025, 675,000 RSUs and 545,000 DSUs were issued and outstanding. No PSUs were issued and outstanding. No RSUs, DSUs or PSUs were issued and outstanding as of December 29, 2024.

Stock option activity under the Plan during the years ended December 28, 2025 and December 29, 2024 is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Contractual Life (In Years)
Options Outstanding at January 1, 2024	11,035,862	\$0.21	8.3
Granted	5,475,769	\$0.26	
Forfeited	(1,324,831)	\$0.22	
Expired	(156,186)	\$0.29	
Options Outstanding at December 29, 2024	15,030,614	\$0.23	8.5
Options Exercisable at December 29, 2024	8,134,826	\$0.18	7.8
Granted	1,123,191	\$0.45	
Forfeited	(723,699)	\$0.49	
Expired	(420,765)	\$0.51	
Options Outstanding at December 28, 2025	15,009,341	\$0.30	7.7
Options Exercisable at December 28, 2025	12,973,706	\$0.27	7.5

The weighted-average fair value of stock options granted during the years ended December 28, 2025 and December 29, 2024 under the Black-Scholes option-pricing model were \$0.12 and \$0.19 per share, respectively.

In the year December 29, 2024, 156,186 stock options were exercised. No stock options were exercised during the year ended December 28, 2025.

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
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Note 12. Share-based payments (continued)

The Company recognized \$955,033 and \$557,831 in stock-based compensation expense for the years ended December 28, 2025 and December 29, 2024, respectively. As of December 28, 2025, there was approximately \$156,247 of total unrecognized compensation expense related to unvested employee stock-based compensation arrangements, which is expected to be recognized over a weighted-average period of 3.7 years.

A total of 1,123,191 options were granted in the year ended December 28, 2025. The fair value of stock options granted was measured with the following assumptions:

Grant date:	April 23, 2025	May 22, 2025	August 21, 2025	July 1, 2025	November 20, 2025	December 1, 2025
Exercise price	\$ 0.43	\$ 0.36	\$ 0.29	\$ 0.23	\$ 0.35	\$ 0.35
Share price	\$ 0.22	\$ 0.18	\$ 0.29	\$ 0.28	\$ 0.37	\$ 0.37
Expected volatility	50%	50%	45%	45%	44%	44%
Expected option life	7 years	7 years	6.43 years	5.7 years	6.39 years	6.39 years
Expected dividend yield	0%	0%	0%	0%	0%	0%
Risk free interest rate	4.20%	4.32%	4.01%	3.91%	2.98%	2.98%

A total of 5,475,769 options were granted during the year ended December 29, 2024. The fair value of stock options granted was measured with the following assumptions:

Grant date:	May 13, 2024	August 16, 2024	September 26, 2024	September 30, 2024	November 18, 2024	December 17, 2024
Exercise price	\$0.34	\$0.24	\$0.23	\$0.23	\$0.38	\$0.27
Share price	\$0.30	\$0.24	\$0.23	\$0.23	\$0.41	\$0.51
Expected volatility	50%	50%	50%	50%	50%	50%
Expected option life	7 years	7 years	7 years	7 years	7 years	7 years
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	4.50%	3.77%	3.55%	3.58%	4.28%	4.26%

The fair value of the share-based payment transactions is measured based on valuation models. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility, expected life of the instruments (based on contractual life and tranche vesting term), expected dividends, and the risk-free interest rate (based on government bonds). The Company considered the historical volatility of similar entities for which share price information is publicly available when estimating the expected volatility. The listed entities used in the analysis operate within a similar industry space, focusing on the delivery of similar products and services.

