

**MINILUXE MANAGEMENT’S DISCUSSION & ANALYSIS (MD&A) IN CONNECTION
WITH THE CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 28, 2025**

DATED: APRIL 27, 2026

This Management’s Discussion and Analysis ("MD&A") for the fifty-two weeks ended December 28, 2025 provides information on the operating activities, performance and financial position of MiniLuxe Holding Corp. ("MiniLuxe" or the "Company"). This discussion should be read in conjunction with the Company’s corresponding audited financial statements for the fifty-two-week period ended December 28, 2025 and related notes (the “Financial Statements”). The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the information contained herein is current to April 23, 2026, unless otherwise stated.

The fiscal year of the Company is a 52-week reporting cycle ending on the Sunday closest to December 31st, which periodically necessitates a fiscal year of 53 weeks. The fifty-two-week fiscal year, which ended on December 28, 2025, is referred to as “fiscal 2025”, “FY25” or similar wording while the fifty-two-week fiscal year, which ended on December 29, 2024, is referred to as “fiscal 2024”, “FY24” or similar wording.

In this document unless otherwise specified, "we", "us", "our", "Company" and "MiniLuxe" all refer to MiniLuxe Holding Corp. The content of this MD&A has been approved by the Board of Directors, on the recommendation of its Audit Committee. All figures are denominated in U.S. dollars, unless otherwise stated.

Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company’s results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. For definitions and reconciliations of these non-IFRS measures to the relevant reported measures, please see the “Performance Assessment” and “Selected Consolidated Financial Information” sections of this MD&A.

Forward-Looking Information

Certain statements in this MD&A which are not historical facts constitute forward-looking statements or information within the meaning of applicable securities laws ("forward-looking statements"). Such statements include, but are not limited to, statements regarding MiniLuxe's projected revenues, gross margins, earnings, growth rates, the success of new products and services, market penetration and product or service plans. The use of terms such as "may", "anticipated", "expected", "projected", "targeting", "estimate", "intend" and similar terms are intended to assist in the identification of these forward-looking statements. Such forward-looking statements are not promises or guarantees of future performance and involve both known and unknown risks and uncertainties that may cause MiniLuxe's actual results to be materially different from historical results or from any results expressed or implied by such forward looking statements. Accordingly, there can be no assurance that forward-looking statements will prove to be accurate, and readers are therefore cautioned not to place undue reliance upon any such forward-looking statements.

Factors that could cause results or events to differ materially from current expectations expressed or implied by forward looking statements contained herein include, but are not limited to: MiniLuxe's history of losses and the risks associated with not achieving or sustaining profitability; risks relating to the competitive industry in which MiniLuxe operates; inability to successfully improve existing products or services and introduce new products or services; inability to anticipate and respond to market trends and changing consumer preferences; inability to expand market awareness of the MiniLuxe brand; damage to the MiniLuxe brand's reputational value; structural or other unknown long-term impacts post-COVID-19; failure to receive and/or renew requisite licenses and regulatory approvals; the impact of adverse macro-economic conditions on revenue and profitability; loss of key personnel or an inability to attract and retain new personnel; involvement in product recalls or product liability claims; inability to generate sufficient cash from operations or raise capital on acceptable terms to meet future needs; risks related to acquisitions; changes in tax and trade law; natural disasters, unusual weather, pandemic outbreaks, boycotts and geopolitical events; adoption of new accounting standards or interpretations or changes in accounting standards and management's underlying accounting standard assumptions, estimates and judgments; and risks related to forward-looking information contained in MiniLuxe's annual financial statements.

All forward-looking statements are qualified in their entirety by this cautionary statement. MiniLuxe is providing this information as of the current date and does not undertake any obligation to update any forward-looking statements contained herein as a result of new information, future events or otherwise except as may be required by applicable securities laws.

Overview

The Company

MiniLuxe offers high-quality self-care services (focused principally on nail care and personal waxing) and related better-for-you products. The Company holds a strong brand reputation and is an emerging employer-of-choice in the regions it operates for nail designers who are part of a larger industry group of 500,000+ nail care professionals. In addition to creating long-term durable economic returns for our stakeholders, we seek to positively impact and empower one of the largest hourly worker segments - nail care professionals (which we believe to be the largest population of hourly women workers after domestic housekeepers) - through professional development and certification, economic mobility, and company ownership opportunities inclusive of equity participation and franchise opportunities.

MiniLuxe has emerged as a trusted lifestyle brand and platform offering high-quality nail care and esthetic services alongside related proprietary products that have been developed and improved upon over many years with extensive testing and feedback across MiniLuxe studio services. For over 15 years, MiniLuxe has been a leader in raising industry standards through healthier, ultra-hygienic services, modern design, socially responsible labor practices, and better-for-you, cleaner products. The Company's vision is to radically transform a fragmented and under-regulated self-care and nail care industry through its elevated nation-wide (in United States) brand, consistent standards and protocols (for its products and services), and a technology platform that enables better talent and client experiences.

