



Dear Shareholders,

Attached with this letter you will find the 12/31/2022 Valuation. The current valuation is \$30.60 per share, which was down 10% from the previous year's valuation. While we are disappointed with the decline from the previous year, we feel it is necessary to look at the price per share in the context of other bank valuations and the current market environment.

In a June 16, 2023, evaluation of the top 200 exchange traded banks and thrifts completed by Piper Sandler, it was noted that only 22 of the 200 companies were trading at or above their yearend share price and only 32 of them were trading at or above their 2019 high share price. The Community First Financial Corporation valuation on December 31, 2019, was \$28 per share. As you can see our bank has seen an increase in valuation of 9.3% since that time.

While it is true that overall bank valuations have been impacted by the current market conditions and the failures of Silicon Valley and Signature Banks, management believes that our bank and as such our stock is still performing well. Our book value per share was \$29.90, which means our stock valuation is \$0.70 or 2.3% over book value. We are confident that as we work toward continued strong performance, we will continue to provide our shareholders with increased value.

Thank you for your continued confidence in and support of Community First Bank of Indiana.

Sincerely,

A handwritten signature in black ink, appearing to be "Robb Blume".

Robb Blume  
CEO & President  
Community First Bank of Indiana  
Community First Financial Corporation



June 20, 2023

**Personal and Confidential**

**Via Email**

Board of Directors  
Community First Financial Corporation  
201 W. Sycamore Street  
Kokomo, IN 46901

Members of the Board:

Hovde Group ("Hovde") was retained by Community First Financial Corporation ("Company") to determine the fair market value ("FMV") of the common stock of Company, as of December 31, 2022. Hovde is routinely engaged in the valuation of securities and specializes in valuations of community banks. Hovde does not maintain a position in the Company's stock. The undersigned was involved with reviewing and approving all aspects of the valuation.

FMV has been determined on a minority share basis for use by the Board of Directors of Company in part to communicate to brokers the value of shares held in shareholder retirement accounts. For purposes of this appraisal, FMV is defined as "the probable price at which shares would change hands between a willing buyer and a willing seller, neither being under compulsion to buy or sell, each having reasonable knowledge of all relevant facts." The valuation was performed utilizing financial and market information through December 31, 2022. We have not been made aware of any subsequent events or information that would alter our original FMV conclusion.

The Hovde Group's valuation methodologies were substantially similar to those utilized previously by ProBank Austin (and Austin Associates) with the following exceptions:

- The Hovde valuation did not incorporate the "Asset" approach, while previous valuations by ProBank Austin did. Even though ProBank Austin consistently calculated indications of value using an "Asset" approach, it typically did not place material weight on the approach in circumstances where the subject company demonstrated a consistent earnings history.
- The Hovde valuation added two additional "Income" approaches. In addition to the historical capitalized cash flow method, Hovde also employs: (i) a selected P/E multiple applied to the fifth-year earnings; and (ii) a selected Price/Tangible Book Value multiple applied to the fifth year projected tangible book value of Company.

The final selected value was not based on a specific weighting but considered all the valuation results and relevant market conditions, which is consistent with prior valuations by ProBank Austin.

Based on assumptions and methods detailed in the valuation report delivered to the Board of Directors of Company, we have determined the FMV of Company, as of December 31, 2022, to be \$30.60 per share.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Maroney, Jr.', written in a cursive style.

Richard F. Maroney, Jr.  
Senior Managing Director