Note 13. Income Taxes

Reconciliation of tax expense and the accounting profit multiplied by the Company's domestic tax rate for 2025 and 2024:

	December 28, 2025	December 29, 2024
Loss before tax	\$ (8,225,418)	\$ (8,867,299)
Statutory income tax rate	26.50%	26.50%
Expected income tax recovery	(2,179,736)	(2,349,834)
Non-deductible expenses for tax purposes	414,429	56,798
Change in statutory rates and other	312,217	137,551
Change in valuation allowance	1,453,090	2,155,485
Income tax expense reported in the statements of net loss and comprehensive loss	\$ -	\$ -

MiniLuxe Holding Corp.
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Note 13. Income Taxes (continued)

Unrecognized deferred tax assets:

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	December 28, 2025	December 29, 2024
Net operating loss carryforwards (US)	\$ 83,206,492	\$ 78,879,511
Net operating loss carryforwards (Canada)	8,643,740	7,865,729
PP&E	6,791,759	5,410,122
Intangibles	883,549	1,004,718
ROU asset	(5,867,630)	(5,231,499)
Lease liabilities	7,151,712	6,802,130
Share issuance costs	56,100	85,334
Other	2,429,569	2,605,236
Total deductible temporary difference	<u>103,295,291</u>	<u>97,421,281</u>
Net deferred tax asset	<u>28,852,045</u>	<u>25,529,705</u>
Unrecognized deferred tax asset	<u>(28,852,045)</u>	<u>(25,529,705)</u>
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

The company has total net operating losses in the United States of America of \$83,206,492, as of December 28, 2025. Of the total net operating losses, \$54,873,286 are available indefinitely for offsetting against future taxable profits of the company in which the losses arose. The remaining losses expire beginning in 2028 through 2037.

The Company's Canadian net operating losses expire as follows: \$327,740 in 2039, \$5,513,690 in 2040, \$938,480 in 2041, \$754,590 in 2042, \$677,920 in 2043, and \$431,320 in 2044.

The Company has determined that as a result of its history of net operating losses it is not probable that it will have sufficient taxable profits to utilize its unused tax assets in the future. Therefore, no net deferred tax asset is recognized in its financial statements.

Note 14. Leases

The Company has lease contracts for real estate and other equipment used in its operations. Leases of real estate have lease terms generally between 3 and 10 years, and equipment generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. Furthermore, the Company has combined lease and non-lease components for its real estate leases.

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
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Note 14. Leases (continued)

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	Real Estate
As at December 31, 2023	\$ 4,311,048
Additions	511,428
Modifications	2,072,033
Terminations	(69,140)
Depreciation expense	(1,463,413)
As at December 29, 2024	<u>\$ 5,361,956</u>
Additions	762,226
Modifications	1,127,316
Terminations	(195,515)
Depreciation expense	(1,281,181)
As at December 28, 2025	<u>\$ 5,774,802</u>

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year ended December 28, 2025 compared to the year ended December 29, 2024:

	December 28, 2025	December 29, 2024
Balance as of beginning of period	\$ 7,009,305	\$ 6,220,980
Additions	762,226	511,428
Modifications	1,127,316	2,119,871
Terminations	(343,605)	(178,180)
Accretion of interest	1,316,830	1,024,448
Payments	(2,699,267)	(2,689,242)
Balance as of end of period	<u>\$ 7,172,805</u>	<u>\$ 7,009,305</u>
Current	\$ 1,494,997	\$ 1,270,636
Non-Current	\$ 5,677,808	\$ 5,738,669

The following are the amounts recognized in profit or loss:

	December 28, 2025	December 29, 2024
Depreciation expense of right-of-use assets	1,281,181	1,463,413
Interest expense on lease liabilities	1,316,830	1,024,448
Expenses relating to leases on low-value assets	-	28,617
Variable rent	1,048,768	1,064,125
Total amount recognized in comprehensive loss	<u>\$ 3,646,779</u>	<u>\$ 3,580,603</u>

The following table shows the Company's fixed and variable rent payments:

	Year ended	
	December 28, 2025	December 29, 2024
Fixed rent	\$ 2,678,164	\$ 2,546,265
Variable rent	709,335	695,811
	<u>\$ 3,387,499</u>	<u>\$ 3,242,076</u>

MiniLuxe Holding Corp.
Notes to the Consolidated Financial Statements
Years ended December 28, 2025 and December 29, 2024

Note 14. Leases (continued)

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

As of December 28, 2025 and December 29, 2024, undiscounted potential future rental payments of \$11,752,395 and \$11,465,360, respectively, have not been included in the lease liability because it is not reasonably certain these options will be exercised.

