

# \$235M Boost for Ascend Wellness Future Growth

## Ascend Wellness Secures \$235 Million in Private Placement to Enhance Financial Stability

Ascend Wellness has announced the successful securing of commitments for a private placement of \$235 million in 12.75% Senior Secured Notes due 2029 (the “Notes”). The Notes are expected to be issued at a price of 94.75% of face value. The company plans to use the net proceeds from the Notes, along with existing cash reserves, to prepay \$215 million of principal amounts outstanding under its existing term loan. This strategic refinancing move is anticipated to enhance Ascend Wellness’s financial flexibility and strengthen its balance sheet. The offering is slated to close on or about July 16, 2024, pending customary closing conditions.

### Financial Strategy and Implications

John Hartmann, CEO of Ascend Wellness, emphasized the significance of this financial maneuver: “We are thrilled to refinance \$215 million of our existing term loan 13 months before its maturity. This refinancing marks a significant milestone for Ascend. The five-year notes [financing](#) reflects the confidence our lenders have in our business and growth prospects, while enhancing our financial stability and flexibility.”

Hartmann highlighted the strong support from existing lenders and the diversification of new institutional noteholders as evidence of Ascend’s growing investor base and the trust placed in its strategic vision. “The support from a majority of our existing term loan lenders, including all of our four largest lenders, highlights their trust in our strategic vision. The diversification of the new institutional noteholders reflects the significant progress Ascend has made in broadening its investor base and in expanding the prospective audience of future stakeholders. We remain committed to driving value for our shareholders and expanding our footprint,” he added.

### Amendment Agreement and Loan Details

In preparation for the offering, Ascend Wellness entered into an amendment agreement on June 28, 2024, with the required lenders under its term loan. This agreement allowed for certain modifications to the term loan to permit the issuance of the Notes. Notably, \$60 million of the principal remaining outstanding under the term loan will continue through to the existing maturity at an interest rate of 9.5%.

### Strategic Benefits

The partial refinancing of the term loan through the issuance of new senior secured notes is a strategic move designed to provide Ascend Wellness with financial stability and flexibility. By refinancing the term loan ahead of its maturity, Ascend Wellness can secure a more manageable debt structure, reduce interest expenses over time, and position itself better for future growth and investment opportunities.

The issuance of the Notes at 12.75% interest, while higher than the remaining term loan rate, offers a fixed rate and longer maturity, which can provide greater predictability in financial planning. Additionally, issuing the Notes at 94.75% of face value allows Ascend Wellness to raise capital efficiently, even in a potentially volatile market environment.

## **Market Confidence and Growth Prospects**

The successful placement and strong lender support underscore market confidence in Ascend Wellness's business model and growth prospects. This confidence is crucial as the company continues to expand its operations and footprint within the competitive cannabis industry. The refinancing move not only strengthens the company's balance sheet but also signals to investors and stakeholders that Ascend Wellness is committed to maintaining robust financial health and strategic agility.

## **Future Outlook**

As Ascend Wellness navigates the evolving landscape of the cannabis industry, the enhanced financial flexibility resulting from this refinancing is expected to play a pivotal role in its ability to capitalize on emerging opportunities. The company's commitment to shareholder value and strategic growth remains at the forefront of its operational priorities.

The closure of the offering and successful issuance of the Notes will mark a new chapter for Ascend Wellness, characterized by strengthened financial foundations and an expanded investor base. This move sets the stage for continued growth and success in a rapidly changing market.

Ascend Wellness's strategic refinancing initiative, marked by the issuance of \$235 million in Senior Secured Notes, represents a significant step toward enhancing the company's financial stability and flexibility. CEO John Hartmann's statement reflects the company's optimism and commitment to driving shareholder value and expanding its footprint in the cannabis industry. As the offering closes and the company moves forward, the support from existing and new lenders underscores the confidence in Ascend Wellness's strategic vision and growth prospects.

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