Norwood
FINANCIAL CORP
NASDAQ GLOBAL: NWFL

Q2 2026 Earnings Presentation

Community Bank Making Every Day Better™

JULY 22, 2026

Forward-looking statements and additional information

This presentation contains forward-looking statements within the meaning of the federal securities laws that are made by Norwood Financial Corp ("Norwood"). All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including all statements regarding the intent, belief or current expectations of Norwood and members of its board of directors and senior management teams. Investors and security holders are cautioned that such statements are predictions, and are not guarantees of future performance. Actual events or results may differ materially. Expected financial results or other plans are subject to a number of known and unknown risks, uncertainties and assumptions that are difficult to assess and are subject to change based on factors which are, in many instances, beyond Norwood's control.

Additional risks and uncertainties may include, but are not limited to, the risk that expected cost savings, revenue synergies and other financial benefits from the recently completed merger with PB Bankshares, Inc. ("PB Bankshares") may not be realized or take longer than expected to realize; the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; the integration of PB Bankshares' business and operations with those of Norwood may take longer than anticipated, may be more costly than anticipated and may have unanticipated adverse results relating to Norwood's existing businesses; the anticipated cost savings and other synergies of the merger may take longer to be realized or may not be achieved in their entirety, and attrition in key client, partner and other relationships relating to the merger may be greater than expected; the ability to achieve anticipated merger-related operational efficiencies; the ability to enhance revenue through increased market penetration, expanded lending capacity and product offerings; changes in monetary and fiscal policies of the Federal Reserve Board and the U. S. Government, particularly related to changes in interest rates; changes in general economic conditions, especially the effects of current fluctuations in tariff policies, impacts of workforce deportations, the proliferation of legal actions challenging government policies, and substantial reductions in force of government and non-government organization employees, all of which may put pressure on supply chains and exacerbate market volatility; occurrence of natural or man-made disasters or calamities, including health emergencies, the spread of infectious diseases, pandemics or outbreaks of hostilities, or the effects of climate change, and the ability of Norwood and its customers to deal effectively with disruptions caused by the foregoing; legislative or regulatory changes; downturn in demand for loan, deposit and other financial services in our market area; increased competition from other banks and non-bank providers of financial services; technological changes and increased technology-related costs; and changes in accounting principles, or the application of generally accepted accounting principles.

Due to these and other possible uncertainties and risks, Norwood can give no assurance that the results contemplated in the forward-looking statements will be realized, and readers are cautioned not to place undue reliance on the forward-looking statements contained in this presentation. Forward-looking statements are based on information currently available to Norwood, and Norwood assumes no obligation and disclaim any intent to update any such forward-looking statements. All forward-looking statements, express or implied, included in the presentation are qualified in their entirety by this cautionary statement.

NON-GAAP FINANCIAL MEASURES

In addition to results presented in accordance with GAAP, this presentation includes certain non-GAAP financial measures. Norwood believes these non-GAAP financial measures provide additional information that is useful to investors in helping to understand underlying financial performance and condition and trends of Norwood.

Non-GAAP financial measures have inherent limitations. Readers should be aware of these limitations and should be cautious with respect to the use of such measures. To compensate for these limitations, non-GAAP measures are used as comparative tools, together with GAAP measures, to assist in the evaluation of operating performance or financial condition. These measures are also calculated using the appropriate GAAP or regulatory components in their entirety and are computed in a manner intended to facilitate consistent period-to-period comparisons. Norwood's method of calculating these non-GAAP measures may differ from methods used by other companies. These non-GAAP measures should not be considered in isolation or as a substitute or an alternative for those financial measures prepared in accordance with GAAP or in-effect regulatory requirements. Numbers in this presentation may not sum due to rounding.

Where non-GAAP financial measures are used, the most directly comparable GAAP or regulatory financial measure, as well as the reconciliation to the most directly comparable GAAP or regulatory financial measure, can be found in this presentation.