Note 15. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to common equity holders of the Company by the weighted average number of participating common stock outstanding during the year. The participating common stock includes the Company's subordinate and proportionate voting shares. Diluted EPS is calculated by dividing the profit attributable to common equity holders of the parent by the weighted average number of common stock outstanding during the year plus the weighted average number of common stock that would be issued on conversion of all the dilutive potential common stock into common stock.

Instruments at the Company that could potentially dilute basic earnings per share include convertible notes, stock options, and warrants. For the years ended December 28, 2025 and December 29, 2024, the convertible notes, stock options and warrants are anti-dilutive in nature.

The calculation and presentation below is based on the number of shares outstanding at December 28, 2025, which is based on the legal amount of shares outstanding under each class without assuming conversion.

If the 91,064 proportionate voting shares outstanding were converted into subordinate voting shares, the numbers of subordinate voting shares issued would be 91,064,000.

MiniLuxe Holding Corp.
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Note 15. Earnings per share (EPS) (continued)

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	December 28, 2025		December 29, 2024	
	Subordinate Voting Shares	Proportionate Voting Shares	Subordinate Voting Shares	Proportionate Voting Shares
Loss attributable to common equity holders of the Company (Basic)	\$ (3,705,172)	\$ (4,562,883)	\$ (3,430,443)	\$ (5,476,614)
Weighted average number of common stock for basic EPS	73,945,812	91,064	57,040,931	91,064
Basic loss per share	\$ (0.05)	\$ (50.11)	\$ (0.06)	\$ (60.14)
Loss attributable to common equity holders of the Company (Diluted)	\$ (3,705,172)	\$ (4,562,883)	\$ (3,430,443)	\$ (5,476,614)
Weighted average number of common stock for diluted EPS	73,945,812	91,064	57,040,931	91,064
Diluted loss per share	\$ (0.05)	\$ (50.11)	\$ (0.06)	\$ (60.14)
Weighted average number of common stock for basic EPS				
Issued common stock at start of the period	62,071,921	91,063,534	56,042,837	91,064
Effect of share options exercised	-	-	99,976	-
Effect of Paintbox share issuance	60,000	-	477,629	-
Effect of share issuance	11,923,289	-	439,010	-
Effect of NCIB purchases	(109,398)	-	(19,060)	-
Weighted average number of common stock end of the period (basic)	73,945,812	91,063,534	57,040,392	91,064

Note 16. Commitments and Contingencies

From time to time, the Company may be involved in legal actions arising in the ordinary course of business or, conditions may exist that may result in a loss but will only be resolved when one or more future events occur or fail to occur. Each of these actions or matters is assessed by the Company's management and legal counsel to evaluate the perceived merits of any proceeding or claim, as well as any relief sought or expected to be sought. Such assessment involves the exercise of judgment. The Company establishes accruals for losses that management deems to be probable and subject to reasonable estimates. If the assessment indicates that a potentially material loss contingency is not probable but reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material would be disclosed. Loss contingencies considered remote are not disclosed.

The Company does not have any material commitments for future years, apart from leases (see Note 14).

Note 17. Profit Sharing Plan

The Company sponsors a qualified 401(k) profit sharing plan (the Plan) covering all eligible employees, as defined. The Company's contributions to the Plan are discretionary and are determined annually by the Board of Directors. There were no Company contributions to the Plan for the years ending December 28, 2025 or December 29, 2024.

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Note 18. Fair Value Measurement

The Company measures its long-term investments, contingent consideration, derivative liabilities, and convertibles notes at fair value, which is at level 3. No other financial statement accounts are measured at fair value as their carrying amount approximates fair value. The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair Value Measurement Using						
Date of Valuation	Total	Quoted priced in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Assets measured at fair value						
Long term investment	December 28, 2025	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
	December 29, 2024	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Liabilities measured at fair value						
Contingent consideration - Paintbox	December 28, 2025	\$ 86,354	\$ -	\$ -	\$ -	\$ 86,354
	December 29, 2024	\$ 86,354	\$ -	\$ -	\$ -	\$ 86,354
Convertible notes	December 28, 2025	\$ -	\$ -	\$ -	\$ -	\$ -
	December 29, 2024	\$ 3,721,706	\$ -	\$ -	\$ -	\$ 3,721,706
Derivative liabilities	December 28, 2025	\$ 87,902	\$ -	\$ -	\$ -	\$ 87,902
	December 29, 2024	\$ 121,339	\$ -	\$ -	\$ -	\$ 121,339

There were no transfers between Level 1 and Level 2 during 2025.

