
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): May 8, 2025

BLUM HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-56626
(Commission
File Number)

93-3735199
(IRS Employer
Identification No.)

**11516 Downey Ave.,
Downey, California**
(Address of principal executive offices)

90241
(Zip Code)

Registrant's telephone number, including area code: **(888) 909-5564**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Indicate by check mark whether the registrant is an emerging growth company as defined in in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by checkmark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

On May 13, 2025, Blum Holdings, Inc. (the “Company”) executed an Amended and Restated Binding Letter of Intent (“A&R LOI”), as previously disclosed in the Form 8-K filed on February 4, 2025, to acquire 100% of the issued and outstanding common stock of a licensed retail cannabis operator located in the Bay Area (the “Target”). The revised terms provide for total consideration of \$2.0 million, comprising \$1.3 million in cash—including the assignment of an existing \$500,000 senior secured convertible promissory note, and \$500,000 in common stock of the Company priced at \$1.15 per share. The cash portion includes an \$800,000 payment made from escrow upon execution of the A&R LOI and related Management Services Agreement (“MSA”), granting immediate operational and economic control of the Target to the Company. Additionally, the \$500,000 senior secured convertible promissory note previously funded by the Company will be assigned to the seller at closing and structured as a Seller Note with a thirty-month maturity, amortized at 8% simple interest, secured by the Target. The transaction further includes contingent performance-based earn-outs totaling up to \$0.2 million payable in cash or stock, tied to specific revenue milestones for the twelve-month period following closing. The Company anticipates signing definitive transaction documents promptly, with the final closing subject to customary regulatory approvals at the state and municipal levels.

The proposed transaction is subject to the execution of definitive agreements. No assurances can be made that the Company will successfully negotiate and enter into definitive agreements for the proposed transaction or that the Company will be successful in completing the proposed transaction.

The foregoing description of the A&R LOI does not purport to be complete and is qualified in their entirety by reference to the full text of such A&R LOI, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 2.02. Results of Operations and Financial Condition.

On May 14, 2025, the Company issued a press release announcing financial results for its fiscal first quarter ended March 31, 2025. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information provided under this Item 2.02 and in the accompanying Exhibit 99.1 is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act except as shall be expressly set forth by specific reference in such filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On May 8, 2025, the Company appointed Brad Hirsch to the Board of Directors of the Company (the “Board”), effective May 8, 2025. Mr. Hirsch will serve as a member of the Company’s (i) Audit Committee, (ii) Compensation Committee, and (iii) Governance and Nominating Committee.

The Board has determined that Mr. Hirsch is an independent director under Nasdaq Stock Market Listing Rule 5605(a)(2).

Brad Hirsch is a licensed attorney and business executive with over 25 years of experience in law, corporate leadership, and regulatory compliance. Admitted to the California State Bar in 1997, he established The Law Office of Bradley L. Hirsch in 2001, providing strategic counsel in litigation, contract law, real estate, and regulatory matters. Since 2001, Mr. Hirsch has worked as a sole practitioner at The Law Office of Bradley L. Hirsch. Additionally, from 2007 to 2012, Mr. Hirsch served as In-House Counsel at FIT Development, LP, a private real estate development firm and has occupied executive roles within highly regulated industries, notably insurance and cannabis. His diverse professional experience as external counsel, in-house advisor, and senior corporate executive grants him a comprehensive perspective in addressing complex business and regulatory challenges. Mr. Hirsch earned his J.D. from Golden Gate University School of Law and his B.A. from California State University at Northridge.

The Board and its Compensation Committee are currently engaging in discussions to determine the compensation to be paid to Mr. Hirsch for his services as a director.

There is no arrangement or understanding between Mr. Hirsch and any other person pursuant to which any of them was selected as a director of the Company, and there are no family relationships between Mr. Hirsch and any of the Company’s directors or executive officers. Mr. Hirsch does not have a direct or indirect material interest in any “related party” transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 7.01. Regulation FD Disclosure.

The information under Item 2.02, above, is incorporated herein by reference.

The information provided under Items 2.02 and 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, attached hereto, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit	Description
10.1*	Amended and Restated Binding Letter of Intent.
99.1	Press Release, dated May 14, 2025.
104	Cover Page Interactive Data File (embedded within the Inline XBRL Document).

* Portions of the exhibit have been omitted.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLUM HOLDINGS, INC.