Q2 2026 summary

Selected financial highlights (all comps Y/Y)

$26.8M
Net Interest Income
+41%

3.27%
Net Interest Spread (fte) [1]
+52 bps

3.90%
Net Interest Margin (fte) [1]
+47 bps

$13.6M
Adjusted Pre Provision Net Revenue[1]
+53%

$9.4M
Adjusted Net Income[1]
+48%

$0.86
Adjusted Diluted EPS[1]
+25%

1.29%
Adjusted Return on Average Assets[1]
+21 bps

15.11%
Adjusted Return on Tangible Equity[1]
+203 bps

[1] See appendix for Non-GAAP reconciliation

Key messages

1. **Achieved strong second-quarter performance, with record net interest income and record net income,** extending the momentum we are building towards a brighter future

2. **Maintained strong financial position and credit quality** while growing assets; recorded ~$0.7M initial net charge-offs related to customer bankruptcy

3. **Completed Presence Bank integration**, including core system conversion and brand convergence; combined organization poised to better serve communities

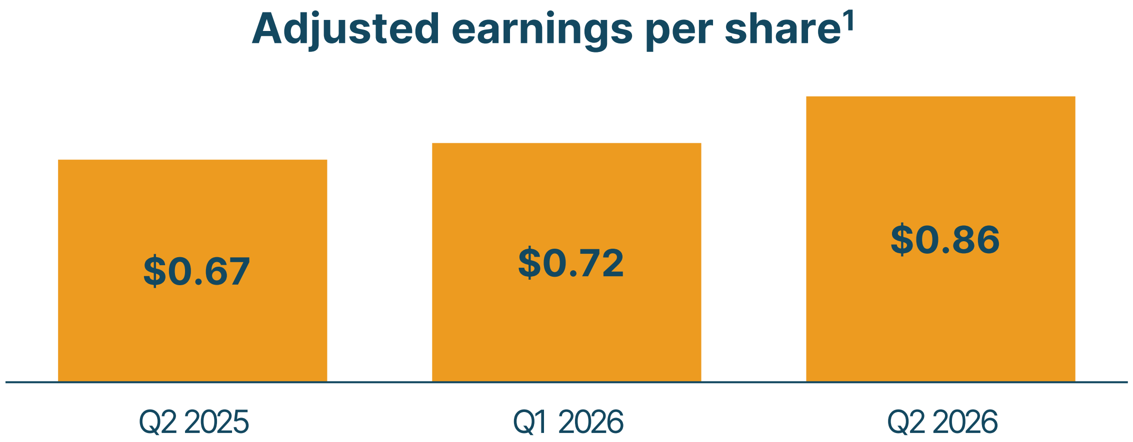
4. **Continued to build momentum in 2026**, through strategic priorities to create a stronger organization with ingrained high-performance culture

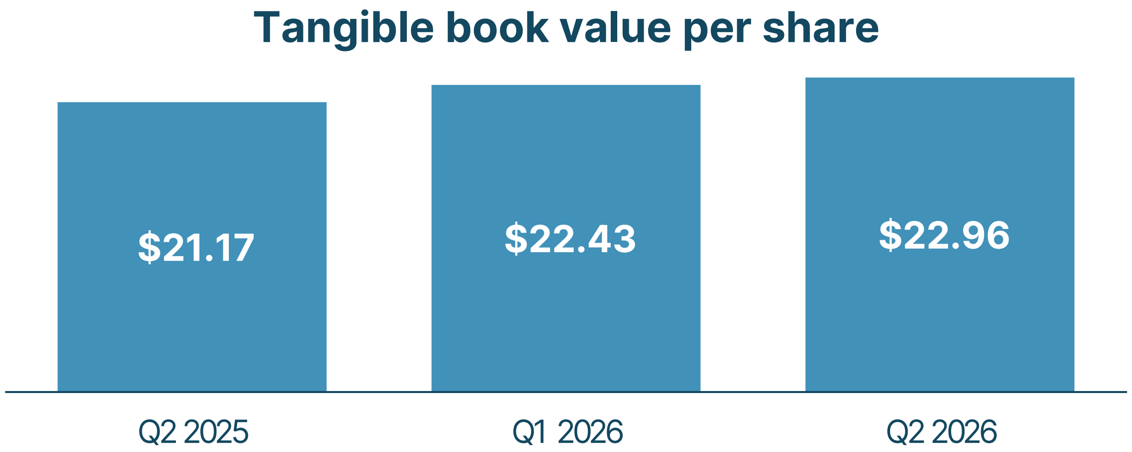
Making progress on our 2026 strategic priorities

