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**IMPACT DEVELOPMENT GROUP INC. ANNOUNCES FINANCIAL RESULTS  
FOR YEAR ENDED DECEMBER 31, 2024**

TORONTO, Ontario – April 9, 2025 - Impact Development Group Inc. (TSXV: “**IMPT**”) (“**Impact**”, “**IDG**” or the “**Company**”), a leading Panamanian developer of affordable housing solutions, has released its financial results for the year ended December 31, 2024. IDG's audited consolidated financial statements (the “**Financial Statements**”) and related management's discussion and analysis (the “**MD&A**”) for the twelve months ended December 31, 2024 are available on [www.sedarplus.ca](http://www.sedarplus.ca). Unless otherwise indicated, all amounts and references to currency in this news release are references to United States dollars.

**Annual Financial Results**

- Revenue for the twelve months ended December 31, 2024 was \$3,698,059, a 36.15% decrease compared to the same period in 2023. The decrease was primarily driven by the sale of fewer houses in the year ended December 31, 2024 (56 houses) compared to the year ended December 31, 2023 (85 houses).
- Cost of sales for the twelve months ended December 31, 2024 was \$9,598,660, a 0.78% decrease compared to the same period in 2023. This is primarily driven by fewer home deliveries in the 2024 compared to 2023 partly offset by higher write-off of inventory to net realizable in 2024 compared to 2023. The higher write-off of inventory in 2024 is driven by slower moving inventory and slower construction activity in 2024 compared to 2023.
- The net loss of \$22,336,913 for the year ended December 31, 2024 included a \$10,348,525 of impairment of the land held for development, largely driven by the changes to the Solidarity Bonus Subsidy Program (the “**Program**”) operated by the Ministry of Housing of the Government of Panama (“**MIVIOT**”) and \$1,540,437 of impairment of goodwill of acquired assets. Excluding these impairments, the net loss for the year ended December 31, 2024 is \$10,447,951. The net earnings of \$13,125,437 for the year ended December 31, 2023 included a \$25,390,556 gain on settlement of debt with certain creditors as part of the Company's reverse takeover transaction to acquire Impact Housing Corporation, which closed on November 30, 2023 (the “**RTO Transaction**”). Excluding this gain, the net loss for the year ended December 31, 2023 is \$12,265,119. The decrease of net loss of \$1,817,168 (comparing \$10,447,951 loss for year ended December 31, 2024 against \$12,265,119 for the year ended December 31, 2023) is primarily due to higher write-off of receivables, higher share based compensation and higher interest expense in 2023 partly offset by higher operating loss in 2024, accretion expense and financing costs related to new and renewed debt agreements.
- Operating expenses stayed relatively consistent in the year ended December 31, 2024 compared to the year ended December 31, 2023. There was a slight increase in overhead and administrative expenses driven by higher by higher audit expense and public company compliance requirements and higher provision for warranties in 2024 partly offset by higher professional and legal expenses in 2023 in connection with the initial public offering in 2023.
- Interest expenses decreased from \$3,021,157 in the year ended December 31, 2023 to \$704,536 in the year ended December 31, 2024. In 2022, majority of the interest related to Multibank credit facilities was capitalized as the houses for which financing was taken were under construction. The houses were delivered in 2023 however, the loans funding these houses have not been repaid as at December 31, 2023 and thus interest was reclassified as interest expense. The construction

activity was lower in 2024 compared to 2023 driving the decrease in the interest expense in 2024 compared to 2023.

- Share-based compensation for the year ended December 31, 2023 of \$1,377,673 corresponds to warrants and restricted share units (“**RSUs**”) issued to management as part of the RTO Transaction on November 30, 2023. Warrants fully vested on the RTO Transaction date and amounted to \$1,337,974 of the total expense. Share-based compensation for the year ended December 31, 2024 of \$650,715 corresponds to the expense on the RSUs which vest 25% every six months over two years from the RTO Transaction’s closing date.
- Total assets decreased by at December 31, 2024 compared to December 31, 2023 primarily due to decrease in the property and other inventories and the land held for development. Property and other inventories decreased by \$5,260,272 at December 31, 2024 compared to December 31, 2023 primarily due to higher write-down of costs to net realizable value driven by slower moving inventory and slower construction activity in 2024 compared to 2023. The significant decrease of land held for development from \$13,897,177 at December 31, 2023 to \$3,497,938 at December 31, 2024 is due to an impairment of land held at the Company’s Sona project for 10,348,525. These are driven by the unfavorable macro economic environment and decreasing prospects and profitability of future social interest housing programs in the market due to the termination of the Program by MIVIOT effective July 1, 2024.
- The significant decrease in property and other inventories from December 31, 2023 to December 31, 2024 is due to higher write-down of costs to net realizable value driven by slower moving inventory in 2024 and slower construction activity in 2024 compared to 2023.
- At December 31, 2024, the Company had cash and cash equivalents of \$330,708 and working capital of \$2,598,862.