For calculation of the fair value of contingent consideration at December 29, 2024 associated with the Paintbox acquisition, the Company used a Black-Scholes method for visualizing the consideration as a combination of embedded options. This model requires management to make assumptions which include cash flow forecasts, revenue growth rates, royalty rates, and discount rates. The fair value did not change at December 28, 2025 as the Company believes the amount to be consistent with the prior year.

For the calculation of the fair value of convertible notes, the Company used a sum-of-the-parts method, whereby the debt security and the equity options are valued separately. The debt security was valued based on the anticipated coupon payments and principal repayments discounted to present value using a market yield. The conversion option of the holder was valued using a Black-Scholes option pricing model whereas the accelerated conversion option of the Company was valued using an up-and-out barrier option pricing model. The warrants were valued using a Black-Scholes model. The primary assumptions that would significantly affect the fair values of the convertible notes are the volatility and market price of the underlying common stock of the Company.

Note 19. Risk Management

The Company's principal financial liabilities comprise of accounts payables and accrued expenses, lease liabilities, loan payable, and convertible notes. The main purpose of these financial liabilities is to finance the Company's operations.

The Company is exposed to market risk, credit risk, liquidity risk and interest rate risk. Risk management is carried out by senior finance executives ("Finance") under policies approved by the Board of Directors ("Board"). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and responds to financial risks within the Company's operating units. Finance reports to the Board on a monthly basis. There have been no significant changes in the Company's exposure to these financial risks.

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Note 19. Risk Management (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and long term investments.

The Company does not note any interest rate, currency and or other price risk that would have a material effect on its financial statements, except for the fair value determination on its convertible notes which were fully converted in 2025. See Note 9 for details.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not materially exposed to credit risk from its operating activities and from its financing activities, since most of its revenue is generating at point-of-sale systems where cash is exchanged, or credit card payments are made. The Company's cash holdings and deposits are held in an A+ rating financial institution according to Standard & Poor's.

Liquidity Risk

Liquidity risk is risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecasted cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, unless otherwise noted:

December 28, 2025

	Less Than One Year	1 to 5 Years	Greater Than 5 Years	Total
Accounts payable and accrued expenses	\$ 2,692,951	\$ -	\$ -	\$ 2,692,951
Lease liabilities	2,486,303	5,610,912	3,655,180	11,752,395
Loan payable	-	6,179,055	-	6,179,055
	<u>\$ 5,179,254</u>	<u>\$11,789,967</u>	<u>\$ 3,655,180</u>	<u>\$20,624,401</u>

December 29, 2024

	Less Than One Year	1 to 5 Years	Greater Than 5 Years	Total
Accounts payable and accrued expenses	\$ 2,280,857	\$ -	\$ -	\$ 2,280,857
Lease liabilities	2,566,380	6,605,987	2,292,993	\$11,465,360
Loan payable	-	4,583,474	-	\$ 4,583,474
Convertible notes (fair value - Note 19)	-	3,721,706	-	\$ 3,721,706
	<u>\$ 4,847,237</u>	<u>\$14,911,167</u>	<u>\$ 2,292,993</u>	<u>\$22,051,397</u>

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Note 20. Related Party Transactions

Related party transactions below refer to share-based payments and short-term benefits for the Chief Executive Officer, the Chief Commercial officer and the Chief Financial Officer, also known as Key Management Personnel. Key Management Personnel compensation and balances outstanding as of year-end dates are as follows:

	<u>December 28, 2025</u>	<u>December 29, 2024</u>
Key Management Personnel		
Short-term benefits	\$675,159	\$906,357
Share-based payments	760,632	375,362
Total	<u>\$1,435,791</u>	<u>\$1,281,719</u>

	<i>Balance Outstanding as at</i>	
	<u>December 28, 2025</u>	<u>December 29, 2024</u>
Key Management Personnel		
Share-based payments	\$866,322	\$443,029

Other Related Party Balance

As of December 28, 2025, and December 29, 2024, the Company had outstanding related party balances of \$235,905 and \$232,404, respectively, which are included in accounts payable in the consolidated statement of financial position. The balances arise from transactions conducted at arm's-length terms consistent with those entered with third parties. Amounts payable to related parties are unsecured, non-interest bearing, and are generally due in accordance with standard payment terms.