Date: May 14, 2025

By: /s/ Sabas Carrillo
Sabas Carrillo
Chief Executive Officer

Certain identified information has been excluded from the exhibit because it both (i) is not material and (ii) would be competitively harmful if publicly disclosed. Information that has been omitted from the exhibit are indicated with brackets.

**FIRST AMENDED AND RESTATED
BINDING LETTER OF INTENT**

This Binding Letter of Intent (the “LOI”) dated as of May 13, 2025 (the “Effective Date”), sets forth the terms of the agreement among Blum Holdings, Inc., a publicly traded Delaware corporation (the “Buyer” or “Blüm”) via a newly formed Blüm subsidiary created for the purposes of culminating the transactions contemplated herein (“Blüm Acquisition Co.”), [***] (the “Seller(s)” or “[***]”), and [***] (the “Target”), on the other hand. The Buyer and the Target may be referred to collectively as “Parties” and each separately a “Party”.

BINDING PROVISIONS

- Binding:** This LOI is a statement of mutual intent and constitutes a legally binding contractual commitment between the Parties with respect to the Transaction contemplated herein. The parties acknowledge that this LOI represents a binding obligation to proceed in good faith toward the execution and delivery of the Definitive Documents and any other related agreements necessary to consummate the Transaction, subject to the conditions expressed therein. Notwithstanding the binding nature of this LOI, certain terms, including the proposed transaction structure, remain subject to revision and amendment as appropriate and as the parties see fit in Definitive Documents subject to corporate, legal, tax, accounting, and other considerations.
- Transaction:** Buyer shall enter into a Stock Sale and Purchase Agreement, or substantially similar document with Seller pursuant to which Buyer will acquire 100% of the common stock of Target from the Sellers, on the terms and subject to the conditions included herein and as further detailed in the Definitive Documents (as defined below). [***] owns 100% of the Target’s issued and outstanding Class A Voting Shares and owns 100% of all of the Target’s issued and outstanding shares. For the avoidance of doubt, subsequent to the closing of the Transaction, the Target shall be a wholly-owned subsidiary of Blüm Acquisition Co., and Blüm Acquisition Co. shall be a wholly-owned subsidiary of Blüm. The Transaction will be structured in as tax-efficient a manner as possible; provided that the Parties reserve the right to modify the structuring of the Transaction if advised to do so by their respective accountants or their respective tax, regulatory or legal advisors; provided further, however, that such structuring will not be modified in a manner that is materially and disproportionately disadvantageous from a tax standpoint for the Target without such Target’s prior written consent.
- Transaction Consideration:** The total consideration for the transaction shall be \$2,000,000 (“Purchase Price Floor”) subject to the earn-outs described below.
1. Cash Consideration:
 - i. \$1,300,000 payable at Closing, \$500,000 of which is represented by the assignment of that certain Amended and Restated Senior Secured Convertible Promissory Note referenced herein from Buyer to Seller. For the avoidance of doubt, a cash payment of \$800,000 will be made at Closing via wire transfer from Buyer Escrow as held by [***] to Seller.
 - ii. \$200,000 payable in cash or common stock of Blüm at a per share price of \$1.15 at Seller’s election if the 12-month trailing revenue of the Business on the one-year anniversary following the Date of closing is equal to or greater than \$13,700,000 but less than \$15,000,000. Should Seller elect to receive common stock, Buyer shall grant to Seller, in addition to the equity contemplated herein, a common stock purchase warrant to subscribe for and purchase from the Borrower up to 10,938 shares of common stock, par value \$0.001 per share (the “Common Stock”) with an exercise price of \$0.64.
 2. Equity Consideration: \$500,000 aggregate value of common stock of Blüm at a per share price of \$1.15 (the “Equity Consideration Valuation”).
 - i. The Blüm stock shall be issued at Closing and held in escrow, transfer agent, or similarly situated third party and subject to a 12-month holdback from the date of Closing for the purposes of securing indemnification obligations and any other post-closing adjustments as outlined in Definitive Documents.
 3. Release of \$800,000 Upon Execution of LOI and MSA:
 - i. Upon execution of this LOI and the Management Services Agreement (“MSA”), Buyer shall cause \$800,000 of the Cash Consideration to be released to [***]. This payment is consideration for the grant of immediate operational and economic control under the MSA, and shall be non-refundable unless otherwise provided in the Definitive Documents.

