



NEWS RELEASE

IMPACT ANALYTICS CLOSES CONVERTIBLE NOTE FINANCING

Calgary, Alberta / August 6, 2024 - Impact Analytics Inc. ("Impact Analytics" or the "Company") (CSE: PACT) a vertically integrated AI software development company built on its proprietary cloud offering, is pleased to announce that it has closed the previously announced subscription agreement (the "**Subscription Agreement**") with an arm's length institutional investor (the "**Investor**"), in respect of the issuance (the "**Note Financing**") of senior unsecured convertible notes (the "**Convertible Notes**") in the principal amount of up to CAD\$5,350,000. The proposed Note Financing was previously announced on July 25, 2024.

Pursuant to the terms of the Subscription Agreement, the Convertible Notes may be issued in (i) an initial tranche (the "**First Tranche**") equal to \$1,350,000, followed by; (ii) sixteen (16) separate tranches (each, a "**Subsequent Tranche**" and together with the First Tranche, the "**Tranches**"), each such Subsequent Tranche to consist of a subscription in the amount of \$250,000, and may be convertible into common shares of the Company (the "**Common Shares**") by the Investor. The Convertible Notes will have a maturity date which is 12 months from the date of this press release, will bear no interest, will be unsecured and will rank senior to any other subordinated indebtedness of the Company. The Convertible Notes contain a leak out provision whereby the Investor is limited to selling 20% of the daily volume of any Common Shares on any trading day.

The Company will use the proceeds of the Note Financing for general corporate purposes and costs associated with the potential concurrent U.S. listing, announced on July 25, 2024.

The Convertible Notes will be convertible by the Investor in whole or in part into Common Shares at a price equal to the closing price of the Company's shares on the Canadian Securities Exchange ("**CSE**") on the day preceding the submission of a conversion notice by the Investor, subject to a minimum price of CAD\$0.05 per Common Share in accordance with the rules of the CSE. The Company may, at any time and at its sole option, redeem the outstanding Convertible Notes at 110% of the principal amount thereof upon 10 trading days' notice prior to such redemption and during which the Investor shall be entitled to convert the Convertible Notes.

The Company has also agreed to issue to the Investor such number of warrants (the "**Warrants**") as is equivalent to up to 50% of the principal amount of each issued Tranche of Convertible Notes. The Warrants will be exercisable into Common Shares at a price equal to 125% of the closing price of the Common Shares on the CSE on the trading day immediately preceding the issuance of the Warrants for a period of five years from the date of issuance.

As of the date of this news release, and the closing of the first Tranche of Convertible Notes, the Company shall pay to the Investor, a commitment fee ("**Commitment Fee**") of CAD\$240,750 (being 4.5% of the total principal amount of CAD\$5,350,000), to be paid, at the election of the Investor, in the form of cash, in the form of convertible notes substantially in the form of the Convertible Notes or any combination of the two having an initial principal amount equal to the amount of the Commitment Fee. For greater clarity, all references herein to "Convertible Notes" and the conversion of Convertible Notes into Common Shares shall include the convertible promissory notes issuable in connection with the Commitment Fee and the Common Shares issuable upon valid conversion thereof, respectively.

Pursuant to the Subscription Agreement, the Company has agreed, among other things to not, proceed with similar types of financings until the earlier of (a) the date which falls twelve months from the date of the Subscription Agreement, and (b) the termination date of the Subscription Agreement.

The securities issued in connection with the Note Financing are being issued in accordance with the requirements of the ASC Rule 72-501 – *Distributions to Purchasers outside of Alberta* and are not subject to a hold period.

Joseph Gunnar acted as sole placement agent in connection with the Note Financing.

None of the securities will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, the Convertible Notes may not be offered or sold within the United States, its territories or possessions, any state of the United States or the District of Columbia (collectively, the "**United States**") or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and all applicable state securities laws or an exemption from such registration requirements is available. This news release does not constitute an offer to sell or a solicitation of an offer to buy any Convertible Notes within the United States or to, or for the account or benefit of, U.S. persons.

The Company also announces the issuance of 5,790,000 Restricted Share Units ("**RSUs**") of the Company to its directors, officers and consultants pursuant to its RSU Plan adopted by the shareholders on February 23, 2024. The RSUs will vest immediately and are subject to a four month and one day hold period.

About Impact Analytics

Impact is a risk assessment, data intelligence and financial services platform powered by AI. The Company is building a proprietary product stack to optimize and streamline financial decision making for enterprises and individuals. Learn more at <https://www.impactrisk.ai/>.

ON BEHALF OF THE BOARD OF DIRECTORS

Chief Executive Officer	Colin Frost
Head Office	2004 Sherwood Drive, Sherwood Park, AB T8A 0Z1
Telephone	+1 (587) 208 4044
Email	info@impactrisk.ai

The CSE and Information Service Provider have not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Forward-Looking Information

Certain information in this news release may constitute "forward-looking" information that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Company or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking information. When used in this news release, this information may include words such as "anticipate", "estimate", "may", "will", "expect", "believe", "plan" and other terminology. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this news release.

Forward-looking statements are based on specific factors and assumptions that, while considered reasonable by the Company as of the date of such statements, are outside of the Company's control

and are inherently subject to significant business, economic and competitive uncertainties. Forward-looking statements are inherently risky, and the information and plans disclosed therein may not come to fruition as contemplated or at all.

Forward-looking statements in this news release include, but are not limited to, statements relating to: the Engagement, the expected listing of the Company's common shares on a senior U.S. stock exchange, the expected benefits and results of such listing; the use of proceeds from the Note Financing, the closing of the Note Financing on the terms described herein, the expected closing date of any subsequent Tranches and the future plans of the Company, business plans, objectives and strategy.

Except as required by law, we assume no obligation to update or revise forward-looking information to reflect new events or circumstances. Additional information is available in the Company's Management Discussion and Analysis, which can be found on SEDAR+ at www.sedarplus.ca.