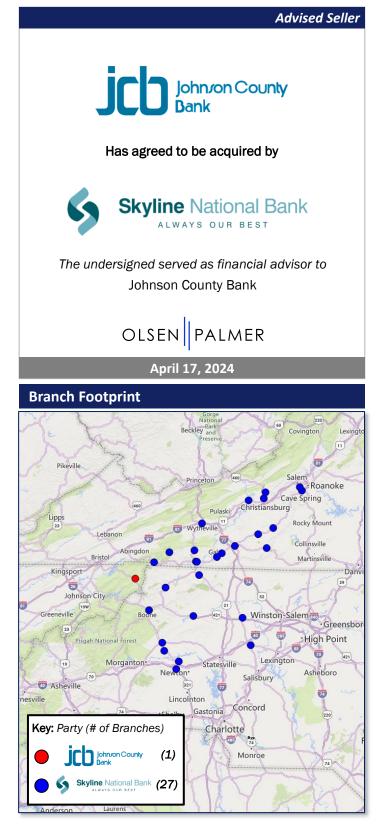
M&A Transaction Announcement

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Johnson County Bank Has Agreed to be Acquired by Skyline National Bank

Transaction Profile



Johnson County Bank and Skyline Bankshares, Inc. ("Skyline", OTCQX: SLBK), the holding company of Skyline National Bank, announced today that they have entered into a definitive agreement to combine their companies. Under the terms of the agreement, Johnson County Bank will merge with and into Skyline National Bank in an all cash transaction valued at \$25.0 million. Furthermore, one Johnson County Bank director, the current CEO of Johnson County Bank, will be invited to join the Skyline Board of Directors.

Olsen Palmer LLC served as financial advisor to Johnson County Bank in connection with this transaction and issued a Fairness Opinion to its Board of Directors.

Luse Gorman, PC acted as legal advisor to Johnson County Bank in connection with the transaction.

The combination is subject to approval by Johnson County Bank's shareholders, banking regulators, and other customary closing conditions. The transaction is expected to be completed during the second half of 2024.

Olsen Palmer is the #1 sell-side bank M&A advisor nationwide – and one of the top 2 overall bank M&A advisors – based on the number of transactions advised upon in 2023 according to *S&P Global*.

Transaction Summary and Valuation Multiples

Announcement Date	April 17, 2024
Anticipated Closing Date	2H 2024
Aggregate Consideration Value	\$25.0 million
Form of Consideration	All Cash
Price / Tangible Common Equity – Normalized	1.4x
Price / Net Income (LTM)	23.1x

Note: Normalized reflects 9.0% equity

Financial and Operating Summary

	JCD Johnson County Bank	Skyline National Bank
Location	Mountain City, TN	Independence, VA
Year Established	1975	1900
CEO	Christopher Reece	Blake Edwards Jr.
Branches	1	27
Assets (\$MM)	\$151.9	\$1,045.6

Note: Information as of Q4 2023. Source: S&P Global.



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Recent M&A Advisory Assignments Advised Seller BANK OF MORTON JIC. OUB SUNSOUTHBANK 22 STATE Mississippi River Bank M First Bank Has agreed to be Has been Has been Has agreed to sell Has been Has been Has been Has been acquired by acquired by acquired by acquired by acquired by 5 branches to acquired by acquired by <u>All in</u> **All in** Bank of Commerce MidWestOne Skyline National Bank Alabama ONE Merchants & Marine CREDIT UNION **Guaranty**Bank CREDIT UNION March 1, 2024 January 31, 2024 January 16, 2024 January 2, 2024 December 31, 2023 December 8, 2023 April 17, 2024 April 10, 2024 Advised Seller Advised Seller Advised Seller Advised Seller Advised Seller ed Merger-of-Equals Advised Seller Advised Seller first Savanna Ð CATLUE LAUN Catlin Bank PIONEER **One**South SENB[®]Bank ALGONQUIN STSB Savanna-Thomsor State Bank WYOMING SAVINGS STATE BANK Has been Has agreed to Has agreed to Has agreed to Has been Has been Has been Has merged with acquired by acquired by be acquired by be acquired by acquired by be acquired by acquired by Citizens State Bank FIVE STAR CBI 🗞 msufcu SAVILE 📕 Fidelity Bank ***** CREDIT UNION BANI August 28, 2023 March 31, 2023 October 20, 2023 August 31, 2023 August 1, 2023 March 31, 2023 March 31, 2023 January 20, 2023 Advised Seller Advised Seller Advised Seller Advised Seller Advised Seller Advised Acquirer Advised Acquirer Advised Seller First Bank R BANK OF BURLINGTON LINCOLNWAY THE FARMERS BOUNDARY WATERS BANK BANKFIRST freedom bank MECHANICS Has been Has been Has been Has been Has been Has acquired 2 Has been Has acquired acquired by acquired by acquired by acquired by branches from acquired by acquired by CoVantage ALANDMARK SYCAMORE Longview (BANKFIRST 🕿 Highland Bank August 8, 2022 January 10, 2023 January 1, 2023 December 31, 2022 December 9, 2022 October 1, 2022 October 1, 2022 October 1, 2022 Advised Seller Advised Seller Advised Seller Advised Acquirer Advised Seller Advised Seller Advised Acquirer Advised Seller ////\ The University National CITIZENS B STATE BANK SECURITY FEDERAL BANK BANKFIRST LSB LEGACY BANK WESTERN STATES Dupaco Bank Has been Has been Has been Has been Has been Has been Has acquired Has acquired acquired by acquired by acquired by acquired by acquired by acquired by H Banner 👹 Capital âvadian **N**BANK The Citizens Bank Great American Bank **III** ALABAMA (1) fnbo HOME April 30, 2022 January 3, 2022 July 29, 2022 May 18, 2022 April 29, 2022 February 28, 2022 February 14, 2022 December 31, 2021 Advised Seller Advised Merger-of-Equals First Capital First Security TRI-STATE BANK 1 MERCHANTS & Durand State Bank LANDMARK TWO RIVERS Bank Has been Has merged with acquired by SOLUTIONS Simmons Bank. 1ST First State Bank Liberty Bank FIRST STATE BANK ⁄ Planters Bank BAN First National Bank September <u>1, 2021</u> December 17, 2021 December 8, 2021 October 8, 2021 October 8, 2021 October 1, 2021 September 1, 2021 July 30, 2021

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202.808.3306 info@olsenpalmer.com olsenpalmer.com Olsen Palmer LLC is an independent investment banking firm that exclusively advises financial institutions across the spectrum of Mergers & Acquisitions.

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Specializing in sell-side M&A advisory, buy-side M&A advisory, valuations, fairness opinions, branch acquisitions and divestitures, and Board-level assessments of strategic options.

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