



IMPAC MORTGAGE HOLDINGS, INC. DISCLOSES ENTERING INTO LOAN AGREEMENT AND MODIFICATION OF EXISTING DEBT

Newport Beach, CA, May 7, 2024 – Impac Mortgage Holdings, Inc. [OTC Pink Limited: IMPM] (the “Company”) announces that on May 6, 2024, it entered into a loan agreement that provides for up to \$20 million in a revolving credit facility to the Company. The material terms of the loan agreement include:

- \$10 million available immediately, with two additional \$5 million tranches available upon request by the Company, subject to the Company being in compliance with the terms of the loan agreement;
- Interest at SOFR + 7.50%;
- Interest payable quarterly in cash or added to principal balance;
- All outstanding principal and interest are due at scheduled maturity date, May 6, 2029;
- Loans are secured by all the Company’s assets;
- Proceeds may be used by the Company for transaction closing costs and general working capital, including payments of principal and interest on the Company’s Convertible Notes (as defined below);
- Completion of the transaction automatically extends the previously disclosed forbearance agreement related to non-payment defaults under the Company’s \$62 million in Junior Subordinated Indenture Notes until December 1, 2024, and
- Execution of an intercreditor agreement between loan agreement lenders and existing holders of the Convertible Notes.

In connection with entering into the loan agreement, the Company’s existing Convertible Notes were also modified as follows:

- \$5 million principal payment due May 9, 2024 was prepaid, without premium, upon the closing of the loan agreement;
- Remaining \$5 million principal payment due May 9, 2025;
- Interest rate was increased to 12.75%, to be paid on the existing quarterly interest payment date schedule;
- Notes are now secured on a pari passu basis with obligations under the loan agreement;
- Execution of an intercreditor agreement between loan agreement lenders and existing holders of Convertible Notes, and
- Forbearance of cross-default under Convertible Notes extended to December 1, 2024.

As indicated above, at the closing, the Company drew \$10 million from the loan agreement, \$5 million of which was used to make the payment on the Convertible Notes, and \$895 thousand was used to pay transaction costs. The Company intends to use the remaining balance to continue to operate its existing mortgage brokerage channel.

“Convertible Notes” means those certain Fourth Amended and Restated Convertible Promissory Notes No. 1 and No. 2, dated May 6, 2024, issued by the Company pursuant to that certain Note Purchase Agreement among the Company and the purchasers thereto, dated as of May 8, 2015, for which the current total outstanding principal balance is Five Million Dollars (\$5,000,000).

“Junior Subordinated Indenture Notes” means those certain notes issued under the Junior Subordinated Indentures, both dated as of May 8, 2009, between the Company and The Bank of New York Mellon Trust Company, National Association, as trustee, in the total original principal amount of Sixty-Two Million Dollars (\$62,000,000).



Forward-Looking Statements

This disclosure 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: our ability to reach satisfactory resolution with our debt holders with respect to any default under our debt instruments; 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 implement and maintain a broker model; ability to successfully sell loans to third-party investors; successful development, marketing, sale and financing of new and existing financial products; volatility in the mortgage industry; performance of third-party sub-servicers; our ability to manage personnel expenses, operational and technology support, and reduced marketing needs; our ability to successfully use warehousing capacity and satisfy financial covenants; increased competition in the mortgage lending and broker 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; 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.

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.