



Norwood
FINANCIAL CORP

Q4 2025 Earnings Presentation

January 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.

For further information regarding these risks and uncertainties and additional factors that could cause results to differ materially from those contained in the forward-looking statements, see the forward-looking statement disclosure contained in the Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, as well as the other documents subsequently filed by Norwood with the Securities and Exchange Commission (www.sec.gov). 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.

Q4 2025 Summary

Selected Financial Highlights (all comps Y/Y)

<p>\$20.9M Net Interest Income +26%</p>	<p>2.93% Net Interest Spread (fte)¹ +62 bps</p>
<p>3.60% Net Interest Margin (fte)¹ +56 bps</p>	<p>\$10.3M Adjusted Pre Provision Net Revenue¹ +47%</p>
<p>\$7.4M Adjusted Net Income¹ +139%</p>	<p>\$0.85 Adjusted Diluted EPS¹ +124%</p>
<p>1.21% Adjusted Return on Average Assets¹ +67 bps</p>	<p>14.03% Adjusted Return on Tangible Equity¹ +644 bps</p>

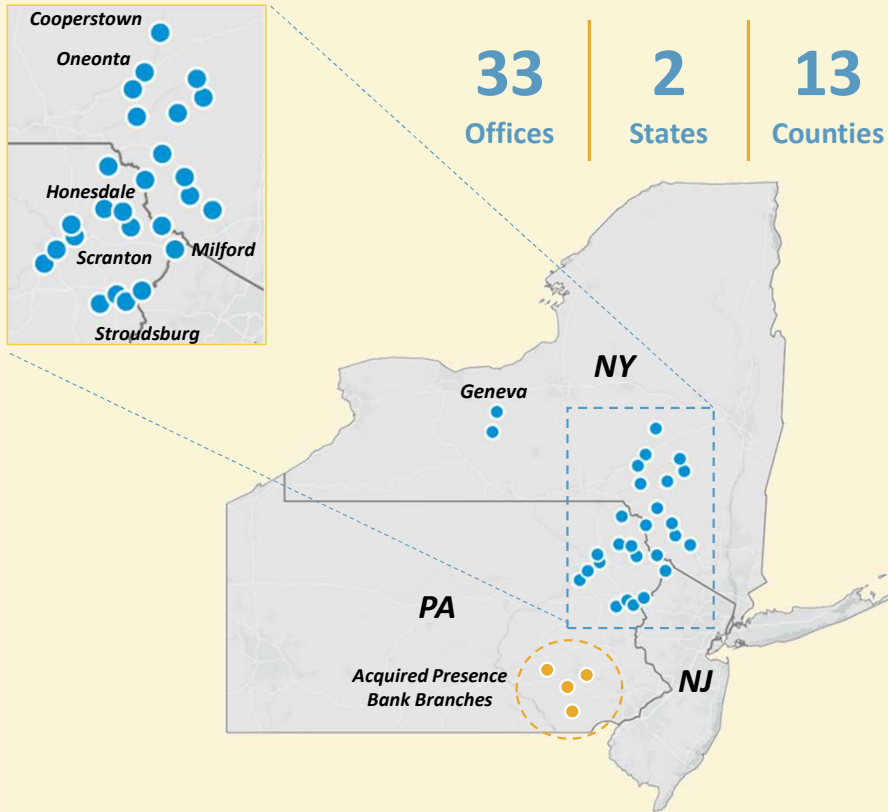
Key Messages

- 1** The team delivered a strong Q4 to close out the year with momentum as we build towards a bright future
- 2** Strong financial position due to Q4 2024 portfolio repositioning drove performance by improving margins, increasing profitability, and growing assets
- 3** Presence Bank acquisition expanded our geographic presence, increased our asset base, and strengthened our team to **better serve our communities**
- 4** Well positioned to **continue momentum into 2026**, with focus on strategic priorities to create a stronger organization with ingrained high-performance culture
- 5** Our employees continue to live out our values, making us and our communities **Every Day Better™**

¹⁾ See appendix for Non-GAAP reconciliation

Growing and Fortifying the Norwood Franchise

Growing Our Branch Footprint



Fortifying Our Financial Position

NASDAQ: NWFL

Headquarters: Honesdale, PA

Founded: 1871

Employees: 281

Dividend Yield: 4.6%

\$2.4B
Total Assets

\$1.9B
Total Gross Loans

\$2.1B
Total Deposits

\$242M
Total Equity

\$269M
Market Cap

Rejoined the Russell 2000
Index in 2023



\$1B - \$5B in Asset Size

Note: Financials as of December 31, 2025 and does not include Presence Bank acquisition; Market cap and dividend yield data as of January 21, 2026
Source: S&P Capital IQ Pro

Strength. Security. Stability.

