

August 1, 2023 – For Immediate Release

Harborstone Credit Union Announces Agreement to Acquire First Sound Bank

Lakewood and Seattle, Washington – Harborstone Credit Union announced today it has entered into a definitive agreement to acquire Seattle, Washington-based First Sound Bank (OTCPK: FSWA). The transaction is structured as a purchase agreement with Harborstone Credit Union purchasing substantially all assets and assuming substantially all liabilities of First Sound Bank.

The transaction has been unanimously approved by the boards of directors of both institutions. Following the completion of the transaction, First Sound Bank will liquidate and dissolve and distribute its remaining assets to its stockholders. When finalized, the combined institution will have approximately \$2.1 billion in assets, \$1.5 billion in loans, \$1.8 billion in shares and deposits and will have sixteen branches throughout King, Pierce, and Thurston Counties. In connection with the transaction, the shareholders of First Sound Bank will receive approximately \$6.90-\$7.10 in cash for each share of First Sound Bank common stock, subject to adjustment based on the equity value at closing.

The acquisition helps Harborstone Credit Union grow its presence in the Seattle market, diversify its assets, and add superior talent and expertise. First Sound Bank customers will become members of Harborstone Credit Union with full access to all Harborstone Credit Union's expansive product and service offerings. The transaction serves as a historic milestone, as First Sound Bank is the first bank Harborstone Credit Union will acquire.

Geoff Bullock, President and CEO of Harborstone Credit Union, commented, "We're excited to grow Harborstone Credit Union and owe this opportunity to the decades of smart and strategic decisions that have created a solid foundation for our expansion. This acquisition is a win for everyone involved as it provides extended services and products to First Sound's clients, and adds new expertise and services to Harborstone Credit Union's members. From all of us at Harborstone Credit Union, we extend a warm welcome to First Sound, its employees, and its customers."

Marty Steele, President and CEO of First Sound Bank added, "We are extremely excited about partnering with Harborstone Credit Union and feel that this strategic transaction provides many benefits for our customers, employees, community and shareholders. As a community bank we are deeply focused on providing resources and services for our customers to succeed, and feel that the additional services, products and locations Harborstone Credit Union provides will help us continue to meet the needs of our customers in this competitive environment. In addition, this transaction provides excellent value to our shareholders who have supported us over the years."

The transaction is anticipated to be completed in the first quarter of 2024 subject to receiving all regulatory approvals, approval by the shareholders of First Sound Bank and other customary closing conditions.

Harborstone Credit Union was advised in the transaction by McQueen Financial Advisors as exclusive financial advisor and Luse Gorman, PC as legal counsel. First Sound Bank was advised by D.A. Davidson & Co. as exclusive financial advisor and Keller Rohrback, L.L.P. as legal counsel.

About Harborstone Credit Union

Harborstone Credit Union is a Washington-chartered and federally insured credit union headquartered in Lakewood, Washington. Founded in 1955 as McChord Federal Credit Union, serving airmen on McChord Air Force Base (now Joint Base Lewis McChord), Harborstone Credit Union has grown to become one of the largest credit unions in Washington State with over 87,000 members and approximately \$1.9 billion in total assets. Harborstone Credit Union has fifteen branches located throughout King, Pierce, and Thurston counties and offers members a full range of products and services with the aim to assist members in achieving financial well-being through innovative financial solutions that foster thriving communities and economic vitality. For more information, please visit www.harborstone.com.

About First Sound Bank

First Sound Bank is a locally owned, independent community bank with approximately \$175 million in assets. The company provides commercial and private banking services for small to medium sized businesses, not-for-profit organizations, entrepreneurs, and professional service firms throughout the Puget Sound market. First Sound Bank operates through a single branch location in downtown Seattle. For more information, please visit www.firstsoundbank.com.

Forward Looking Statements

Certain statements in this news release contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to future plans and expectations, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties, and other factors, such as the businesses of Harborstone Credit Union and First Sound Bank may not be integrated successfully or such integration may take longer to accomplish than expected, the expected cost savings and any revenue synergies from the merger may not be fully realized within the expected timeframes, disruption from the merger may make it more difficult to maintain relationships with customers, associates, or suppliers, the required governmental approvals of the merger may not be obtained on the proposed terms and schedule, or First Sound Bank shareholders may not approve the merger, any of which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, we can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the companies or any person that the future events, plans, or expectations contemplated by the companies will be achieved. All subsequent written and oral forward-looking statements concerning the companies or any person acting on their behalf is expressly qualified in its entirety by the cautionary statements above. None of Harborstone Credit Union or First Sound Bank undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or

otherwise, to reflect circumstances or events that occur after the date the forward-looking statements are made.