Norwood FINANCIAL CORP

Quarterly Report for Quarter Ended June 30, 2026

wayne BANK

To Our Stockholders

We continued our strong momentum in the second quarter of 2026, delivering record financial results while successfully completing the integration of PB Bankshares. Our expanded franchise, disciplined execution, and focus on making Every Day Better™ drove improved profitability and positioned Norwood for continued success.

The quarter was highlighted by record net income of $9.3 million and record net interest income of $26.8 million. Net interest margin expanded to 3.90%, while diluted earnings per share increased to $0.86 from $0.67 in the prior-year quarter. Total assets reached $2.9 billion, and loans and deposits increased 26.4% and 25.8%, respectively, compared to a year ago. Tangible book value per share grew to $22.96, surpassing its pre-acquisition level and reflecting the value created through our strategic initiatives.

Our first strategic priority for 2026 was the successful integration of PB Bankshares, and I am pleased to report that this work is complete. During the quarter, we finalized the core systems conversion and completed the brand convergence across the combined organization. These milestones position us to fully realize the benefits of our expanded scale, market presence, and operating capabilities.

Our second priority is enhancing operational efficiency and the customer experience through technology and AI-enabled solutions. We continued implementing our Commercial Credit System, leveraging automation and machine learning capabilities to streamline processes, improve decision-making, and create a more efficient organization.

Our third priority remains attracting, retaining, and developing talented employees. The successful integration of two banking franchises reflects the dedication and collaboration of our teams, whose expertise and commitment continue to strengthen our organization and culture.

Our fourth priority is creating long-term shareholder value. The record earnings and continued growth in tangible book value achieved this quarter demonstrate the benefits of our disciplined approach to growth, risk management, and capital allocation.

Norwood enters the second half of 2026 from a position of strength. We have completed a transformational acquisition, expanded our footprint, enhanced our earnings capacity, and built a stronger franchise. With a talented team, solid financial foundation, and clear strategic focus, we are well positioned to continue creating long-term value for our shareholders.

James O. Donnelly
President and Chief Executive Officer

Selected Financial Highlights

(unaudited) (dollars in thousands, except per share data)

Three Months Ended June 30, 2026

	2026	2025	Change
Net interest income	$27,021	$19,264	$7,757
Net interest spread (fte)	3.27%	2.75%	52 bps
Net interest margin (fte)	3.90%	3.43%	47 bps
Net income	9,328	6,205	3,123
Diluted earnings per share	0.86	0.69	0.17
Return on average assets	1.28%	1.06%	22 bps
Return on tangible equity	10.55%	12.62%	(207 bps)

NWFL NASDAQ	**Honesdale, PA** Headquarters	**1871** Founded	**300 +** Employees	**4.2%** Dividend Yield
$2.9B Total Assets	**$2.3B** Total Gross Loans	**$2.5B** Total Deposits	**$290M** Total Equity	**$350M** Market Cap

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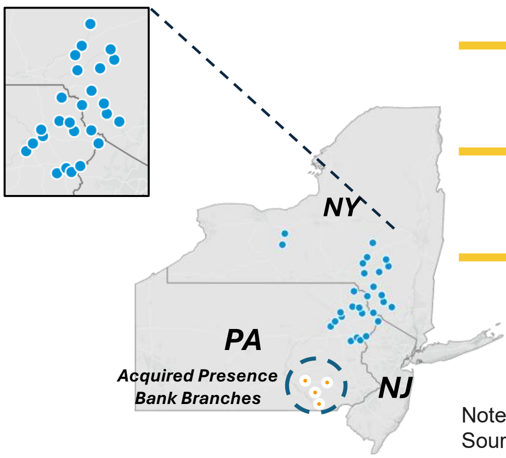
Branch Footprint



33 Offices

2 States

13 Counties

Rejoined the Russell 2000 Index in 2023

$1B – $5B in Asset Size

Note: Financials as of March 31, 2026; market data as of April 23, 2026
Source: S&P Capital IQ Pro

Key Tenets for Success

Customers	Employees	Community	Shareholders
150 Years in Business	**Rewarding Shareholders**	**Growth & Expansion**	**A Community Pillar**

Investment Proposition

- **Unified brand**: Consolidated Wayne Bank, Bank of Cooperstown, Bank of the Finger Lakes, and Presence Bank (April 2026) under single Wayne Bank brand
- Granular loan and deposit portfolio tied to our community
- Attractive financial profile enhanced by the proposed offering and repositioning

Norwood FINANCIAL CORP

- Disciplined underwriting culture
- Experienced Executive Team, aligned with Board of Directors, focused on delivering shareholder return
- Well-positioned to take advantage of market dislocation and M&A opportunities

Strength. Security. Stability.

For additional information and to stay informed on our progress, please visit
ir.wayne.bank

wayne.bank | Nasdaq symbol: NWFL | (570) 253-1455 | 1-800-598-5002