Key Tenets for Success

Customers

Employees

Community

Shareholders



150+ Years in Business

Unified brand: Consolidated Wayne Bank, the Bank of Cooperstown, Bank of the Finger Lakes, and Presence Bank (in April 2026) 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 balance sheet to improve performance in 2025 and beyond
Record of 32 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 fee income lines such as wealth/trust, mortgage and treasury management services



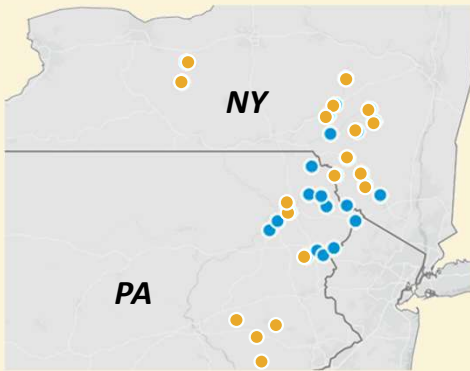
A Community Pillar

Mission Statement: “Helping the community grow by serving businesses and their employees”
The Bank and its employees are key contributors to several local charities
Focused on small business and local relationships

Disciplined, Opportunistic Growth Strategy

A History of Organic Growth and Successful Acquisitions

● Acquired Branches



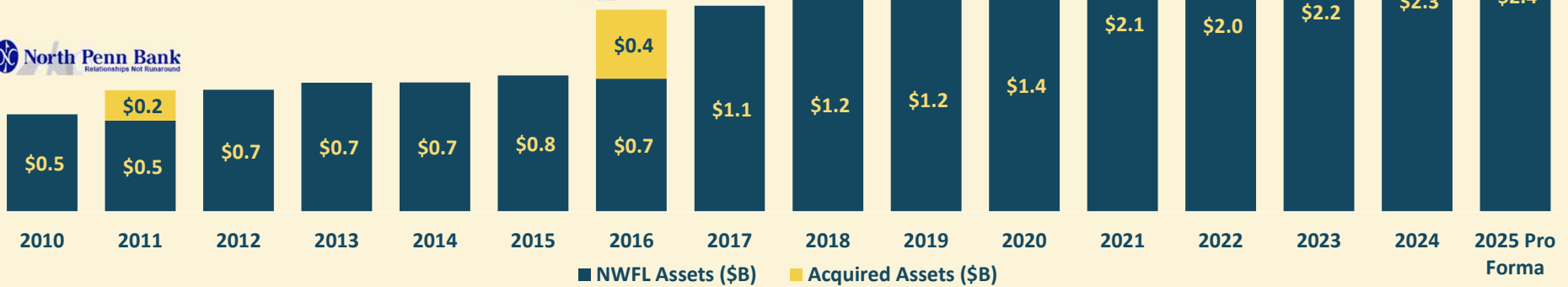
~12% CAGR

UPSTATE NEW YORK BANCORP. INC.

North Penn Bank
Relationships Not Runaround

NBDC BANK
The NBDC Companies, Inc.

PB¹



Note: Acquired branches on map reflect the branches existing today and exclude pending Presence Bank acquisition
 1. Presence Bank acquisition announced July 7, 2025; expected to close Q4 2025 or Q1 2026

2026 Strategic Priorities

Focused on Actions that will Create Value and Build Momentum

Successfully complete Presence Bank integration

Integrate IT and HR systems to create seamless, unified organization
Standardize on operations and customer engagement
Implement sharing of best practices

Increase operating efficiency and elevate the customer experience through AI

Implement commercial system from PB to drive efficiency and manage risk, empowering employees to do more
Utilize AI embedded in PB processes across the organization as part of integration
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
Janak M. Amin joins as EVP and Chief Operating Officer; Larry Witt as Chief Information Officer; Douglas Byers, Head of Treasury Management; Joseph W. Carroll and Spencer J. Address join NWFL Board of Directors