Assignment of Senior Secured Convertible Promissory Note	Buyer previously made and delivered to the Target a working capital contribution of \$500,000 in the form of a Senior Secured Convertible Promissory Note dated January 31, 2025 as amended by that certain Amended and Restated Senior Secured Convertible Promissory Note dated March 31, 2025 (the “Buyer Note”). At Closing, the Buyer Note and all related security documents shall be assigned to [***] and henceforth described as the “Seller Note.” The Seller Note shall have a thirty-month (30) maturity from the date of Closing, fully amortized at 8% simple interest, and shall remain secured by the Target.
Working Capital Adjustment	As of March 31, 2025, the Target had approximately \$731,000 in current assets and approximately \$4,600,000 in current liabilities. After giving effect to the assignment and assumption of related party payables by [***] (estimated at approximately \$1,400,000), the resulting Working Capital Adjustment is approximately -\$3,900,000. This adjustment reflects the Target’s net working capital position post-adjustment and shall be accounted for in the final Closing Statement and Definitive Documents.
Assignment of Related Party Payables	At Closing, all amounts in related party payables which include but may not be limited to, payables to the following: [***], [***], [***], [***], and currently recorded on the books of the Target shall be assumed or assigned as the case may be to [***]. The estimated balance of these related party payables is approximately \$1,400,000. The Parties shall reflect this assumption or assignment in the Definitive Documents.
Performance-Based Earnouts	<p>The Buyer shall pay the Target’s [Executive/Management Team] performance-based earnouts (the “Performance-Based Bonus Awards”) based on the 12-month trailing revenue of the Business on the one-year anniversary following the Closing Date, as follows:</p> <ol style="list-style-type: none"> i. \$400,000 payable in cash or stock as mutually agreed if the 12-month trailing revenue of the Business on the one-year anniversary following the Date of closing is equal to or greater than \$15,000,001 but less than \$16,500,000. ii. \$800,000 payable in cash or stock as mutually agreed if the 12-month trailing revenue of the Business on the one-year anniversary following the Date of closing is equal to or greater than \$16,500,001 but less than \$17,500,000. iii. \$1,600,000 payable in cash or stock as mutually agreed if the 12-month trailing revenue of the Business on the one-year anniversary following the Date of closing is equal to or greater than \$17,500,001. <p>These awards are contingent on performance and subject to the milestone definitions, timing, and adjustments outlined in the annexed financial metrics and performance targets. Any modifications to this earnout structure must be mutually agreed to in writing by the Parties and will be reflected in the Definitive Documents.</p>

Performance-Based Milestone Requirements

To align the interests of the executive team with the long-term financial and operational success of the Target, Buyer's obligation to pay and deliver the Performance-Based tranche shall be tied to the achievement of specific performance milestones as outlined below. These milestones are designed to drive operational efficiency and profitability in accordance with the annexed financial projections for 2025.

1. Expense Reduction Milestone Targets
 - a. Payroll, Payroll-Associated Expenses, and Employee Benefits:
 - o By March 2025: Reduced to 20% of monthly revenue.
 - o By June 2025: Reduced to 17% of monthly revenue.
 - o By September 2025: Reduced to 15% of monthly revenue.
 - o By November 2025: Reduced to 13% of monthly revenue.
 - b. Professional and Consulting Fees:
 - o By March 2025: Not to exceed 1% of monthly revenue.
 - o By June 2025: Reduced to 0.7% of monthly revenue.
 - c. Contracted Labor:
 - o By March 2025: Not to exceed 4% of monthly revenue.
 - o By June 2025: Reduced to 3% of monthly revenue.
 - d. Total Labor Costs:
 - o Total combined labor costs (payroll, payroll-associated expenses, employee benefits, and contracted labor) must not exceed:
 - 24% of monthly revenue by March 2025.
 - 20% of monthly revenue by June 2025.
 - 18% of monthly revenue by September 2025.
 - 16% of monthly revenue by November 2025.
 - e. Positive EBITDA and Net Income Goals:
 - o By March 2025, achieve a positive EBITDA and October 2025, achieve a net income through the outlined cost management and operational efficiency measures.
2. Performance-Based Tranche Adjustments
 - Baseline Revenue Alignment: Targets are tied to a baseline monthly revenue of \$1,141,423 as outlined in the 2025 financial forecast. Actual targets will be dynamically adjusted in proportion to actual revenue achieved.
 - Performance Reporting: The executive team must provide monthly updates on milestone progress, along with explanations for any variances from the targets.
 - Adjustments to Milestones: Performance will be assessed based on adherence to the targets listed above, with adjustments made as mutually agreed upon to reflect actual revenue and market conditions.
 - Performance-Based Tranche Reductions: Failure to meet the above milestones by their respective deadlines will result in a proportional reduction in the performance related Cash Consideration.
3. Monitoring and Accountability

