

Shareholders Support Local Bank Combination

FLOYD, VA and WILKESBORO, NC, June 15, 2018 -- Parkway Acquisition Corp. ("Parkway") (OTCQX: PKKW), the parent company of Skyline National Bank, and Great State Bank ("Great State") (OTC Pink: GSTB) announced today that their shareholders have overwhelmingly approved the combination of their banks at respective shareholder meetings held on June 14, 2018.

The companies reported that of the more than 4.7 million combined votes cast, more than 82% were cast in favor of the combination. Thomas M. Jackson, Jr., a Hillsville and Wytheville, VA attorney and Chairman of the Board of Parkway, said that "the shareholders of both banks saw the rationale and opportunity for this combination of neighboring community banks."

Blake Edwards, Senior Executive Vice President and CFO of Parkway said, "With the receipt of shareholder approvals needed to proceed with the combination, we expect to legally complete the merger on July 1, 2018, subject to customary closing conditions. Shareholders of Great State then will receive important mailings about the exchange of their shares of Great State stock into Parkway stock." Great State is expected operate as a division of Skyline National Bank until operating systems are converted and the Great State offices are rebranded as Skyline National Bank in September 2018.

Allan Funk, President and CEO of Parkway, added "Our customers will be kept informed of progress on the integration of our two banks. In the meantime, it's business as usual for our employees and customers as we strive to be the best bank in our market areas. We know that customers prefer a locally-owned and locally-managed bank, and we want to be the bank of choice for those customers that prefer the personal experience of local banking and service that is Always Our Best."

"We are confident that our Great State Bank communities and customers will benefit from our combination with Skyline National Bank," explains President Greg Edwards. "We are optimistic about our combined future and the opportunities before us."

The combined organization is expected to have 20 branches, three loan production offices, assets of approximately \$687 million, deposits of over \$610 million and shareholders' equity of over \$69 million.

Forward-looking statements

This release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Act of 1934 as amended. These include statements as to the timing, completion and benefits of the merger, including future financial and operating results, cost savings, enhanced revenues and the accretion/dilution to reported earnings 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. Parkway and Great State intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 and are including this statement for purposes of these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe future plans, strategies, and expectations of Parkway and Great State, are

generally identified by the use of words such as "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions. The companies' respective ability to predict results, or the actual effect of future plans or strategies, is inherently uncertain. Factors which could have a material adverse effect on the operations and future prospects of Parkway and Great State and their respective subsidiaries include, but are not limited to the ability to meet closing conditions to the merger; the ability to complete the merger as expected and within the expected time frame; disruptions to customer and employee relationships and business operations caused by the merger; the ability to implement integration plans associated with the transaction, which integration may be more difficult, time-consuming or costly than expected; the ability to achieve the cost savings and synergies contemplated by the merger within the expected time frame, or at all; changes in local and national economies, or market conditions; changes in interest rates; regulations and accounting principles; changes in policies or guidelines; loan demand and asset quality, including values of real estate and other collateral; deposit flow; the impact of competition from traditional or new sources; and the other factors detailed in Parkway's publicly filed documents, including its Annual Report on Form 10-K for the year ended December 31, 2017. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. Parkway and Great State assume no obligation to revise, update, or clarify forward-looking statements to reflect events or conditions after the date of this report.

ADDITIONAL INFORMATION ABOUT THE COMPANIES AND THIS TRANSACTION

This release does not constitute an offer to sell or the solicitation of an offer to buy any securities, or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. In connection with the proposed merger, Parkway has filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 with respect to the offering of Parkway common stock as the merger consideration under the Securities Act of 1933, as amended, which included a joint proxy statement of Parkway and Great State and a prospectus of Parkway. The registration statement has been declared effective by the SEC, and the joint proxy statement/prospectus has been sent to the shareholders of each company. **Investors and security holders are urged to read the registration statement and joint proxy statement/prospectus and other relevant documents because they contain important information about the merger.**

You are able to obtain free copies of these documents through the website maintained by the SEC at <http://www.sec.gov>. You may also obtain free copies of these documents by directing a request by telephone or mail to Parkway Acquisition Corp., 101 Jacksonville Circle, Floyd, Virginia 24091; (540) 745-4191, or by accessing these documents at Parkway's website: www.skylinenationalbank.bank; or by directing a request by telephone or mail to Great State Bank, 1422 US Highway 421, Wilkesboro, NC 28697; (336) 903-4948, or by accessing these documents at Great State's website: www.greatstatebank.com. The information on Parkway's and Great State's websites is not, and shall not be deemed to be, a part of this report or incorporated into other filings made with the SEC.

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