MiniLuxe is headquartered in Boston, Massachusetts and has performed over 5 million services since its inception with studio locations across Massachusetts, Rhode Island, Texas, California, Georgia, and Florida. In Q3 2022, MiniLuxe completed the acquisition of the majority of the assets of Paintbox, LLC and now operates a sister brand ("Paintbox") with a nail art focused studio location in New York City, a branded product line and proprietary IP designs for nail art designs, alongside a large online social following. Paintbox-trained nail artists perform high-quality nail services featuring sophisticated and modern nail art and the Company offers a premium line of premium ready-to-wear press-on nails. In addition, in Q3 2024 MiniLuxe acquired a majority stake in a joint venture in Sugarcoat, a leading regional modern nail care brand based in Atlanta, GA, to accelerate its expansion to the region. In Q3 of 2025, MiniLuxe acquired a majority stake in Bliss Nail Lounge in Dallas Fort Worth, with plans to convert the location to a MiniLuxe branded studio in first-half of fiscal year 2026. This acquisition is further discussed later in this document.

MiniLuxe's Purpose and Impact Statement

MiniLuxe's brand and purpose statement is to empower and bring joy to its team members, clients and communities through self-care and self-expression. This purpose includes the aspiration to have social and economic impact that positively transforms and empowers the nail care industry and its workers. Empowerment for MiniLuxe team members comes from offering a safer and healthier environment with ultra-hygienic practices, continuous professional development, economic mobility with access to health and other benefits. Additionally, after certain tenure periods career path advancement, equity ownership, and opportunities for creative self-expression are part of MiniLuxe's talent development and retention program.

Since its founding, the Company has upskilled thousands of diverse workers and estimates having paid in aggregate more than \$175M in industry-leading fair wages to its team members. Additionally, nail designers and waxing specialists who have been with the Company for more than 5 years (currently ~50% of designer base) receive equity incentive ownership. Annual retention rate of MiniLuxe's hourly work force currently stands at an average of ~85% over the last three years. The brand is both socially- and design-conscious with a modern design sensibility reflected throughout its work and client space. These design choices of ethical industry practices, better-for-you product choices and cleaner air work environments and represent a competitive advantage in terms of MiniLuxe's talent engagement, retention and overall loyalty.

Business Model: Services, Products and Franchising

MiniLuxe's business model consisted primarily of three revenue streams: Talent service revenue, Product revenue and Franchise Revenue.

Talent revenue is derived from the provision of self-care services including nail care (i.e. manicures and pedicures), waxing, and other esthetic services. The Company principally delivers its services revenue across its own fleet of 23 owned-and-operated MiniLuxe / Paintbox / Joint Venture studios (consisting of 21 MiniLuxe fleet studios, 1 Paintbox shop-in-shop co-location in New York, and 1 Sugarcoat studio in Atlanta, Georgia). Since its founding, MiniLuxe has committed to offering elevated services using only fully licensed MiniLuxe certified nail designers who practice consistent quality and hygiene protocols using proprietary MiniLuxe branded products, from better-for-you nail care treatments to high-performance polishes, across all service offerings. Talent service revenue makes up the majority of the Company's sales, though product revenue is expected to grow rapidly as the Company expands its franchise network and begins to distribute its offerings more broadly through third-party channels.

Product revenue is derived from the sale of the Company's proprietary and branded lines of self-care products (nail products, cuticle oil, press-on nails, skincare). Channels of distribution for these products are direct-to-consumer (DTC) (Company's own website and select third-parties) and through wholesale retail partners. Today, excluding such in-store retail sales noted above, the vast majority of MiniLuxe's product sales come from its own DTC website; MiniLuxe expects further growth in this revenue channel from wholesale and franchising initiatives. MiniLuxe differentiates its product offerings by committing to clean, sustainable, and better-for-you products that have been time- and client-tested across millions of in-studio services performed by certified MiniLuxe and Paintbox nail designers. MiniLuxe and Paintbox products are also sold in Company owned studios via MiniLuxe team members/product ambassadors.

In April of 2024 MiniLuxe formalized the launch of its franchising plans rooted in a belief that decentralized and hyper-localized entrepreneurship (and ownership) would help drive performance, innovation and scale. In Q4, 2024, the Company entered into a 10-year franchise agreement with Ms. Quynh Pham, a Massachusetts based franchisee, to open the first franchised studio in Boston, as well as plans to open additional studios over the life of the agreement. Ms. Pham was granted the right to use the Company's brand, systems, intellectual property, and operational model over the term of the agreement, which expires on August 31, 2036.

On August 16, 2025, the Company executed its planned conversion of a previously company-owned studio in Tampa, Florida into a franchised location. This conversion furthers the Company's partnership with Ms. Peiru Kim, co-owner and operating partner of its Sugarcoat location in Atlanta and reinforces its strategy to scale with strong local operators. The transaction also strengthens the Company's relationship with Ms. Kim, who will focus on accelerating growth in this studio location.

On October 31, 2025, MiniLuxe entered into franchise and joint venture agreements with Coastline Capital. Under the franchise agreement, Coastline Capital has the right to open three MiniLuxe franchise studios in the Connecticut area. The joint venture agreement focuses on opening and operating a studio located in Mansfield, Massachusetts. Under the terms of the agreement, MiniLuxe will contribute \$357,000 in exchange for a 51% equity interest in the joint venture. MiniLuxe will also receive a management fee for operating the studio.

