

Cannabis MSO Standard Wellness Secures \$10 Million Loan

Standard Wellness Secures \$10 Million Loan to Support Growth and Expansion

Standard Wellness Holdings, a prominent marijuana multistate operator (MSO) based in Ohio, has successfully secured a \$10 million credit facility, marking a significant milestone in the company's ongoing expansion efforts. The 10-year term loan, which amortizes over 20 years and carries a 9.25% interest rate, is poised to bolster Standard Wellness' financial position, allowing the company to further its growth strategy and operational initiatives.

In addition to supporting expansion, the loan allows Standard Wellness to repay some of its higher-cost debt, which carried a 13.5% interest rate and was set to mature in the third quarter of 2026. This refinancing move is expected to improve the company's overall financial health and reduce its long-term interest obligations.

The Loan Agreement and Key Terms

The \$10 million loan represents a significant step forward for Standard Wellness as it seeks to solidify its financial foundation and enhance its ability to execute on long-term growth plans. Under the terms of the agreement, the loan amortizes over 20 years, with a fixed interest rate of 9.25%. This rate is notably lower than the company's previous debt, which carried a 13.5% interest rate.

The financing is structured as a 10-year term loan, providing the company with ample time to repay the debt while also gaining financial flexibility to pursue future business opportunities. One of the key advantages of this new credit facility is its ability to extend the maturity of Standard Wellness' debt. With over 75% of its outstanding debt now set to mature in 2033 or beyond, the company enjoys greater stability and flexibility in managing its long-term financial obligations.

"This new financing partnership underscores our financial partners' confidence in our business model and growth trajectory," said Jared Maloof, CEO of Standard Wellness. "With this facility, more than 75% of our debt now matures in 2033 or beyond, providing us with increased stability and flexibility to execute our long-term strategy."

Strategic Debt Refinancing

A major component of the new loan agreement is its role in enabling Standard Wellness to refinance existing, higher-cost debt. According to the company's announcement, the loan was used to repay debt with a significantly higher interest rate — 13.5% — which had been weighing on the company's financial performance. The repayment of this debt will result in significant cost savings for Standard Wellness over time.

These annual savings are expected to have a positive impact on Standard Wellness' bottom line, allowing the company to reinvest those funds into key areas of growth, including further expansion, new acquisitions, and strategic investments in its operations.

Expanding Operations and Strategic Growth

Founded in Ohio, Standard Wellness has expanded its presence into several key markets across the U.S. In addition to its operations in Ohio, the company has established a footprint in Maryland, Missouri, and Utah, positioning itself as a growing player in the competitive U.S. cannabis market.

Earlier this year, Standard Wellness continued its growth trajectory by acquiring a medical marijuana dispensary in Springville, Utah, for approximately \$6.5 million. This acquisition represents the company's commitment to expanding its operations in key states where medical marijuana programs are thriving.

The expansion into Utah reflects the company's broader strategy to tap into both established and emerging cannabis markets. With the capital from the new financing facility, Standard Wellness is well-positioned to continue its growth in these states and explore opportunities in other regions where cannabis legalization is gaining momentum.

Optimizing Financial Position for Future Opportunities

The successful refinancing and new loan facility offer Standard Wellness several financial advantages. The reduction in interest payments through the loan facility — combined with the \$1.2 million in annual interest savings — significantly strengthens the company's financial position. This enhanced financial stability will allow Standard Wellness to reinvest in its strategic growth opportunities, including acquisitions, expansions, and innovations in its product offerings.

As the cannabis market continues to evolve, access to favorable financing terms is critical for MSOs like Standard Wellness, which are operating in an increasingly competitive and regulatory-driven environment. Lowering debt costs and extending debt maturity allows the company to focus more on expanding its operations and pursuing new growth opportunities without being burdened by high-interest obligations.

The Role of Financial Partners and Legal Counsel

Standard Wellness worked closely with several financial and legal advisors to finalize the loan agreement. Gramercy Capital Group, based in New York, acted as the financial adviser for the deal, providing strategic guidance throughout the process. Meanwhile, Dentons US, a leading law firm based in Washington, D.C., served as legal counsel, ensuring that the terms of the agreement aligned with the company's long-term goals.

The involvement of experienced financial and legal professionals underscores the importance of careful planning and due diligence when structuring significant financing deals. These partnerships help ensure that the company's interests are protected while maximizing the potential benefits of such transactions.

The Cannabis Industry's Evolving Financial Landscape

The cannabis industry has experienced significant growth in recent years, and companies like Standard Wellness are continuing to navigate the challenges and opportunities that come with operating in a rapidly evolving market. Access to capital is one of the key hurdles for cannabis operators, as many financial institutions remain cautious due to the ongoing federal restrictions surrounding cannabis. However, deals like this one highlight the growing confidence in the cannabis sector from private investors and financial institutions.

As more states legalize cannabis for medical and recreational use, MSOs like Standard Wellness are expanding their operations across the U.S. To compete effectively, these companies need access to financing that allows them to scale quickly and manage the complexities of the cannabis market, including high taxation, regulatory compliance, and operational costs.

Standard Wellness' Future Growth

With its new \$10 million credit facility, Standard Wellness is well-positioned to continue its growth trajectory. The ability to refinance higher-cost debt, lower interest expenses, and access long-term capital gives the company the flexibility it needs to execute its strategic initiatives and pursue new opportunities for expansion.

The company's focus on building a strong financial foundation and securing favorable financing terms is critical to its long-term success. As the cannabis industry matures, Standard Wellness plans to leverage its improved financial position to capitalize on new markets, strengthen its operational capabilities, and continue providing high-quality cannabis products to consumers across the U.S.

With over 75% of its debt now maturing in 2033 or beyond, Standard Wellness is looking forward to a more stable financial future, giving it the confidence to continue expanding and executing its long-term strategy.

A Strategic Move for Long-Term Stability

In securing the \$10 million credit facility, Standard Wellness has demonstrated a commitment to building long-term financial stability while positioning itself for continued growth. The refinancing of higher-cost debt, combined with lower interest rates and extended debt maturities, strengthens the company's ability to compete in the rapidly evolving cannabis industry. With strategic acquisitions, ongoing operational expansion, and a clear focus on financial stability, Standard Wellness is poised for continued success in the U.S. cannabis market.

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