

**Sidney Federal Savings and Loan Association**

1045 10th Avenue  
Sidney, Nebraska 69162  
(308) 254-2401

May 5, 2022

Dear Stockholder:

As you are aware, Sidney Federal Savings and Loan Association (“Sidney Federal”) previously entered into a definitive agreement with Michael Donoghue and Alexia Barbarossa (the “Investors”) providing for the proposed acquisition of a controlling interest in Sidney Federal by the Investors. Under the terms of the transaction, the Investors were seeking to acquire shares of Sidney Federal by virtue of a voluntary cash tender offer to be made to our shareholders. We entered into this agreement because the proposal provided a unique opportunity for our shareholders to monetize their investment, while at the same time providing our institution with the ability to maintain exceptional customer service without disruption.

Because Sidney Federal operates in the highly regulated banking market, the proposed transaction was subject to several closing conditions, including approval from bank regulatory authorities. Unfortunately, after the filing of all necessary regulatory applications and following many discussions with applicable regulatory agencies, the Investors were not able to obtain the necessary regulatory approvals to proceed with the proposed transaction. As a result, we terminated our agreement with the Investors effective on April 28, 2022 and were subsequently reimbursed by the Investors for our transaction expenses in accordance with the terms of our agreement.

Although we are disappointed that this transaction will not proceed as we had planned, we will continue to serve our customers and are committed to continuing our efforts to explore strategic alternatives in the best interests of our shareholders. We appreciate your continued interest in our organization, and we look forward to providing you with further updates as the transaction progresses.