The Company also differentiates itself through its elevated client experience which is honed and personalized based on the data derived from the delivery of millions of services since its inception and its digitally driven approach. Over 98 percent of its services booked through the Company's website and booking app. Specific factors of distinction for MiniLuxe's offerings include:

- **Standard-setter for clean and hygienic practices:** MiniLuxe studios are distinctively branded with a modern and clean design aesthetic and each location is equipped with a "Clean Lab" that utilizes surgical-grade sterilization techniques, including autoclaving, to clean metal tools, while all non-metal tools are disposed of after each service.
- **Optimized utilization leveraging platform and data insights:** The MiniLuxe, Paintbox and Sugarcoat Talent Ecosystem runs on a fully digitized booking, personalization, and payment platform. This platform is used by all team members enabling transparency, efficiency and data insights that improves the predictability of matching supply (talent side) and demand (client side) utilization.
- **Branded proprietary products:** MiniLuxe's proprietary line of products are used across MiniLuxe services and are formulated with the best efforts to be better-for-you, sustainable, and ethically sourced.
- **Loyalty and engagement of clients and team members:** MiniLuxe nail designers and waxing specialists are compensated with fair and industry-leading wages commensurate with their experience and their value as professionals and are eligible for benefits that include healthcare coverage, 401k, paid time off, and equity ownership opportunities. These factors contribute to a low turnover / high retention rate of team members with more than 50% of associates having 5-year or longer tenure with the Company. In FY25, the Company held an industry leading 3-year average retention rate of 85%. As the Company acquires a wider talent base, it is exploring other ways to create more flexible work options across both W-2 employees (majority of historic and current team members) and contract-based workers.

Key Performance Factors

MiniLuxe's performance and success depend on several factors, each presenting inherent opportunities and risks. Overall, key performance factors for the business include the continued recruitment of talent and focus on consistent and superior studio unit economics (driven by unit revenue volume, margin, and efficient investment in build-out costs). By focusing on clear key performance indicators (including peak day staffing, premium nail and waxing services and growth of loyal clients), the Company has delivered consistent studio year over year revenue CAGR of +9% from 2022 – 2025, gross profit CAGR of +8% and studio profit contribution of +37%.

Strategic Trends and Competitive Environment

Consumer Trends

The self-care market has benefited from several positive trends and tailwinds: greater consumer consciousness around self-care, wellness and clean beauty (e.g. growing convergence of self-care, wellness, and beauty), demand for more transparent and ethical practices and Gen Z preferences for more inclusive brands. Other consumer trends include nails becoming more integrated into cultural, beauty, fashion, and sports industry narratives. Nails have long served as a canvas for self-expression and identity, and today have become an increasingly important element of designer fashion runways, celebrity influence, and broader cultural conversation. These trends are directly aligned with MiniLuxe’s founding principles and recent product development efforts. In September of 2025, MiniLuxe and Paintbox again participated in New York Fashion Week. The Company also continues to see consumer traction in its Paintbox-branded “ready-to-wear” premium press-on nails, natural-looking “faux” nail sets that can be applied with nail adhesive or tabs. MiniLuxe believes press-on nails will continue to gain share within the nail care market, increasingly substituting for basic wet polish applications both at home and in-studio.

Competition

MiniLuxe operates in the self-care product and service industry, with its most direct participation in the “better-for-you” nail care segment of the market. The industry is highly fragmented, with full service luxury day spas on one end and thousands of single unit independent (“mom and pop”) salons on the other. MiniLuxe has been a pioneer in creating an “accessible luxury” nail care studio offering that is elevated, consistent and predictable relative to a traditional corner nail salon while remaining far more accessible than a high-end day spa.

Whereas most salons compete on price, MiniLuxe focuses on the Company’s principles of delivering elevated consumer value through quality—clean products, a hygienic environment, ethical and empowering treatment of team members, and a superior service standards. For nail designers and waxing specialists, MiniLuxe also offers differentiated training, professional development, and career advancement opportunities that are uncommon within the industry. On the product side, the quality of MiniLuxe’s proprietary back-bar supplies and polishes further differentiates the brand. MiniLuxe’s purpose-driven mission and market positioning are additional competitive advantages.

A material subsequent change in the broader macro-environment since 2024 and going in throughout 2025 has been the volatile and evolving tariff landscape introduced in Spring of 2025. MiniLuxe continues to seek alternative sources of supply for any products or materials that come from China. Overall, the products segment of the business remains small relative to MiniLuxe’s predominantly service-driven business. In addition, because MiniLuxe domestically manufactures its polishes, nail treatments, and skin care products, management believes this represents a near term competitive advantage.

Acquisitions

MiniLuxe may pursue acquisitions that represent a strategic fit and are consistent with the Company's overall growth values and disciplined capital management. The Company has been evaluating the acquisition of other nail care studio operators with the intention of converting them into MiniLuxe studios. MiniLuxe may also consider opportunities to engage in joint ventures or other business collaborations with third parties.

As discussed in the FY24 year-end financial statements, MNLX SC, LLC, the joint venture established to hold the Company's majority-owned investment in Atlanta-based Sugarcoat, has been fully consolidated into MiniLuxe's current year operations. Additional disclosures regarding the terms of the transaction can be found in FY24 year-end financial statements. Sugarcoat has performed strongly since the partnership, and the Company is evaluating opportunities to expand this relationship through additional units and potential new market partnerships.