A supplementary annex (Annex A) provides illustrative dollar amounts corresponding to these percentages for clarity. The executive team will report monthly to ensure transparency and accountability. Economic metrics shall be determined by Blüm management.

Control of Purchased Interests:	Upon the Closing of the Transaction, Blüm Acquisition Co. shall exercise ownership and/or management control of Target via a Management Services Agreement or similarly situated document with terms as mutually agreed between the Parties. The Parties will work collectively with the change management team (the "CMT") established by Buyer and/or Blüm Acquisition Co. to consolidate operations and provide for continuity among the teams.
Survival; Indemnification; Right of Offset:	Representations and warranties of the Parties will survive for twelve (12) months following the Closing of the Transaction (the "Survival Period"). Target will be required to, severally and not jointly, indemnify Buyer and Blüm Acquisition Co. and other customary indemnified parties against losses related to breaches of representations, warranties, covenants (including the failure to transfer control and/or ownership of Target license(s) to the reasonable satisfaction of Buyer and Blüm Acquisition Co., fraud and other specified indemnities (if any). Indemnification claims will be subject to standard dispute procedures, including referral to arbitration.
Closing:	<p>The closing of the transactions contemplated herein (the "Closing") shall take place as soon as practicable but no later than May 28, 2025 subject to reasonable extensions as agreed between the Parties.</p> <p><u>Definitive Documents shall include as a post-closing condition that Target complete an AICPA audit, such audit to be paid for by Buyers.</u></p> <p>From the date hereof until the earlier to occur of execution of the Definitive Documents by all Parties or the termination of this LOI, each of the Parties agrees to operate in the ordinary course of business consistent with past practices. Target agrees to provide monthly Financial Statements or other documents as reasonably requested by Buyer. The Consideration described above is subject to change to account for material changes to the Target's debt or liabilities at Closing from what is noted above.</p>
Contingencies	<p>The consummation of this Transaction is contingent upon the following conditions being satisfied:</p> <ol style="list-style-type: none"> 1. Completion of customary conditions outlined in the Definitive Documents, including necessary regulatory and shareholder approvals, and the absence of any material adverse change affecting the Target. <p>If these conditions are not satisfied or waived in writing by the Parties, the Transaction may be renegotiated or terminated.</p>
Definitive Documents:	Upon execution of this LOI, Buyer will instruct its legal counsel to prepare and circulate, and the Parties will negotiate in good faith, the terms of the Definitive Documents, which Definitive Documents shall contain fundamental and other standard representations and warranties, standard covenants, indemnification, and other provisions appropriate for a Transaction of the type contemplated herein.
Expenses:	Except as set forth herein, each Party shall pay their own transaction expenses, including the fees and expenses of legal counsel and other advisors incurred in connection with the transactions contemplated by this LOI. Fees of the escrow agent shall be split pro rata amongst the Parties in accordance with their resulting ownership interests.
Authorization:	Each Party represents and warrants that it has received independent legal advice from attorneys of its own choosing with respect to the legal effect of this LOI, and further represents and warrants that it has carefully reviewed this entire LOI. Each Party represents and warrants that it has the power and authority to enter into this LOI and to consummate and perform the Transaction contemplated hereby.

Confidentiality:

Each Party covenants and agrees that such Party shall keep secret and retain in strictest confidence, and shall not at any time or in any manner, either directly or indirectly, divulge, copy, communicate, furnish, make available, or disclose any Confidential Information (as defined herein) received by it in connection with this LOI to any third party or use any such Confidential Information for the benefit of himself, itself, or any third-party, except as required by applicable law.

