



Dogwood State Bank to Acquire Community First Bancorporation

Enhancing Dogwood's Strength Throughout the Carolinas

Raleigh, NC. and Seneca, SC., February 1, 2024 – Dogwood State Bank (OTC: DSBX) and Community First Bancorporation (OTC: CFOK) jointly announce the signing of a definitive merger agreement for Dogwood State Bank to acquire Community First Bancorporation, and its subsidiary, Community First Bank in an all-stock merger. The strategically compelling combination enhances Dogwood's liquidity and funding while solidifying its position in high growth markets.

The merger agreement provides that each Community First Bancorporation common shareholder receive 0.5875 shares and each preferred shareholder will receive 64.7719 shares of Dogwood's voting common stock. The transaction is intended to qualify as a tax-free reorganization for federal income tax purposes and to provide a tax-free exchange for Community First Bancorporation stockholders. Based on Dogwood's most recent capital raise of \$16.4 million in March 2023 at \$20.00 per share, this would imply a transaction value per share of \$11.75 for each Community First Bancorporation common share.

"The partnership with Community First Bancorporation unlocks long-term growth potential for shareholders and access to significant scale in the Upstate of South Carolina," said Steve Jones, President and Chief Executive Officer of Dogwood State Bank. "With this transaction, we will have a meaningful presence in the largest major growth markets in the Carolinas."

The pro forma company will have total assets of \$2.2 billion, total deposits of \$1.8 billion and net loans of \$1.7 billion. The transaction is expected to be over 65% accretive to Dogwood's earnings on a per share basis in 2025. The initial tangible book value dilution, driven primarily by the current interest rate environment, is anticipated to be earned-back in approximately one year.

"From the beginning, Community First Bank has been focused on developing a business model that focuses on safe and sound relationship banking in the markets we serve. We believe we have been very successful with this in our Tennessee, North Carolina and South Carolina markets, which encompass some of the fastest growing markets in the nation." said Richard D. Burleson, President and Chief Executive Officer of Community First Bancorporation and Community First Bank.

Mr. Burleson continued, "However, to continue growing, to provide cutting edge technology and to become more profitable, we need a partner who can provide us the opportunity to better serve our customers with a much larger balance sheet, enhanced technology and expanded products and services. We believe our partnership with the Dogwood team provides just that, and I believe the synergies that exist between our companies will result in tremendous success for both sides."

The boards of directors of both businesses have unanimously approved the merger agreement. The transaction is anticipated to close in the second half of 2024, subject to customary closing requirements, including Community First shareholder, Dogwood shareholder and regulatory approvals. Following the closing, two directors of Community First Bancorporation will join the Dogwood Board of Directors. Additionally, Dogwood will create an advisory board for the Upstate consisting of members of the Community First Bancorporation Board of Directors.

Piper Sandler & Co. acted as financial advisor and provided a fairness opinion to Dogwood State Bank and Williams Mullen served as Dogwood State Bank's legal advisor. D.A. Davidson & Co. acted as financial advisor and provided a fairness opinion to Community First Bancorporation and Brooks Pierce LLP served as Community First Bancorporation's legal advisor.

About Dogwood State Bank

Dogwood State Bank is a North Carolina state-chartered community bank headquartered in Raleigh with approximately \$1.4 billion in total assets. The organization provides a wide range of banking products and services through its online offerings and branch offices throughout North Carolina. Dogwood is focused on becoming the bank for businesses, business owners, professionals, and their employees and redefining what it means to Bank Local. By leveraging leadership, investing in technology, and committing to personalized, superior customer service, Dogwood is changing the landscape of community banking.

About Community First Bancorporation

Community First Bancorporation is a multi-state bank holding company with total assets of approximately \$685 million, headquartered in Seneca, SC. The organization maintains seven full-service financial centers in South Carolina, three in North Carolina, and two in Tennessee. The company offers a variety of services including credit cards, business and personal loans, business and personal deposit products and savings accounts.

Forward-Looking Statements

Statements made in this press release, other than those concerning historical financial information, may be considered forward-looking statements, which speak only as of the date of this press release and are based on current expectations and involve a number of assumptions. Forward-looking statements can be identified by words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. These include statements as to the anticipated benefits of the proposed merger (the "merger") of Community First Bancorporation ("Community First") and Community First Bank, Inc. with and into Dogwood State Bank ("Dogwood"), including future financial and operating results, cost savings and enhanced revenues that may be realized from the merger as well as other statements of expectations regarding the merger and any other statements regarding future results or expectations. The companies' respective abilities

to predict results, or the actual effect of future plans or strategies, is inherently uncertain. Factors that could have a material effect on the operations and future prospects of each of Dogwood and Community First, and the resulting company, include but are not limited to: the businesses of Dogwood and Community First may not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; the expected growth opportunities or cost savings from the merger may not be fully realized or may take longer to realize than expected; deposit attrition, operating costs, customer losses and business disruption prior to and following the merger, including adverse effects on relationships with employees and customers, may be greater than expected; the regulatory and shareholder approvals required for the merger may not be obtained; changes in interest rates, general economic and business conditions; legislative/regulatory changes; the monetary and fiscal policies of the U.S. government, including policies of the U.S. Treasury and the Board of Governors of the Federal Reserve System; the quality and composition of the loan and securities portfolios; demand for loan products and other financial services in the companies' respective market areas; inflation; deposit flows; competition; the companies' respective implementation of new technologies and their ability to develop and maintain secure and reliable electronic systems; changes in the securities markets; and changes in accounting principles, policies and guidelines. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Dogwood and Community First undertake no obligation to update or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information and Where to Find It

In connection with the proposed merger, Dogwood and Community First will each deliver a definitive joint proxy statement/offering circular to their respective shareholders seeking approval of the merger and related matters. Investors and shareholders of both companies are urged to read the definitive joint proxy statement/offering circular when it becomes available because it will contain important information about Dogwood, Community First and the proposed transaction. Free copies of the definitive joint proxy statement/offering circular, when available, may be obtained by directing a request by telephone or mail to Dogwood State Bank, 5401 Six Forks Road, Raleigh, North Carolina 27609, (919) 863-2265, or Community First Bancorporation, 3685 Blue Ridge Blvd, Walhalla, South Carolina 29691, (864) 364-6143.

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