As previously announced, on August 14th, 2025, MiniLuxe completed an additional acquisition of Bliss Nail Lounge in the Dallas Fort-Worth market. This acquisition was structured as a joint venture with experienced local operators to strengthen the Company's presence in a key growth market. Further information on the transaction can be found in the Q3 period-end financial statements.

Seasonality

MiniLuxe's business is subject to seasonal variation, with peak quarterly revenue typically occurring in the fourth quarter. During FY25, 22% of Talent revenue occurred in Q1, 27% in Q2, 26% in Q3, and 25% in Q4. Within these quarters, there is additional seasonal variation based on the timing of holidays, school vacation weeks, and other factors. For example, historically certain months (e.g. September) experience lighter customer traffic due to back to school priorities and vacation timing among nail designer team members.

Performance Indicators and Financial Definitions

In assessing the performance of MiniLuxe's business, the Company considers a variety of financial and operating drivers and key performance indicators. Key drivers of Talent service revenue include the quality of manager within a given studio, staffing levels and availability (particularly on peak days), utilization of staffed hours and available service stations, revenue per staffed hour, mix of premium nail and waxing services, indirect labor management, and recurring business from loyal clients.

On the Product revenue side of the business, key performance drivers include efficient customer acquisition costs, customer lifetime value, and the ability to develop and scale hero products.

Revenue Recognition

From a revenue recognition standpoint, MiniLuxe's business model consists of: (1) Talent services revenue generated from nail care and waxing/esthetic services, (2) Product revenue generated from MiniLuxe's proprietary branded nail and self-care product portfolio through direct-to-consumer e-commerce offerings and wholesale contracts, and (3) Franchise Revenue, including both upfront fees and ongoing royalties.

The Company's services revenue is generated across its fleet of fully owned-and-operated MiniLuxe, Paint-box, and its joint venture Sugarcoat studio, as well as selective "off-premises" services (e.g., hospitality venues, partner pop-ups, and events). In addition to services, MiniLuxe sells its proprietary branded products through its studios, online, and wholesale partners. Revenue from products is recognized at the time of sale.

The Company recognizes Talent service revenue immediately after a given service is completed or when retail is sold and Product revenue after fulfillment of each order in accordance with IFRS 15. Historically the Company has only received consideration in advance of provided goods and services related to the sale of gift cards and service packages. The Company records unused gift card balances as deferred liabilities then recognizes revenue and reduces the corresponding liabilities as the gift cards are redeemed in exchange for services. The Company does not charge administrative fees on unused gift cards, and gift cards do not have an expiration date. Revenue as reported is inclusive of all discounts and promotions.

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

Cost of Sales

Cost of sales consists of expenses directly involved in the delivery of services and products. Cost of sales associated with the Company's Talent service revenue includes the cost of products used in services and the cost of direct labor, defined as the immediate service providers. Cost of sales associated with MiniLuxe's Product revenue primarily consists of the cost of purchasing MiniLuxe private label products directly from manufacturers, raw materials, and third-party products purchased at wholesale cost.

Gross Profit

Gross profit reflects MiniLuxe's revenue less cost of sales. The Company defines gross profit margin as MiniLuxe's gross profit divided by MiniLuxe's net revenue.

Operating Expenses

Selling, general and administrative

Selling, general and administrative expenses primarily consist of indirect labor costs (defined as salaries, wages, and benefits for employees whose primary function is not service provision), marketing costs, accounting and legal fees, information technology and systems expenses, other professional services fees, freight and shipping costs, and variable occupancy expenses.

2025 Key Business Highlights

FY25 goals focused on continuing to grow the existing base of studios while driving new growth through operating, joint venture, and franchise partners. Consistent with prior 2025 MD&A reports, the three key 2025 priorities set out at the beginning of the calendar year were:

- 1) Drive growth through operating partners and franchise partners
- 2) Accelerate growth of overall studio-level profitability
- 3) Increase fixed cost leverage and SG&A efficiency

1. Drive Growth Through Operating Partners and Franchise Partners

The Company continued to expand its Talent service revenue base, principally through the studio fleet. System-wide sales grew by 11%, +\$3M, from \$26.1M to \$29.1M, while net Company revenue increased 7%, or \$1.8M, year-over-year to \$27.9M. These results reflect the strength of MiniLuxe's operating model and its growing appeal to operating, joint venture, and franchise partners.

In the first full year of operations, MiniLuxe's first franchise location generated approximately \$0.9M in revenue.

Expand Operating Partnerships and Acquisition Activity

On October 31, 2025, MiniLuxe entered into franchise and joint venture agreements with Coastline Capital. Under the franchise agreement, Coastline Capital has the right to open three MiniLuxe franchise studios in the Connecticut area. The joint venture agreement focuses on opening and operating a studio located in Mansfield, Massachusetts. Under the terms of the agreement, MiniLuxe will contribute \$357,000 in exchange for a 51% equity interest in the joint venture.

Conversion of Company Owned Location to Franchisee

On August 16, 2025, the Company executed its planned conversion of a previously company-owned studio in Tampa, Florida into a franchised location. This conversion furthers the Company's partnership with Ms. Peiru Kim, co-owner and operating partner of its Sugarcoat location in Atlanta, and reinforces its strategy to scale with strong local operators. The transaction also strengthens the Company's relationship with Ms. Kim, who will focus on accelerating growth in this studio.

