



Impac Mortgage Holdings, Inc. Announces Completion of Exchange Offers Relating to its Preferred Stock

10/26/22

IRVINE, Calif.--(BUSINESS WIRE)--Oct. 26, 2022-- Impac Mortgage Holdings, Inc. (NYSE American: IMH) (the "Company") today announced the completion of its previously announced offers to each holder of the Company's 9.375% Series B Cumulative Redeemable Preferred Stock, par value \$0.01 per share ("Series B Preferred Stock") and each holder of the Company's 9.125% Series C Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the "Series C Preferred Stock," and together with the Series B Preferred Stock, the "Preferred Stock") to exchange all outstanding shares of Preferred Stock for certain stock and warrant consideration (the "Exchange Offers").

In conjunction with the closing of the Exchange Offers, the Company will issue approximately (A) (i) 6,142,213 shares of Common Stock and (ii) 13,823,340 shares of the Company's 8.25% Series D Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the "New Preferred Stock") in exchange for the shares of Series B Preferred Stock tendered in the Exchange Offer for the Series B Preferred Stock, and (B) (i) 1,188,106 shares of Common Stock, (ii) 950,471 shares of New Preferred Stock, and (iii) 1,425,695 Warrants to purchase the same number of shares of Common Stock in exchange for the shares of Series C Preferred Stock tendered in the Exchange Offer for the Series C Preferred Stock.

In addition, in connection with the petitions (the "Plaintiff Series B Award Motions") for a court award of attorney's fees, expenses or other monetary award to be deducted and paid from the Company's payment of distributions or other payments to the holders of the Company's Series B Preferred Stock in the matter *Curtis J. Timm, et al. v Impac Mortgage Holdings, Inc. et al.* (the "Maryland Action"), the Company will deposit, no later than November 2, 2022, approximately (i) 13,311,840 shares of New Preferred Stock and (ii) 4,437,280 shares of the Company's Common Stock in the custody of a third party custodian or escrow agent (the "Escrow Shares"). The allocation of the Escrow Shares will be made by instruction from the Circuit Court of Baltimore City upon final disposition of all outstanding matters in the Maryland Action, including the Plaintiff Series B Award Motions.

D.F. King & Co., Inc. served as the Information Agent and Solicitation Agent for the Exchange Offers and the accompanying solicitation of consents from the holders of Preferred Stock, and American Stock Transfer & Trust Company, LLC served as the Exchange Agent.

This announcement is for informational purposes only and shall not constitute an offer to purchase or a solicitation of an offer to sell the shares of Preferred Stock, an offer to sell or a solicitation of an offer to buy any shares of the Company's Common Stock, par value \$0.01 per share, warrants to purchase Common Stock, or shares of the Company's 8.25% Series D Cumulative Redeemable Preferred Stock, par value \$0.01 per share, or a solicitation of the related consents. The Exchange Offers were made only through, and pursuant to the terms and conditions set forth in, the Company's Schedule TO, Prospectus/Consent Solicitation and related Letters of Transmittal and Consents.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements, some of which are based on various assumptions and events that are beyond our control, may be identified by reference to a future period or periods or by the use of forward-looking terminology, such as "may," "capable," "will," "intends," "believe," "expect," "likely," "potentially," "appear," "should," "could," "seem to," "anticipate," "expectations," "plan," "ensure," "desire," or similar terms or variations on those terms or the negative of those terms. The forward-looking statements are based on current management expectations. Actual results may differ materially as a result of several factors, including, but not limited to the following: acceptance of a plan for regaining compliance with the NYSE American's listed company standards; impact on the U.S. economy and financial markets due to the outbreak and continued effect of the COVID-19 pandemic; our ability to successfully consummate the contemplated exchange offers for our outstanding preferred stock and receive the requisite consents for the proposed amendments to our charter documents to facilitate the redemption from holders of our outstanding preferred stock who do not participate in the exchange offers; any adverse impact or disruption to the Company's operations; changes in general economic and financial conditions (including federal monetary policy, interest rate changes, and inflation); increase in interest rates, inflation, and margin compression; ability to successfully sell aggregated loans to third-party investors; successful development, marketing, sale and financing of new and existing financial products, including NonQM products; recruit and hire talent to rebuild our TPO NonQM origination team, and increase NonQM originations; volatility in the mortgage industry; performance of third-party sub-servicers; our ability to manage personnel expenses in relation to mortgage production levels; our ability to successfully use warehousing capacity and satisfy financial covenants; our ability to maintain compliance with the continued listing requirements of the NYSE American for our common stock; increased competition in the mortgage lending industry by larger or more efficient companies; issues and system risks related to our technology; ability to successfully create cost and product efficiencies through new technology including cyber risk and data security risk; more than expected increases in default rates or loss severities and mortgage related losses; ability to obtain additional financing through lending and repurchase facilities, debt or equity funding, strategic relationships or otherwise; the terms of any financing, whether debt or equity, that we do obtain and our expected use of proceeds from any financing; increase in loan repurchase requests and ability to adequately settle repurchase obligations; failure to create brand awareness; the outcome of any claims we are subject to, including any settlements of litigation or regulatory actions pending against us or other legal contingencies; and compliance with applicable local, state and federal laws and regulations.

For a discussion of these and other risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements, see our latest Annual Report on Form 10-K and Quarterly Reports on Form 10-Q we file with the SEC and in particular the discussion of "Risk Factors" therein. This document speaks only as of its date and we do not undertake, and expressly disclaim any obligation, to release publicly the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements except as required by law.

About the Company

Impac Mortgage Holdings, Inc. (IMH or Impac) provides innovative mortgage lending and real estate solutions that address the challenges of today's economic environment. Impac's operations include mortgage lending, servicing, portfolio loss mitigation, real estate services, and the management of the securitized long-term mortgage portfolio, which includes the residual interests in securitizations.

For additional information, questions or comments, please call Justin Moiso, Chief Administrative Officer at (949) 475-3988 or email Justin.Moiso@ImpacMail.com.

Website: <http://ir.impaccompanies.com> or www.impaccompanies.com

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Justin Moiso
Chief Administrative Officer
(949) 475-3988
Justin.Moiso@ImpacMail.com

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