As used in this Agreement, "Confidential Information" shall mean any information relating to the other Party, or the business of the other Party; provided, however, that the term "Confidential Information" does not include information that (a) is now, or hereafter becomes, through no wrongful act or failure to act on the part of the receiving party, generally known or available; (b) is known by the receiving party at the time of receiving such information as evidenced by its records; (c) is hereafter furnished to the receiving party by a third party, as a matter of right and without restriction on disclosure; (d) is independently developed by the receiving party without use of any of the disclosing party's Confidential Information; or (e) is authorized to be disclosed by the prior written consent of the disclosing party. The Parties acknowledge that Confidential Information is vital, sensitive, confidential, and proprietary to the other Parties and their business. The warranties, covenants, and agreements set forth in this section shall not expire for any reason and shall survive the expiration or termination of this LOI. Notwithstanding the foregoing, each Party may provide or disclose confidential information to advisors, legal counsel, accountants, and actual or prospective investors or lenders ("Authorized Parties") so long as the Party disclosing such information obtains consent and agreement from such Authorized Parties to be bound (or such Authorized Persons are otherwise contractually or ethically bound) by the terms of this paragraph.

Governing Law; Attorneys' Fees

This LOI shall be governed by, and construed in accordance with, California law without giving effect to any principle of law that would require application of the law of another jurisdiction.

If any action in law or in equity is necessary to enforce or interpret the terms of this LOI, the prevailing Party (as determined by the judge or arbitrator) shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which such prevailing Party may be entitled.

Assignment:

No Party may assign any of its rights or delegate any of its obligations under this LOI without the prior written consent of the other Party. This LOI will apply to, and inure to the benefit of, the successors and permitted assigns of the Parties.

Amendments:

This LOI may be amended only by a written instrument executed by the Parties.

Term: Unless otherwise extended by the written approval of the Parties, this LOI shall automatically terminate upon the earlier to occur of (i) midnight local time in Los Angeles, California on September 30, 2025 or (ii) the date on which the mutually agreed and duly authorized Definitive Documents have been executed by all Parties, whichever occurs first (the “Termination Date”). If the LOI terminates as a result of the Definitive Documents not having been executed prior to the Termination Date, none of the Parties shall have any obligation or liability to the other Parties except to the extent that, prior to the Termination Date, a Party has breached the provisions under the sections entitled “Expenses” and “Confidentiality”, which shall survive any such termination.

Exclusivity Period: From the Effective Date until the earlier of (a) the execution of the Definitive Documents or (b) termination of this LOI as described herein, or such other date as may be agreed to in writing by the Parties: (i) Target will deal exclusively and in good faith with Buyer relating to the Transaction prior to entering into the Definitive Documents, (ii) Target and its respective directors, officers, employees, and financial, legal or other advisors (collectively, the “Representatives”) will immediately cease all existing discussions and negotiations, if any, with any other party in respect of any transaction involving any merger or other business combination or takeover bid involving Target, as applicable, or any other transaction where the consummation of which would or could reasonably be expected to interfere with or prevent the Transaction between Buyer and Target or materially reduce the benefit thereof to Buyer (collectively, an “Alternative Transaction”), and (iii) neither Target nor its representatives will solicit, initiate or knowingly encourage initiation of, or entertain a proposal or offer from, conduct discussions with, or provide any information to, any third party relating to an Alternative Transaction.

Buyer and Target agree that the rights and remedies for non-compliance with this exclusivity provision shall include having such provision specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Buyer and that money damages alone would not provide an adequate remedy to Buyer. Any requirements for the securing or posting of any bond with such remedy are waived by the parties.

Entire Agreement: This LOI supersedes and replaces any prior agreements, representations or understandings, whether written, oral, or implied, between or among any of the Parties regarding the subject matter described herein.

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IN WITNESS WHEREOF, the Parties have executed this LOI as of the Effective Date.

SELLER:

[***]

By: _____
Name:
Its:

BUYER:

BLUM HOLDINGS, INC.

By: _____
Name: Sabas Carrillo
Its: Chief Executive Officer

TARGET:

[***]

By: _____
Name:
Its:

Schedules to Exhibit 10.1 have been omitted under Regulation S-K Item 601(a)(5) and listed below:

Annex A: Performance-Based Milestones for Executive Team

Blum Holdings Inc. Reports First Quarter 2025 Financial Results

Revenue Growth of 26% Year-over-Year, EBITDA Turns Positive Amid Operating Improvements and Streamlined Cost Structure, Net Loss Reduced by Over 80%

DOWNEY, Calif., May 14, 2025 (GLOBE NEWSWIRE) -- Blum Holdings, Inc. (OTCQB: BLMH) (the “Company,” “Blüm,” “Blüm Holdings,” “we” or “us”), a California-based publicly traded holding company and cannabis operator, announced its financial results for the first quarter ended March 31, 2025.

