



Impact Development Group Announces Operational Updates, Change to Board of Directors, and Board Approval of Debt Financing

TORONTO, Dec. 29, 2023 -- Impact Development Group Inc. (“IDG” or the “Company”) (TSXV: “IMPT”), a leading Panamanian developer of affordable housing solutions, is pleased to announce operational updates relating to its core business of building and delivering affordable homes, the approval of the issuance of secured debentures for proceeds up to USD\$4,500,000 (the “Financing”), and changes to the Company’s board of directors. Closing of the Financing is subject to approval by the TSX Venture Exchange (“TSX-V”).

Operational Updates:

1,067 Homes Delivered Since Inception:

In continuing its leadership in the development and delivery of affordable homes, IDG is pleased to announce that it has successfully delivered its 1,067th home across all phases at the completed Sona and in-progress Santiago projects. This marks a critical milestone for IDG in establishing a recognized brand with its growing base of affordable housing customers in Panama.

Continued Home Delivery Progress at Santiago Project:

Despite home delivery and collection challenges associated with the protests related to the Cobre Panama mine dispute during the month of November, IDG has successfully maintained normal development operations and has resumed home deliveries beginning in December. As of the end of the November, a total of 285 homes have been delivered to customers, accounting for an approximate combined 57% of the Company’s development inventory in Phases 4,5 Reserva Social and La Reserva (“Legacy Phases”).

Reached 172 Pre-Sold Homes at Legacy Phases:

Reflecting strong market demand and customer confidence, IDG is pleased to report that 172 of the 211 homes in development at the Legacy Phases, representing 81% of remaining in-progress inventory, have been pre-sold for delivery in 2024. Including deliveries, the pre-sold homes bring the total sold homes to 457 at the Santiago project, representing 92% of the 496 Legacy Phase homes at various stages of construction and delivery.

Listing on TSX Venture Exchange

IDG is pleased to report the successful listing of the Company’s common shares on the TSX-V. Marking another significant milestone of the Company, IDG’s common shares began trading under the symbol “IMPT” on December 12, 2023.

Tom Wenz, Chief Executive Officer and Director of the Company commented: “I am proud of the tremendous progress IDG has achieved in the past year, and I extend my deepest gratitude to our dedicated team. Their unwavering dedication has been evidenced in maintaining operations during a challenging environment posed by the Cobre Panama protests and successfully achieving new home delivery and pre-sales milestones. I look forward to our team’s continued success as a publicly traded company on the TSX-V as we reinforce our commitment to transparency and accountability while opening new avenues for growth.”

Debt Financing:

IDG is pleased to announce that it has approved a Financing by way of the issuance of a senior secured debenture for up to USD\$4,500,000 with a Panamanian institutional investor to fund ongoing affordable home development activities and general working capital. The Financing will be funded in 9 monthly tranches (“Tranches”), with the final Tranche ending in July, 2024. Each Tranche will be equal to the projected capital requirements for continued development of the Legacy Phases. The Financing shall bear interest at a rate of 12% per annum, payable quarterly, with a scheduled maturity date of November 30, 2025. Interest payments shall be deferred and accrued with the first interest payment occurring on January 31, 2025. The Financing is subject to the approval of the TSX-V and no funds representing the Tranches will be advanced to IDG prior to approval by the TSX-V.

In connection with the Financing, the Company shall issue Warrants exercisable for the purchase of common shares upon receipt of each Tranche. The amount of Warrants issued by the Company in connection with each Tranche will be equal to the Canadian dollar value of the Tranche divided by the closing price of the Company’s common shares on the funding date of each Tranche. The Warrants shall have an exercise price equal to a 10% premium to the 10-day volume weighted average trading price of IDG’s common shares on the TSX-V on the 10 trading days prior to the funding date of each Tranche. The Warrants shall be exercisable for a period of three years from the date of issue, subject to accelerated expiry in accordance with the policies of the TSX-V.

Changes to Board of Directors

IDG announces the resignation of Raymond Harari as Director of the Company. The Company would like to thank Mr. Harari for his contributions during the public listing process.

About IHC and IHC Panama

Impact Development Group is a Panamanian based real estate developer that provides affordable housing solutions to Panama's growing middle-class supported by a longstanding subsidized government program. The vision of IHC Panama is effectuated by a vertically integrated model which coordinates all services necessary to develop high-quality residential and commercial buildings, including land acquisition, financing, architectural, engineering, off-site manufacturing, general contracting, property management, and administration.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Forward-Looking Information

The information in this news release includes certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward-looking statements, including statements with respect to trading in the common shares of the Company.

Such statements and information reflect the current view of the Company. Risks and uncertainties exist that may cause actual results to differ materially from those indicated or implied in the forward-looking statements and information. Such factors include, among others: the limited business history of IHC; reliance on key management; risks related to IHC's growth strategy, including that previous and future acquisitions do not meet expectations or potential acquisitions cannot be completed; dependence on and availability of third party financing; the TSX-V may not approve the Financing; the business of IHC is subject to broader economic factors; disruptions or changes in the credit or security markets; financial results of IHC's operations; unanticipated costs and expenses; and general market and industry conditions.

The forward-looking statements, while considered reasonable by the Company, are inherently based upon assumptions that are subject to significant risks and uncertainties, including, but not limited to, the Financing will be approved by the TSX-V and the Company will be able to carry out its business plan as contemplated. Although the Company believes that the expectations reflected in forward-looking statements are reasonable, they can give no assurances that the expectations of any forward-looking statements will prove to be correct.

The forward-looking information contained in this press release represents the expectations of the Company as of the date of this press release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, it does not undertake to update this information at any particular time except as required in accordance with applicable laws.

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