Focused on actions that will create value and build momentum

Successfully complete Presence Bank integration	• Completed key integration activity, including core system conversion and brand convergence • Ongoing dialogue to share best practices as we continue to standardize on operations and customer engagement
Increase operating efficiency and elevate the customer experience through AI	• Implemented PB commercial system to drive efficiency, manage risk, and empower employees to do more • Utilize AI embedded in PB processes across the organization as part of integration • Creating 3-year plan to assess AI implementation and pursue highest value opportunities
Strengthen our talent pool and deepen our leadership bench	• Invest in our people to empower them to serve our communities • Cascade strategic priorities throughout organization • Steve Daniels, Executive Vice President and former Chief Consumer Banking Officer, has assumed role of Chief Lending Officer, assuming role previously held by Vinny O'Bell who is retiring in October 2026 • Promoted Deb Kennedy to Director of Retail Banking
Increase shareholder value	• Delivered strong Q2 results on strong financial position and performance of our entire team • Grew asset base through increasing deposits, investment decisions, and strategic M&A • Enhance shareholder returns through a reliable and growing dividend

Improving financial performance and positioning for continued growth





[1] See appendix for Non-GAAP reconciliation

EPS improved on record net income due to record net interest income and growth in other income, partially offset by higher expenses due to the acquisition

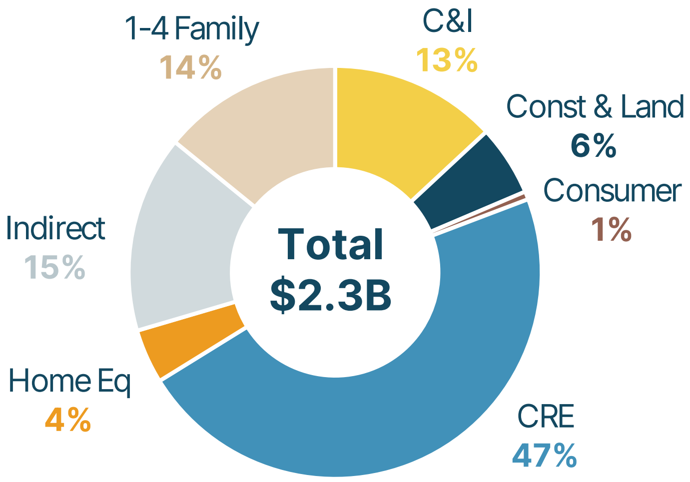
TBV per share increased, demonstrating our ability to generate earnings while continuing to build shareholder value

Repositioned portfolio and Presence Bank acquisition continued to further strengthen our financial position and provides us with a larger organization to scale as we serve our communities

Loan portfolio overview

Small business lending, granular relationships and limited industry concentration

Loan portfolio by category



$98K Average Loan Size

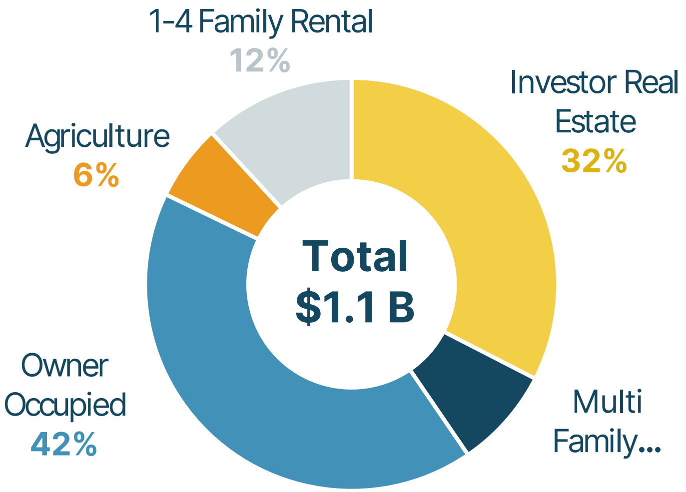
$325K Average Commercial Loan Size

12% Adjustable, **43%** Floating, and **45%** Fixed Rate

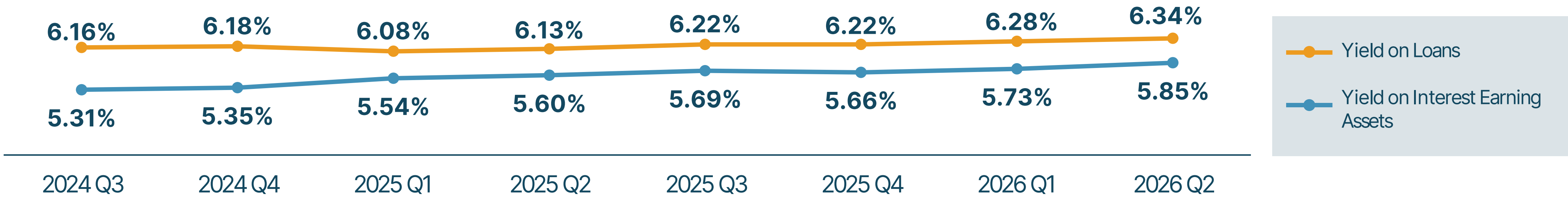
Office Exposure: **6 loans for ~$2.8M**

CRE Ratio: **202%** (as of Q2 2026)