2. Accelerate Growth of Overall Studio-level Profitability

To accelerate growth of overall studio-level profitability, the Company delivered meaningful gains through its studio performance, with total company-owned studio cash contribution increasing 50% year-over-year. This improvement was supported by stronger operational execution and a more premium-weighted service mix, which helped drive a 4% increase in revenue per hour versus 2024—a critical indicator of technician productivity and pricing power. Cost of goods remains an area of focus for Product revenue given changing macroeconomic conditions and tariff policies. The Company had previously made risk-mitigating pivots to shift sourcing from China to US based vendors, and to lower tariff markets such as Vietnam and Taiwan to optimize and protect gross margins in MiniLuxe proprietary products and Paintbox custom press-on products. The second half of 2025 also saw the relaunch of one of MiniLuxe's most popular items, its hand renewal cream, formulated and manufactured in the US, which positively contributed to Product revenue and enhanced studio-level profitability. Together, these gains demonstrate that the studio fleet is scaling more efficiently, converting higher throughput and stronger service mix into materially improved cash contribution and operating leverage.

3. Increase Fixed Cost Leverage and SG&A Efficiency

To strengthen profitability and increase fixed-cost leverage, the company deliberately reshaped its cost structure by allowing direct labor to grow faster than indirect labor, ensuring that investment flowed toward revenue-producing talent rather than overhead. At the corporate level, compensation was

strategically rebalanced toward non-cash, equity-based awards, reducing cash salary outlays while maintaining leadership alignment with long-term value creation. In parallel, the company reduced infrastructure-related expenses by 2% through footprint and vendor optimization and achieved a 21% reduction in marketing and selling expenses to streamline SG&A. Collectively, these actions shift dollars toward customer facing productivity, lower the fixed corporate burden, and expand operating leverage—creating a more scalable, margin-accretive model without compromising growth or talent retention.

FY2025 company SG&A was unfavorable by 13%, to \$14.9M from \$13.2M versus PY primarily driven by two non-cash expense (stock-based compensation expense, and property disposal) as well as expected increase in investments for growth including recruiting and HR spend, and certain one-time professional fees / services.

Financial Results

MiniLuxe achieved strong, organic, year-over-year growth as FY2025 revenue increased +7% over FY2024 \$27.9M, gross profit of \$11.7M, +6% versus prior year, and gross profit margin of 42%, flat versus prior year. The Company views gross profit dollar growth as a key indicator of MiniLuxe’s positive trajectory towards long-term profitability and, in conjunction with the reduced cost base, moved materially to a narrowing loss rate. 2025 adjusted EBITDA was –(\$4.4) million, a slightly greater loss versus prior year due primarily to one-time professional fees.

As in past periods, the majority of the Company’s growth came organically from the MiniLuxe Core Studios. The Core Studio base continued its consistent, multi-year trend of growth trend, with revenue increasing 7% year-over-year versus 2024. MiniLuxe also saw positive trends regarding the utilization of nail designers, which contributed to higher gross profit dollars.

MiniLuxe continues to focus on generating both new demand and new supply for the business through : (a) positive momentum on the demand side (new client and loyal client growth) by further enhancing the first-time customer experience and further refining the customer journey from initial visit to MiniLuxe regular client, and (b) continued investments and innovations in attracting, developing and retaining supply side talent (talent ecosystem growth).

Other key indicators demonstrating strengthening brand resiliency and loyal demand for MiniLuxe in-studio service offerings include:

- **Impact of loyal client base:** MiniLuxe’s loyal client base continues to grow, with over 10,000 studio clients averaging 10+ visits per year, representing a 10% increase year-over-year and clients visiting 20+ times per year, also known as Superfans, increased 4.5% year over year. Superfans are the most loyal customer subsegment and while they are only 4% of the customer count, the Superfans base accounts for approximately 25% of the revenue, with an average annual spend of more than \$2,000. Additionally, overall client retention remains strong as the split of average monthly visitors is ~88% repeat and ~12% new customers. The MiniLuxe brand has a Net Promoter Score of 88.
- **Attracting, developing and retaining talent:** On the supply side, one of MiniLuxe’s key priorities include the continued growth, development and scaling of the MiniLuxe Talent Ecosystem (i.e. its team of nail designers and waxing specialists in the field). MiniLuxe’s differentiation in attracting,

developing and retaining talent comes from providing a safe and empowering workplace environment that offers strong training and workforce development, and highly competitive compensation and earnings potential. Over 50% of MiniLuxe’s field team members have been with the Company for more than 5 years, and those team members participate in the Company’s equity ownership program. MiniLuxe’s annual retention of its hourly work base has continued its trend of holding over 85% in year over year retention.

- **Growing studio economics on a revenue and gross profit base:** The combination of a growing, loyal client base and the dedication to continuously improving the quality and staffing of the designer base has contributed to the consistent, same-store year-over-year growth and consistent trailing-twelve month (TTM) quarterly growth. The Unit Economic Model – driven by topline revenue, four-wall studio contribution and capital expenditures for buildout – continues consistent quarter-to-quarter improvement and as of EOY 2025 had 12 straight quarters of topline or bottom-line growth.

