



IMPAC MORTGAGE HOLDINGS, INC. DISCLOSES LOAN DEFAULTS AND FORBEARANCE AGREEMENTS

Newport Beach, CA, February 7, 2024 -- Impac Mortgage Holdings, Inc. [OTC Pink Limited: IMPM] (the "Company") is a party to that certain Junior Subordinated Indenture, dated as of May 8, 2009 (the "First Indenture"), between the Company and The Bank of New York Mellon Trust Company, National Association, as trustee, pursuant to which the Company issued a Junior Subordinated Note due 2034 in the original principal amount of Thirty-One Million Seven Hundred Fifty-Six Thousand Dollars (\$31,756,000) (the "First Junior Note"). Pursuant to the terms of the First Junior Note and First Indenture, an interest payment was due on December 29, 2023, which had a thirty (30) day grace period for payment which ended on January 29, 2024. The Company did not make the required interest payment and such non-payment resulted in an Event of Default (as defined in the First Indenture).

The First Indenture Event of Default caused a corresponding Event of Default under that certain Junior Subordinated Indenture, dated as of May 8, 2009 (the "Second Indenture"), between the Company and The Bank of New York Mellon Trust Company, National Association, as trustee, pursuant to which the Company issued a Junior Subordinated Note due 2034 in the original principal amount of Thirty Million Two Hundred Forty-Four Thousand Dollars (\$30,244,000) (the "Second Junior Note").

Similarly, the Event of Default under the First Indenture and corresponding Event of Default under the Second Indenture resulted in a cross-default under the terms of those certain Third Amended and Restated Convertible Promissory Notes No. 1 and No. 2, dated May 9, 2022 (the "Convertible Notes"), issued by the Company pursuant to that certain Note Purchase Agreement among the Company and the purchasers thereto ("Convertible Note Holders"), dated as of May 8, 2015 (the "Note Purchase Agreement"), for which the current total outstanding principal balance is Ten Million Dollars (\$10,000,000).

The Company notified the Convertible Note Holders on January 30, 2024 of the Event of Default under the Note Purchase Agreement. On January 31, 2024, the Convertible Note Holders notified the Company that it was exercising all of its remedies under the Purchase Agreement and Convertible Notes, including acceleration of the indebtedness evidenced thereunder.

On February 6, 2024, the Company and the collateral manager for the holders of the First Junior Note and Second Junior Note entered into a Forbearance Agreement whereby the collateral manager agreed to forbear from exercising its right and remedies under the First Indenture and Second Indenture through February 29, 2024. In addition, in the event the Company is able to secure no less than \$15 million in additional liquidity under a revolving credit or term loan facility on or prior to February 29, 2024, then the forbearance period would be automatically extended until November 1, 2024.

On February 7, 2024, the Company and the Convertible Note Holders entered into a Forbearance Agreement whereby the Convertible Note Holders agreed to forbear from exercising their rights and remedies under the Convertible Notes and Note Purchase Agreement through February 29, 2024.

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.