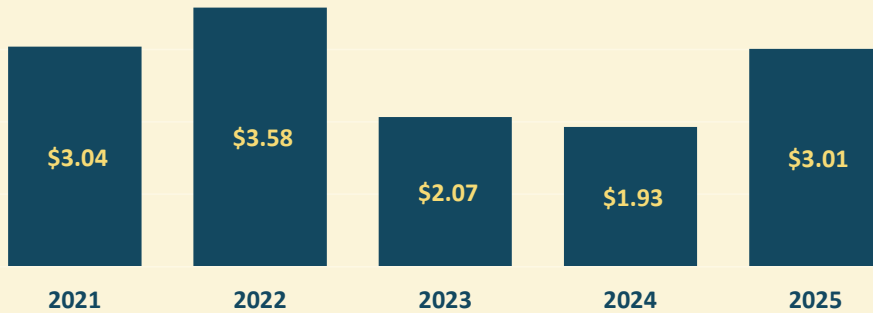
Increase shareholder value

Maintain strong financial position
Grow asset base through increasing deposits and investment decisions and continued strategic M&A
Enhance shareholder returns through a reliable and growing dividend

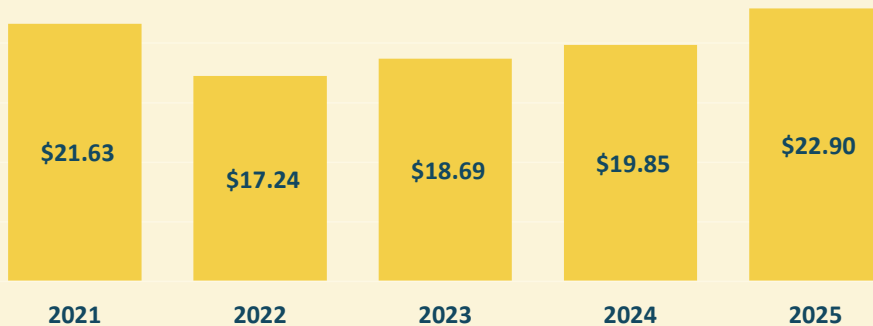
Positioning the Bank for Continued Growth

Improving Financial Performance

Adjusted Earnings Per Share¹



Tangible Book Value Per Share



1) See appendix for Non-GAAP reconciliation

Actions Taken to Drive Results

Reduction in EPS from 2022 to 2023 due to reduction in net interest income and increase in provision for credit losses due to rising interest rates

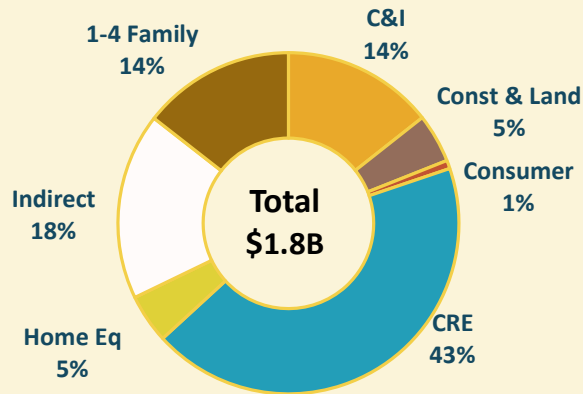
Repositioned the portfolio in 2024 to improve health and reduce interest rate variability

Presence Bank acquisition in 2025 further strengthens our financial position and provides us with a larger organization to scale as we serve our communities

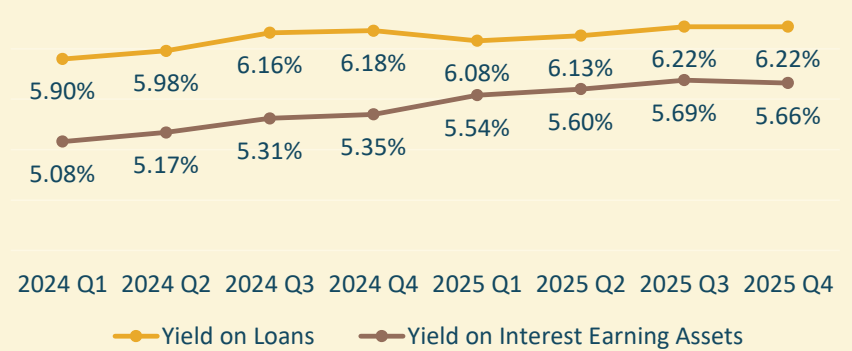
Loan Portfolio Overview

Small Business Lending, Granular Relationships and Limited Industry Concentration