Overall, FY25 performance demonstrated continued positive momentum to reduce overall operating cash burn by growing cash contribution from the studio fleet and reducing operating expenses, primarily SG&A and indirect costs. The Company is continuing to focus on optimizing unit economics of its studios while finding SG&A efficiencies to create greater fixed cost leverage.

Other Subsequent Events and 2026 Outlook

To date, Q1 2026 and the early part of Q2 2026 have presented the Company with both early progress towards its strategic priorities and overall profitability, but also headwinds. Two extreme, back-to-back winter storms across two of MiniLuxe’s key markets, Boston and Dallas-Fort Worth, caused a reduction in in-store foot traffic and a loss of potential sales. In response, the Company focused on securing studio buyouts, in-store events, and off-premises activations to drive revenue. This included collaborations with Boston Legacy FC for the launch of its new kits on February 26, 2026, as well as activations with Adidas x Ruhner Magazine, and Bank of America, lead sponsor of the Boston Marathon, to celebrate Marathon weekend and participating runners on April 20, 2026.

Capital Enhancing Transactions - Private Placement and Debt Financing

On April 1st, 2026, MiniLuxe announced that Flow Capital Corporation (TSXV:FW) (“Flow Capital”), completed a follow-on investment of up to US\$1.75M pursuant to its existing term loan with the Company, bringing the total amount available to the Company under the facility to up to US\$7.925 million. Under the new tranche of the loan, an initial advance of US\$1.35 million was funded to the Company on closing, and the Company holds the option to draw an incremental US\$400,000, subject to the satisfaction of certain financing milestones, which are expected to be fully met.

Additionally, 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 subscription agreements aggregating over \$3.5M as of the date hereof. Further details and closing of the financing will be announced at a later date.

Elevating Brand Awareness and Expanding Customer Acquisition

On April 13th, 2026, MiniLuxe announced Kiki Rice, the 2026 NCAA champion and the WNBA's Toronto Tempo's first round pick, as an inaugural brand ambassador. Reflecting MiniLuxe's commitment to championing the next generation of leaders shaping culture, the collaboration aligns with Kiki Rice's emphasis on purpose driven initiatives that support the long-term growth of women and their impact beyond the court. During the 2026 NCAA Championship tournament, Rice debuted two custom MiniLuxe press-on nail sets inspired by the UCLA Bruins and her personal style.

Non-IFRS Measures

Adjusted EBITDA

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

Adjusted EBITDA is calculated by adding back fixed asset depreciation, right-of-use asset amortization under IFRS 16, asset disposal, and share-based compensation expense to IFRS operating income, then deducting cash rent expenses net of lease abatements. When relevant, we will add back adjustments made to the P& as a result of accounting policies that are non-cash or do not have operational impacts (for example, inventory adjustments or deferred revenue). IFRS operating income is revenue less cost of sales (gross profit), additionally adjusted for general and administrative expenses, and depreciation and amortization expenses.

A reconciliation of IFRS Operating Income (Loss) to Adjusted EBITDA is included in *Selected Consolidated Financial Information*.

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

Selected Consolidated Financial Information

The following tables set forth selected financial information derived from the Company's audited annual consolidated financial statements for the two fiscal years ended December 28, 2025, and December 29, 2024. The selected financial information was prepared in accordance with IFRS in a manner consistent with the Company's annual financial statements. The following information should be read in conjunction with these statements and the accompanying notes.

Statement of Comprehensive Income (Loss)

Fiscal Year Ended

<i>in thousands of U.S. dollars</i>	December 28, 2025	December 29, 2024	December 31, 2023
Revenue	\$27,903	\$26,121	\$24,553
Cost of sales	16,252	15,140	14,431
Gross profit	11,651	10,981	10,122
General and administrative expense	14,913	13,216	17,079
Depreciation and amortization expense	2,976	3,901	3,482
Impairment expense	-	664	960
Operating loss	(6,238)	(6,800)	(11,399)
Finance costs	(2,233)	(1,659)	(1,421)
Other income	311	1	3,257
Unrealized gain (loss)	(48)	(180)	(131)
Debt extinguishment	(109)	(230)	-
Income (loss) before taxes	(8,318)	(8,867)	(9,694)
Income tax expenses	-	-	-
Net income (loss)	(8,318)	(8,867)	(9,694)
Net loss attributable to			
Owners of the parent	(8,268)	(8,907)	(9,694)
Non-controlling interest	(50)	40	-
Net comprehensive income (loss)	(8,362)	(8,736)	(9,694)
Net comprehensive loss attributable to			
Owners of the parent	(8,313)	(8,907)	(9,694)
Non-controlling interest	(50)	40	-
Full Company Adjusted EBITDA	(4,363)	(4,089)	(9,034)
<u>Earnings per share</u>			
Subordinate voting shares (basic)	(0.05)	(0.06)	(0.07)
Proportionate voting shares (basic)	(50.11)	(60.14)	(65.90)
Subordinate voting shares (diluted)	(0.05)	(0.06)	(0.07)
Proportionate voting shares (diluted)	(50.11)	(60.14)	(65.90)