CRE loans by industry



Historical yields



Strong historical credit quality

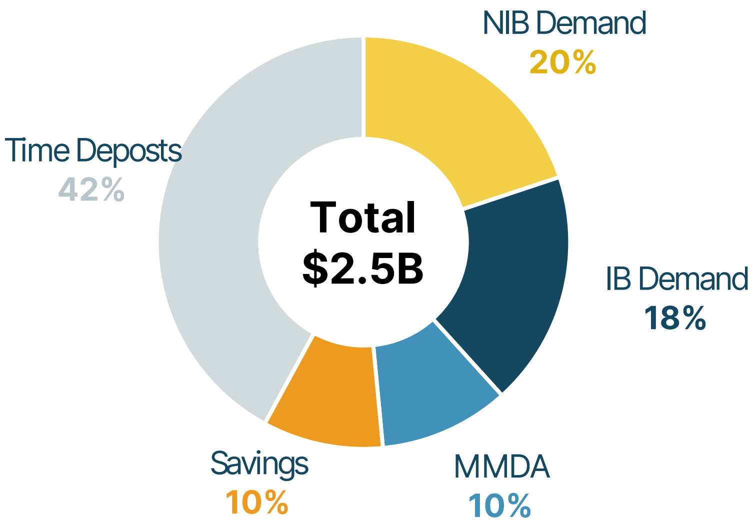
Credit quality ratios

	2022	2023	2024	2025	Q2 2026
Non-performing Loans / Loans	0.08%	0.48%	0.46%	0.34%	1.23%
Net Charge Offs / Loans	0.02%	0.39%	0.10%	0.03%	0.24%
ACL / Loans	1.15%	1.18%	1.16%	1.07%	1.13%
Reserves / NPAs	1,165%	246%	252%	280%	90%