Key Highlights from First Quarter 2025

- Revenue increased 26% to \$2.2 million, compared to \$1.8 million in Q1 2024. The increase was primarily driven by the successful divestiture of underperforming Bay Area assets in the prior quarter and the addition of Northern California retail stores in Q2 2024, reflecting the integration of new operating units and improved regional footprint.
- Gross margin improved to 53%, up from 45% in Q1 and Q4 2024, driven by stronger pricing discipline and product mix optimization.
- Operating expenses declined to \$2.5 million, down from \$4.4 million in Q1 2024, reflecting meaningful cost containment, targeted selling, general, and administrative (“SG&A”) expense reductions, and completion of strategic legacy restructuring.
- Net loss from continuing operations was \$0.6 million, a substantial improvement from \$3.5 million in Q1 2024, demonstrating continued momentum in reducing losses.
- Positive EBITDA was \$57,000, compared to an EBITDA loss of \$3.0 million in Q1 2024. This marks a milestone in Blüm’s operational turnaround and reflects improved operational efficiency across the business.
- Adjusted EBITDA loss narrowed to \$0.4 million, from \$2.1 million in Q4 2024 and \$3.3 million in Q1 2024—an improvement of 87% year-over-year and 80% quarter-over-quarter—underscoring steady progress toward sustainable profitability.

Recent Strategic and Corporate Updates

- Raised \$1.6 million in capital in calendar year 2025 thus far, at competitive rates and terms.
- Received approval from the Bankruptcy Court for the Debtors’ settlement with People’s, and a written order was entered on May 2, 2025. The settlement becomes effective after the 14-day appeal period ends on May 16, 2025, provided no stay pending appeal is granted.
- Appointed Brad Hirsch to the Board of Directors, where he will serve as a member of the Company’s (i) Audit Committee, (ii) Compensation Committee, and (iii) Governance and Nominating Committee. The Board has determined that Mr. Hirsch is an independent director under Nasdaq Stock Market Listing Rule 5605(a) (2).
- Executed an amended LOI with a Bay Area dispensary, which is expected to generate approximately \$12.0 million in annual revenue.

Patty Chan, Chief Financial Officer of Blüm Holdings, commented, “We’re encouraged by the financial improvements we achieved in Q1 2025, including our positive EBITDA and improvement in Adjusted EBITDA compared to prior year. Our reduced SG&A expenditure demonstrates prudent financial management in a challenging capital environment. We remain focused on optimizing cash flow and exploring capital solutions to support continued progress.”

Sabas Carrillo, Chief Executive Officer of Blüm Holdings, added, “Following a multi-year restructuring effort and the resolution of legacy litigation, Blüm has achieved breakeven operations on an EBITDA basis. Our business is now stabilized, and we are strategically positioned to scale. Looking ahead, we remain focused on securing capital to strengthen our balance sheet and evaluating strategic acquisition opportunities that we believe can drive growth and unlock value in the California cannabis market. As we pursue these accretive acquisitions, our expectation is to add margin-positive revenue streams that leverage our existing overhead infrastructure without proportionately increasing our cost base. At the same time, we remain committed to improving performance in our core assets and integrating growth-oriented businesses where we can drive both top-line expansion and bottom-line efficiency.”

About Blüm Holdings

Blüm Holdings is a leader in the cannabis sector. Our commitment to quality, innovation, and customer service makes us a trusted name in the cannabis industry, dedicated to shaping its future. Blüm Holdings, through its subsidiaries, operates leading dispensaries throughout California as well as several leading company-owned brands including Korova, known for its high potency products across multiple product categories, including the legendary 1000 mg THC Black Bar. As both a holding company and a marketing platform, Blüm aims to leverage its growing ecosystem to accelerate customer and retail investor acquisition, increase brand awareness, and create value across its portfolio.

For more info, please visit: <https://blumholdings.com> or follow us on [Instagram](#).