Reconciliation of Full Company Operating Loss to Full Company Adjusted EBITDA

<i>in thousands of U.S. dollars</i>	December 28, <u>2025</u>	Fiscal Year Ended December 29, <u>2024</u>	December 31 <u>2023</u>
Operating Loss	(\$6,238)	(\$6,800)	(\$11,399)
Right-of-Use Asset Amortization Expense	1,281	1,463	1,393
Fixed Asset Depreciation Expense	1,695	2,438	2,089
Disposals	237	134	1,149
Impairment	-	664	-
Stock Compensation Expense	955	558	315
Straight Line Cash Rent	(2,699)	(2,546)	(2,581)
Deferred Other Income	100	-	-
Inventory Adjustment	306	-	-
Full Company Adjusted EBITDA	(\$4,363)	(\$4,089)	(\$9,034)
Versus Prior Period (\$)	(\$274)	\$4,945	
Versus Prior Period (%)	7%	-55%	

Balance Sheet

<i>in thousands of U.S. dollars</i>	December 28, <u>2025</u>	Fiscal Year Ended December 29, <u>2024</u>	December 31 <u>2023</u>
<u>Current assets</u>			
Cash, cash equivalents and restricted cash	4,491	3,995	3,411
Inventory	891	870	1,370
Prepaid expenses and other current assets	702	601	647
Total current assets	6,085	5,466	5,428
Total non-current assets	8,252	9,569	11,483
Total assets	14,337	15,035	16,911
<u>Current liabilities</u>			
Accounts payable and accrued liabilities	2,692	2,281	2,810
Deferred revenue	3,370	2,894	2,661
Current portion of lease liability	1,495	1,271	1,390
Derivative Liabilities	88	121	-
Current portion of contingent consideration	86	86	-
Total current liabilities	7,731	6,653	6,861
Total non-current liabilities	11,902	14,089	10,656
Total liabilities	19,633	20,742	17,517
Total equity (deficit)	(5,296)	(5,707)	(606)
Total liabilities and shareholders' equity	14,337	15,035	16,911

Results from Operations

Revenue

The following table breaks down total revenue by Talent and Product.

<i>in thousands of U.S. dollars</i>	Fiscal Year Ended	
	December 28, <u>2025</u>	December 29, <u>2024</u>
Talent	\$27,680	\$25,731
Product	223	391
Total Revenue	\$27,903	\$26,121

Revenues for FY2025 totaled \$27.9 million, up from \$26.1 million recognized in FY2024. This year-over-year increase was primarily due to continued strength in the MiniLuxe Studios, which saw 7% growth year-over-year. The Company's product sales are still regaining momentum after being out of stock for most of 2025. While modest as a percent of sales today, it is anticipated that the product segment will increase over time to a larger percent of revenue.

Gross Margin

The following table breaks down the calculation of the Company's gross profit as a percentage of total revenue.

<i>in thousands of U.S. dollars</i>	Fiscal Year Ended	
	December 28, <u>2025</u>	December 29, <u>2024</u>
Revenue	\$27,903	\$26,121
Cost of Sales	16,252	15,140
Gross Profit (\$)	\$11,651	\$10,981
<i>Gross Margin (%)</i>	42%	42%

Gross Profit for FY2025 was \$11.7 million, up 6% from FY2024, driven by increased studio services. Gross margin for FY2025 was 42%, flat versus prior year. The Company targets a long-term, mature studio gross margin of ~45%.

Expenses

The following table provides an analysis of the Company's general and administrative expenses as a percentage of total revenue.

General and Administrative Expenses

<i>in thousands of U.S. dollars</i>	Fiscal Year Ended	
	December 28, <u>2025</u>	December 29, <u>2024</u>
General and administrative expense (\$)	\$14,913	\$13,216
<i>General and administrative expense (% of Revenue)</i>	53.4%	50.6%

Total G&A expense increased \$1.7 million, which represented general and administrative expense as a percentage of revenue of 53.4%. This increase is attributable to several increases in non-cash items such as stock-based compensation, and expenses recognized in disposal of equipment in the Water Street Studio, as well as cash items such as investments in new initiatives and certain one-time professional fees, including recruiting and outsourced tax and accounting support.

Operating Expenses

<i>in thousands of U.S. dollars</i>	Fiscal Year Ended	
	December 28, <u>2025</u>	December 29, <u>2024</u>
Operating expense (\$)	\$17,890	\$17,781

Total operating expenses in FY2025 were \$17.8 million, less than 1% increase from FY2024,

Other Items

Finance costs

FY2025 Finance costs were \$2.2M versus \$1.7 million in FY2024. These amounts represent interest expense related to real estate leases as accounted for under IFRS 16 as well as senior debt interest incurred. The increase in cost in FY2025 was primarily driven by an increase in debt servicing costs.

Other income (loss)

Other income was \$.3 million in FY2025 versus no material other income in FY2024, which was driven by gains in adjustments made to leases versus prior year.

Adjusted EBITDA

Adjusted EBITDA was (\$4.3) million in FY2025 compared with (\$4.0) million in FY2024. The lower adjusted EBITDA was primarily driven by expected additional expenses in SG&A due to investments for new growth initiatives and certain one-time professional fees.

<i>Non-IFRS Metrics</i>	Fiscal Year Ended		YoY Change	
	December 28,	December 29,	\$ Change	% Change
<i>In thousands of U.S. dollars</i>	<u>2025</u>	<u>2024</u>		
Adjusted EBITDA	(\$4,363)	(\$4,089)	(274)	-7%

Cash and cash equivalents

As of December 28, 2025, the Company's cash and cash equivalents (incl. restricted cash) totaled \$4.5 million, an increase of +12% or \$0.5 million from December 29, 2024 balance of \$4.0 million.