Deposit portfolio overview

Attractive retail franchise bolstered by commercial and municipal relationships

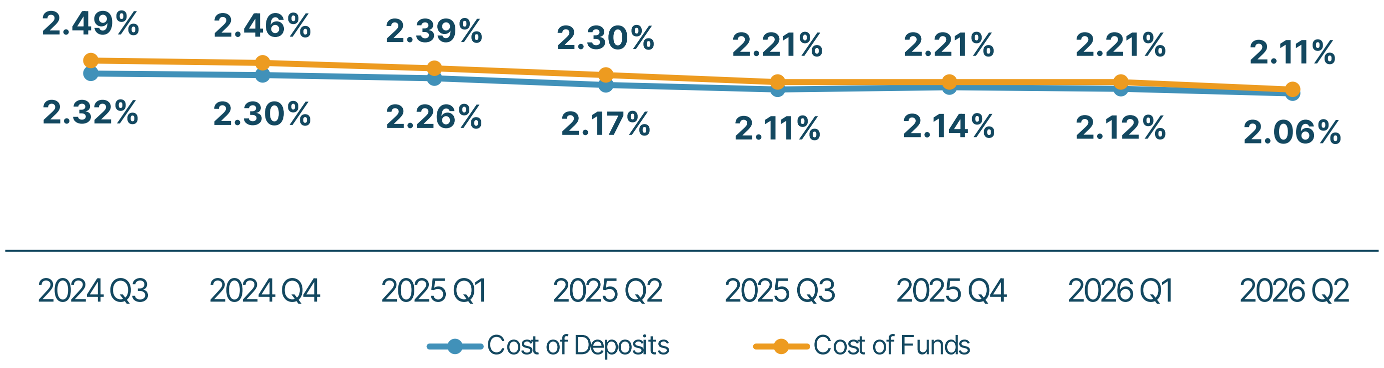
Deposit portfolio by category



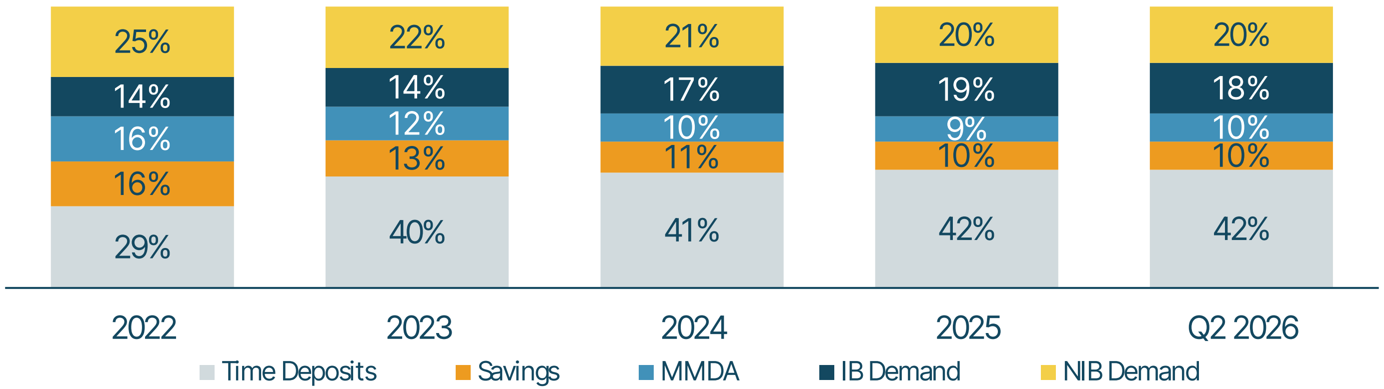
$53K Average Account Size

$493M in Municipal Deposits

Historical funding costs



Deposit composition over time



Strength. Security. Stability.

Customers — Employees — **Key tenets for SUCCESS** — Community — Shareholders

150+ years in business	**UNIFIED BRAND:** Consolidated Wayne Bank, the Bank of Cooperstown, Bank of the Finger Lakes, and Presence Bank under single Wayne Bank brand Committed to the same community banking mission and core values instated upon our founding in 1871
Rewarding shareholders	Focused on achieving above-peer performance targets bolstered by our competitive strength in markets of operation Repositioned the investment portfolio to improve yields in current and future interest rate environment Track record of 34 consecutive years of increasing cash dividends
Growth & expansion	Consistent record of organic growth bolstered by four successful acquisitions between 2011 and 2026, including Presence Bank Focused on expanding noninterest and fee income through product offerings such as wealth and trust management, mortgage, and treasury management services
A community pillar	**MISSION STATEMENT:** "To help our customers and communities build strong financial futures, so that every day, every year, every generation is better than the last." The Bank and its employees are key contributors to several local charities Focused on small business and local relationships

APPENDIX

Every Day Better

Non-GAAP financial measures

Net Interest Income FTE and Average Tangible Equity

NORWOOD FINANCIAL CORP
Reconciliation of Non-GAAP Results
(dollars in thousands, except per share data)

Net Interest Income FTE
(dollars in thousands)

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Net Interest Income	$ 26,839	$ 19,065	$ 51,393	$ 36,923
Taxable equivalent basis adjustment using 21% marginal tax rate	182	199	375	397
Net interest income on a fully taxable equivalent basis	$ 27,021	$ 19,264	$ 51,768	$ 37,320

Average Tangible Equity
(dollars in thousands)

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Average equity	$ 288,334	$ 223,351	$ 289,064	$ 220,787
Average goodwill and other intangibles	(39,609)	(29,394)	(39,472)	(29,402)
Average tangible equity	$ 248,725	$ 193,957	$ 249,592	$ 191,385

Non-GAAP financial measures
Pre Provision Net Revenue

NORWOOD FINANCIAL CORP
Reconciliation of Non-GAAP Results
(dollars in thousands, except per share data)

Pre Provision Net Revenue
(Dollars in thousands)

	Six Months Ended June 30, 2026	Three Months Ended June 30, 2026	Three Months Ended March 31, 2026	Six Months Ended June 30, 2025	Three Months Ended June 30, 2025
Income before tax expense (GAAP)	$ 16,449	$ 11,629	$ 4,820	$ 15,120	$ 7,832
Provision for credit losses	3,403	1,944	1,459	1,807	950
Pre provision net revenue (PPNR) (Non-GAAP)	**19,852**	**13,573**	**6,279**	**16,927**	**8,782**
Merger-related expenses	4,994	53	4,941	150	150
BOLI restructuring fee	225	0	225	0	0
PPNR adjusted for one time expenses (Non-GAAP)	**25,071**	**13,626**	**11,445**	**17,077**	**8,932**