Contact:
Jason Assad
LR Advisors LLC.
jassad@blumholdings.com
678-570-6791

Non-GAAP Financial Information

This press release includes certain non-GAAP financial measures as defined by the U.S. Securities and Exchange Commission (the “SEC”). Management believes that these non-GAAP financial measures assess the Company’s ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business, as they facilitate comparing financial results across accounting periods and to those of peer companies. These non-GAAP financial measures exclude certain material non-cash items and certain other adjustments the Company believes are not reflective of its ongoing operations and performance. Management uses non-GAAP financial measures, in addition to GAAP financial measures, to understand operational decision-making, for planning and forecasting purposes, and to evaluate the Company’s financial performance. Management believes that these non-GAAP financial measures enhance investors’ understanding of the Company’s financial and operating performance and enable investors to evaluate the Company’s operating results and future prospects in the same manner as management. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are included in the financial schedules attached to this press release. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP.

Cautionary Language Concerning Forward-Looking Statements

Certain statements contained in this communication regarding matters that are not historical facts, are forward-looking statements within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, known as the PSLRA. These include statements regarding management’s intentions, plans, beliefs, expectations, or forecasts for the future, and, therefore, you are cautioned not to place undue reliance on them. No forward-looking statement can be guaranteed, and actual results may differ materially from those projected. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by law. The Company uses words such as “anticipates,” “believes,” “plans,” “expects,” “projects,” “future,” “intends,” “may,” “will,” “should,” “could,” “estimates,” “predicts,” “potential,” “continue,” “guidance,” and similar expressions to identify these forward-looking statements that are intended to be covered by the safe-harbor provisions of the PSLRA. Such forward-looking statements are based on the Company’s expectations and involve risks and uncertainties; consequently, actual results may differ materially from those expressed or implied in the statements due to a number of factors.

New factors emerge from time-to-time and it is not possible for the Company to predict all such factors, nor can the Company assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. These risks, as well as other risks associated with the combination, will be more fully discussed in the Company’s reports with the SEC. Additional risks and uncertainties are identified and discussed in the “Risk Factors” section of the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed from time to time with the SEC. Forward-looking statements included in this release are based on information available to the Company as of the date of this release. The Company undertakes no obligation to update such forward-looking statements to reflect events or circumstances after the date of this release.

	(in thousands)		
	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
Revenue	\$ 2,240	\$ 3,057	\$ 1,774
Cost of Goods Sold	1,049	1,687	976
Gross Profit	\$ 1,191	\$ 1,370	\$ 798
<i>Gross Profit %</i>	<i>53%</i>	<i>45%</i>	<i>45%</i>
Operating Expenses (Income)	2,492	(16,215)	4,385
Income (Loss) from Operations	(1,301)	17,585	(3,587)
Less: Other Income	(984)	(10)	(105)
Income (Loss) from Continuing Operations Before Taxes	(317)	17,595	(3,482)
Provision for Income Tax Expense for Continuing Operations	(247)	(672)	(27)
Net Income (Loss) from Continuing Operations	\$ (564)	\$ 16,923	\$ (3,509)
Net Income (Loss) from Discontinued Operations, Net of Tax	-	(232)	458
Net Income (Loss)	\$ (564)	\$ 16,691	\$ (3,051)

	(in thousands)		
	Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
Net Income (Loss)	\$ (564)	\$ 16,691	\$ (3,051)
Less: Net Income (Loss) from Discontinued Operations, Net	-	232	(458)
Add Impact of:			
Interest Expense	232	331	377
Provision for Income Tax Expense	247	672	27
Depreciation Expense	87	157	58
Amortization of Intangible Assets	55	63	-
EBITDA Income (Loss) from Continuing Operations (Non-GAAP)	\$ 57	\$ 18,146	\$ (3,047)
Non-GAAP Adjustments:			
Stock-based Compensation Expense	39	(11)	110
Severance Expense	-	1	37
Realized Gain on Sale of Investments	-	(167)	-
Unrealized Gain on Investments	-	-	(417)
Gain on Disposal of Assets	-	(19,932)	-
Change in Fair Value of Derivative Liability	(516)	(188)	-
Loss on Extinguishment of Debt	-	49	-
Adjusted EBITDA Loss from Continuing Operations (Non-GAAP)	\$ (420)	\$ (2,102)	\$ (3,317)