Working capital

<i>in thousands of U.S. dollars</i>	Fiscal Year Ended	
	December 28,	December 29,
	<u>2025</u>	<u>2024</u>
Current assets	\$6,085	\$5,466
Current liabilities	7,731	6,653
Working capital	(\$1,646)	(\$1,187)

Working capital represents the Company's current assets less its current liabilities. The Company's working capital was (\$1.6M) as of December 28, 2025, compared to (\$1.2) million as of December 29, 2024. The change in current liabilities was primarily driven by increase in accounts payable.

Cash flows by activity

The following table shows the Company's cash flows from operating activities, investing activities and financing activities for the periods indicated.

<i>in thousands of U.S. dollars</i>	Fiscal Year Ended	
	December 28,	December 29,
	<u>2025</u>	<u>2024</u>
Operating activities	(\$2,533)	(\$2,144)
Investing activities	57	(240)
Financing activities	2,973	2,968
Net (outflows)/inflows	\$496	\$584

Cash Flows from Operating Activities

Cash flows from operating activities consist of MiniLuxe's net loss adjusted for non-cash expenses and for changes in working capital items. Non-cash adjustments generally include depreciation and amortization, share-based payments, write-downs on disposals of property, plant, and equipment, and adjustments in the fair value of assets and liabilities. Working capital adjustments generally include changes in inventories, prepaid expenses, and deferred revenue, and changes to accounts payable.

During FY2025, the net cash flow used in operating activities was (\$2.5) million compared to (\$2.1) million in FY2024. This \$0.4 million unfavorable difference as stated was driven by expected increases expenses including investments in certain growth initiatives and certain one-time professional services fees.

Cash Flows from Investing Activities

Net cash outflows from investing activities result from purchases and disposals of property, plant and equipment to support product development, facilities expansion, and general growth. These include investments in new fleet and market expansion and development of the MiniLuxe digital platform. Net cash used in investing activities for FY2025 was a net positive \$57K, driven by inflow of additional investments made in the Company by joint venture partner.

Cash Flows from Financing Activities

Net cash flows provided by financing activities for FY2025 was \$3.0 million, flat versus FY2024.

Liquidity, Capital and Cash Resource Requirements and Going Concern Disclosure

Historically, the Company has financed its operations through the sale of equity securities, raising debt, and generating cash through its operating activities.

The Company's objective in managing its capital is to ensure that it has sufficient liquidity to support its operations and meet its short-term liabilities and commitments as they become due. The Company manages its liquidity risk by monitoring its operating requirements. The Company prepares budget and cash forecast to ensure it has sufficient funds to fulfil obligations. In managing working capital, the Company may limit or control the amount of working capital used for operations or other initiatives and/or pursue additional financing. The Company is not subject to any financial ratio maintenance covenants in its bank borrowings or other outstanding debt obligations.

The 2025 consolidated financial statements also do not reflect the adjustments that might be necessary to the carrying amount of reported assets, liabilities, revenue, and expenses and the consolidated statement of financial position classification used if the Company was unable to continue operations in accordance with the assumption. Such adjustments could be material.

Disclosure of Outstanding Share Data

The Company's outstanding share data has not changed since the reporting date. Please see Note 12 in the Company's financial statements.

Transactions Between Related Parties

The Company made related party payments to key management personnel and advisors. Those payments consisted of salary, benefits, and share-based payments. Total payments made in FY2025 were \$1.4 million, compared to FY2024 payments of \$1.3 million.

Off-Balance Sheet Arrangements

During the periods presented, the Company did not have, nor does the Company currently have, any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Financial Instruments and Risk Management

The Company's principal financial liabilities are comprised of accounts payable and accrued expenses, lease liabilities, loans payable, convertible promissory notes, redeemable preferred shares, warrants and contingent consideration. The main purpose of these financial liabilities is to finance the Company's operations.

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board of Directors ('the 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 monthly.

Fair Value

The Company's financial liabilities include accounts payable and accrued expenses, lease liabilities, and loans payable. Accounts payable and accrued expenses, lease liabilities, and loans payable are subsequently measured at amortized cost while the convertible notes payable and warrants are measured at fair value.

Market Risk and Foreign Currency 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.

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 generated 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 a risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash of another financial asset.

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

Changes in Internal Control over Financial Reporting

There have been no material changes to internal control over financial reporting.

Critical Accounting Policies and Estimates

The preparation of financial statements in accordance with IFRS requires us to make, projections, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses in the reporting period. The Company regularly evaluates MiniLuxe's estimates and assumptions related to convertible notes, share-based transaction expense, and impairment of indefinite and long-lived assets. The Company bases estimates, assumptions and projections on current facts, historical experience and various other factors that the Company believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenues, costs and expenses that are not readily apparent from other sources. The actual results experienced by MiniLuxe may differ materially and adversely from the Company's estimates. To the extent there are material differences between the Company's estimates and actual results, MiniLuxe's future results of operations will be affected. For a description of MiniLuxe's critical accounting estimates, please refer to Note 3, *Material Accounting Policy Information*, in the Company's audited consolidated financial statements for the fiscal year ended December 28, 2025.