Non-GAAP financial measures

Adjusted Return on Average Assets

NORWOOD FINANCIAL CORP
Reconciliation of Non-GAAP Results (unaudited)
(dollars in thousands, except per share data)

Adjusted Return on Average Assets
(Dollars in thousands)

	Six Months Ended June 30, 2026	Three Months Ended June 30, 2026	Three Months Ended March 31, 2026	Six Months Ended June 30, 2025	Three Months Ended June 30, 2025
Net income	$ 13,058	$ 9,328	$ 3,730	$ 11,978	$ 6,205
Average assets	2,890,759	2,913,153	2,868,074	2,337,369	2,355,809
Return on average assets (annualized)	**0.91 %**	**1.28 %**	**0.53 %**	**1.03 %**	**1.06 %**
Net income	13,058	9,328	3,730	11,978	6,205
Merger-related expenses	4,994	53	4,941	150	150
Boli restructuring fee	225	0	225	0	0
Tax effect at 21%	(1,096)	(11)	(1,085)	(32)	(32)
Adjusted Net Income (Non-GAAP)	17,181	9,370	7,811	12,097	6,324
Average assets	2,890,759	2,913,153	2,868,074	2,337,369	2,355,809
Adjusted return on average assets (annualized) (Non-GAAP)	**1.20 %**	**1.29 %**	**1.10 %**	**1.04 %**	**1.08 %**

Non-GAAP financial measures

Adjusted Return on Average Tangible Shareholders' Equity and Adjusted Earnings Per Share

Adjusted Return on Average Tangible Shareholders' Equity

(Dollars in thousands)

	Six Months Ended June 30, 2026	Three Months Ended June 30, 2026	Three Months Ended March 31, 2026	Six Months Ended June 30, 2025	Three Months Ended June 30, 2025
Net income	$ 13,058	$ 9,328	$ 3,730	$ 11,978	$ 6,205
Average shareholders' equity	289,064	288,334	289,799	220,787	223,351
Average intangible assets	(39,472)	(39,609)	(39,334)	(29,402)	(29,394)
Average tangible shareholders' equity	249,592	248,725	250,465	191,385	193,957
Return on average tangible shareholders' equity (annualized)	**10.55 %**	**15.04 %**	**6.04 %**	**12.62 %**	**12.83 %**
Net income	13,058	9,328	3,730	11,978	6,205
Merger-related expenses	4,994	53	4,941	150	150
Boli restructuring fee	225	0	225	0	0
Tax effect at 21%	(1,096)	(11)	(1,085)	(32)	(32)
Adjusted Net Income (Non-GAAP)	17,181	9,370	7,811	12,097	6,324
Average tangible shareholders' equity	249,592	248,725	250,465	191,385	193,957
Adjusted return on average shareholders' equity (annualized) (Non-GAAP)	**13.88 %**	**15.11 %**	**12.65 %**	**12.75 %**	**13.08 %**

Adjusted Earnings Per Share

(Dollars in thousands)

	Six Months Ended June 30, 2026	Three Months Ended June 30, 2026	Three Months Ended March 31, 2026	Six Months Ended June 30, 2025	Three Months Ended June 30, 2025
GAAP-Based Earnings Per Share, Basic	**$ 1.21**	**$ 0.86**	**$ 0.35**	**$ 1.30**	**$ 0.67**
GAAP-Based Earnings Per Share, Diluted	**$ 1.21**	**$ 0.86**	**$ 0.35**	**$ 1.30**	**$ 0.67**
Net Income	13,058	9,328	3,730	11,978	6,205
Merger-related expenses	4,994	53	4,941	150	150
Boli restructuring fee	225	0	225	0	0
Tax effect at 21%	(1,096)	(11)	(1,085)	(32)	(32)
Adjusted Net Income (Non-GAAP)	17,181	9,370	7,811	12,097	6,324
Adjusted Earnings per Share, Basic (Non-GAAP)	**$ 1.59**	**$ 0.86**	**$ 0.73**	**$ 1.31**	**$ 0.69**
Adjusted Earnings per Share, Diluted (Non-GAAP)	**$ 1.59**	**$ 0.86**	**$ 0.72**	**$ 1.31**	**$ 0.69**

Thank you