## **Fusion Software**

In October 2024, IDG acquired a 100% interest in Fusion Software LLC (“**Fusion**”), a software company based in Ohio. Fusion is the creator of an innovative software platform designed to streamline the management of low-income housing tax credits for tax credit investors, tax credit syndicators and affordable housing developers. The acquisition is completed to further the Company’s commitment to affordable housing solutions.

The consideration paid by the Company to acquire Fusion consisted of:

- a) 1,666,667 common shares, each issued at a price of \$0.98 (“**Consideration shares**”); and
- b) 1,166,668 common shares (“**Earn-Out shares**”), conditional upon the satisfaction of revenue milestones on the first, second, and third year anniversaries of the closing of this transaction. These shares were fair valued using a Monte Carlo simulation and fair valued at nil on the acquisition date.

The intangible assets recognized relates to the proprietary technology and software platform developed specifically for the management of low-income housing tax credits and fair valued at \$124,000 on acquisition date. Even though the fair value is considerably lower than the purchase consideration of \$1,637,118 for this arms-length transaction, management is confident that the acquisition of Fusion is a strong strategic venture for IDG. Management paid the purchase consideration after considerable due diligence on the proprietary technology developed by the acquiree and the potential to gain market share

through focused investment in marketing and sales. The fair valuation is derived in accordance with accounting standards which focuses on Fusion seed/start up stage with a small customer base resulting in a lower valuation than the consideration paid. However, based on the marketing and sales efforts since acquisition date, management is focused on building a strong sales pipeline and a growing customer base.

For the period between acquisition date and December 31, 2024, the Company earned revenues of \$73,486 and net loss of \$6,422 from Fusion.

As at December 31, 2024, the Company impaired the goodwill of Fusion from \$1,540,437 to nil.

## **Outlook**

The Program, which concluded effective June 30, 2024, will not be renewed by the current Panamanian government and MIVIOT. However, following the appointment of new presidential leadership on July 1, 2024, MIVIOT initiated a comprehensive review of the Program and other subsidies related to social interest housing. Since August, MIVIOT has maintained a working group with housing developers across the country, generating several proposals for alternatives to the Program, all of which remain under review and have not yet been implemented. There has been no indication from the government of Panama that the Program will be resumed. MIVIOT is currently continuing to honor payments for homes that received certification pursuant to the Program prior to June 30, 2024.

Homes that have received certification from MIVIOT prior to June 30, 2024, remain eligible for subsidy payments under the Program. As of December 31, 2024, the Company has one home that remains pending subsidy payments or certification under the Program. Additionally, 84 homes have already been delivered to customers and certified for subsidies but are awaiting a promissory note for subsidy collection. Another 37 homes have been delivered to customers but are still pending subsidy certification to complete the collection process. Furthermore, there are 173 homes in inventory, either completed or under construction, that have not yet received MIVIOT subsidy certification. It remains uncertain whether these 173 homes will ultimately receive MIVIOT certification to qualify for subsidy payments.

Pending further guidance from MIVIOT, IDG has reprioritized strategic objectives to focus on the delivery of existing inventory, pause all new development, and pursue opportunities to diversify the business. In alignment with this strategy, IDG is redirecting a significant portion of its focus towards the development and growth of Fusion.

Given the current elevated levels of policy and economic uncertainty in Panama, the Company is no longer evaluating new residential or commercial development activities outside of the Program, including the previously mentioned 5,000-square-foot commercial complex at the Company's Santiago project. Similarly, geographic expansion into adjacent markets with similar programs and the diversification into new technology-enabled revenue streams in affordable housing are no longer active strategic priorities due to the high capital requirements and risk of establishing operations in a new jurisdiction.

The Company is currently focused on building out and growing Fusion, recognizing a growing market need for low-income housing tax credits portfolio management solutions. In addition, the Company is continuously evaluating acquisition opportunities in the property and home-building technology space, either as complementary add-ons to Fusion or as standalone businesses that can be developed in parallel. These initiatives will be guided by the Company's 11 years of experience as a home builder and its deep understanding of the affordable housing market.

## About Impact

Impact 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 IDG 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 Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.**

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## FORWARD LOOKING STATEMENTS

*This press release contains certain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict" or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. Forward-looking statements in this press release include, but are not limited to, statements relating to the Company's business activities in Panama; the Company's plans to bring its expertise acquired in the Panamanian market into the US market; the Company's plans to expand its global reach; the Company's plans to utilize Fusion's software platform to expand into adjacent markets and revenue streams; and the Company's hopes of promoting the development of affordable housing across a wider geographic area.*

*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 Company being able to carry out its business plan as contemplated; the Company's ability to maintain and retain the intellectual property rights to the Fusion software platform; and the Company's plans to scale and develop more sustainable housing solutions in Central America and globally. 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.*

*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 the Company; the Company's reliance on key management; risks related to the Company'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 business of the Company being subject to broader economic and political factors; disruptions or changes in the credit or security markets; financial results of the Company's operations; unanticipated costs and expenses; and general market and industry conditions.*

*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.*