Note 21. Business Combinations

Lakewood

On August 14, 2025, the Company entered into an agreement to form a limited liability company, MNLX LW LLC, with the intention to acquire the assets of Bliss Nail Lounge ("Bliss"), a studio in the Dallas-Fort Worth area. The incorporation of MNLX LW LLC was completed through the payment of \$255,000 in cash and the issuance of 437,500 Class A subordinate voting shares at a price of USD\$0.40 per share in exchange for the total of 175,000 LLC membership units in MNLX LW, LLC. This provides the Company ownership of 66.15% of the issued and outstanding membership units and a non-controlling interest of 33.85%

The acquisition of Bliss Nail Lounge has been accounted for as a business combination within the scope of IFRS 3 Business Combinations. Details of the fair value of the identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	<u>Consideration</u>
Cash consideration	\$ 182,574
Add: fair value of non-controlling interest	93,426
Total consideration	<u>\$ 276,000</u>

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Note 21. Business Combinations (continued)

	Net assets acquired
Right of use asset	\$ 762,226
Inventory	76,500
Property, plant, and equipment	72,000
Other supplies	1,000
Lease liability	(762,226)
Net assets	149,500
Goodwill	\$ 126,500

From the acquisition (July 26, 2025) through December 29, 2025, Bliss's assets contributed \$186,512 to the Company's revenues, and losses of \$176,247 to net and comprehensive loss. During the year ended December 29, 2025, the combined entity generated \$28,003,087 of revenue and \$8,349,297 of loss to the net and comprehensive loss. If the acquisition had occurred on January 1, 2025, group revenue would have been \$28,153,057 and group loss for the period would have been \$8,449,297. The Company incurred \$21,632 acquisition-related costs, which were recognized as general and administrative expenses in the consolidated statement of net loss and comprehensive loss.

Sugarcoat

On July 1, 2024, the Company, acquired the majority of the assets of the Sugarcoat Forum studio ("Sugarcoat"), a nail salon located in Atlanta, Georgia, for total cash consideration of \$150,000 and issuance of a non-controlling (30%) membership interest in MNLX SC LLC, the entity used to acquire Sugarcoat.

The acquisition of Sugarcoat has been accounted for as a business combination within the scope of IFRS 3- Business Combinations. The Company has elected to measure the non-controlling interest at fair value. Fair value was determined using the value of the business acquired as closing multiplied by the non-controlling membership interest of 30%. The following table summarizes the fair value of the consideration given and the fair values assigned to the assets acquired and liabilities assumed for the acquisition of Sugarcoat's assets.

Details of the fair value of the identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Consideration
Cash consideration	\$ 150,000
Add: fair value of non-controlling interest	108,594
Total consideration	\$ 258,594

	Net assets acquired
Right of use asset	\$ 429,131
Property, plant, and equipment	258,594
Lease liability	(429,131)
Net assets	258,594
Goodwill	\$ -

MiniLuxe Holding Corp.
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Note 21. Business Combinations (continued)

Under the operating agreement, although the Company holds a 70% membership interest, the allocation of profits and losses is contractually different from ownership interest for the initial operating period:

- For the first two years following the anniversary of the agreement, July 1, 2024, profits and losses will be allocated equally (50/50) between the Company and the non-controlling interest, irrespective of the membership interest.
- Beginning July 1, 2026, the profit and loss allocation will revert to reflect the respective ownership interests.

This arrangement was agreed to reflect the relative initial capital contributions, resource commitments, and roles of each party during the startup phase of the joint venture.

From the acquisition (July 1, 2024) through December 29, 2024, MNLX SC LLC generated \$618,229 to the Company's gross revenues, and \$79,517 net income. If the acquisition had occurred on January 1, 2024, group revenue would have been \$26,617,715, and group net loss for the period would have been \$8,618,318. The Company incurred \$34,991 acquisition-related costs, which were recognized as general and administrative expenses in the Consolidated Statements of Net Loss and Comprehensive Loss for the year ended December 29, 2024.

Paintbox LLC

On August 16, 2022, the Company acquired a majority of the assets of Paintbox LLC ("Paintbox") for total consideration of \$1,730,081. Consideration was comprised of the following:

The consideration consists of the following components:

Base equity consideration	\$1,100,000
Contingent consideration – Indemnity Holdback	\$185,267
Contingent consideration – Gift card Holdback	\$85,741
Contingent consideration – Earn-out	\$359,073
	<hr/>
	\$1,730,081

Indemnity Holdback

During the year ended December 24, 2024, the Company fully settled the indemnity holdback by issuing 597,446 Class A subordinate voting shares on February 16, 2024. The value of the obligation at settlement was \$185,267, consistent with the carrying amount as of December 31, 2023, resulting in a loss on settlement of \$36,692. This non-cash transaction was completed as part of a Shares for Debt arrangement and is disclosed in the supplemental cash flow information.

Gift Card Holdback

The gift card holdback remains outstanding as of December 28, 2025, and is scheduled for settlement in 2026. The obligation reflects the amount of gift card redemptions expected to exceed \$61,000 over the three-year holdback period. The fair value remains unchanged from prior periods at \$85,741, based on management's estimate of future gift card redemptions and discounted using the Company's pre-tax cost of debt.

Earn-out Arrangement

The Paintbox earn-out arrangement remains outstanding and is based on cumulative revenue performance through December 31, 2026. The obligation is capped at \$1,800,000 and is calculated as 11.5% of cumulative revenue in excess of a \$3,000,000 threshold. As of December 28, 2025, the fair value of the earn-out liability remains unchanged at \$613.

Note 22. Subsequent Events

On March 31, 2026, the Company completed a re-financing of its existing senior debt (“Existing Senior Debt”), which added an additional \$1,350,000 of new debt financing (“New Senior Debt”) which will also mature on April 30, 2028. As part of the refinancing, the New Senior Debt will pay the greater of 12.5% or the Wall Street Journal Prime Rate plus 7% cash-pay interest that accrues monthly through maturity. Also with this New Senior Debt financing, the Company issued warrants to the lender to purchase an aggregate of 687,234 Subordinate Voting Shares of the Company until April 30, 2028, being coincident with the maturity date of the loan, with 296,610 of the warrants exercisable at a strike price of US\$0.59 per share, and 390,624 of the warrants exercisable at US\$0.96 per share, with these 390,624 warrants representing replacement warrants from an earlier tranche of the loan. All of the warrants are subject to a hold period of four months and one day from the issuance date in accordance with applicable securities laws. The warrants are subject to a hold period of four months and one day from the issuance date in accordance with applicable securities laws. Under the terms of the New Senior Debt, the Company may draw an additional \$400,000 provided that it successfully completes an equity or subordinated debt of at least \$2,000,000 within 100 days of the closing of the additional borrowing. As of the reporting period, this additional amount was contingent and undrawn. If the additional draw is not advanced within 12 months of the closing date of the refinancing, 67,796 of the warrants exercisable at \$0.59 will automatically terminate and be canceled. The refinancing was approved by the TSX Venture Exchange.

As of April 24, 2026 the Company received conditional approval from the TSXV to complete a \$3.5M to \$5M private placement, of which the Company has executed binding subscription agreements aggregating \$4M as of the date hereof. The binding subscription is a private placement agreement offering of primary capital through the issuance of Class A subordinate voting shares (“the Offering”). Under the terms of the Offering, the Company has a binding subscription for \$4,000,000 through the issuance of 6,896,551 ordinary shares at a subscription price of \$0.58 per share. The Offering is being made exclusively to accredited or otherwise eligible investors on a private placement basis and is not being made by way of a public offering. Further details and closing of the financing will be announced at a later date.