Loan Portfolio By Category

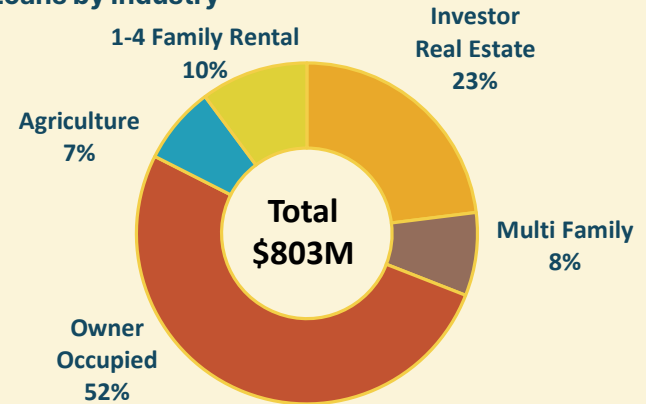


Historical Asset Yields



- \$87K Average Loan Size
- \$259K Average Commercial Loan Size
- 15% Adjustable, 33% Floating, and 52% Fixed Rate
- Office Exposure: 7 loans for ~\$4.2M
- CRE Ratio: 147% (as of Q3 2025)

CRE Loans by Industry



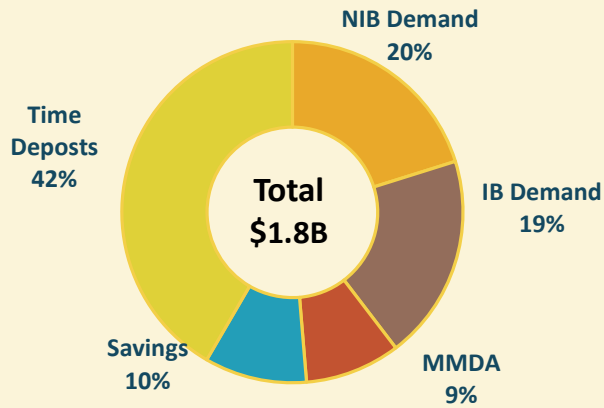
Strong Historical Credit Quality

Credit Quality Ratios					
	2021	2022	2023	2024	2025
Non-performing Loans / Loans	0.05%	0.08%	0.48%	0.46%	0.34%
Net Charge Offs / Loans	0.07%	0.02%	0.39%	0.10%	0.03%
ACL / Loans	1.21%	1.15%	1.18%	1.16%	1.07%
Reserves/NPAs	664%	1,165%	246%	252%	280%

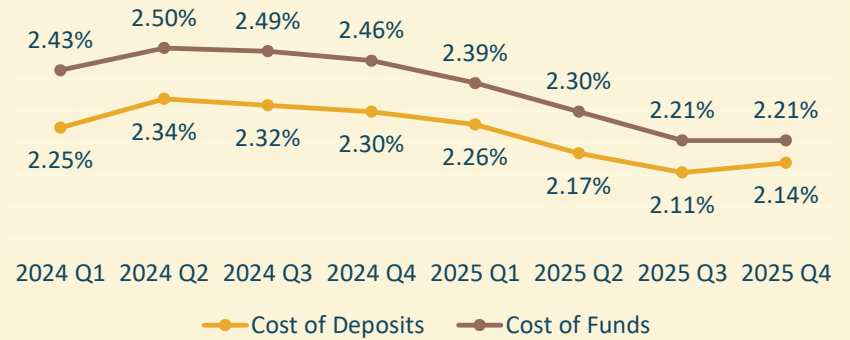
Deposit Portfolio Overview

Attractive Retail Franchise Bolstered by Commercial and Municipal Relationships

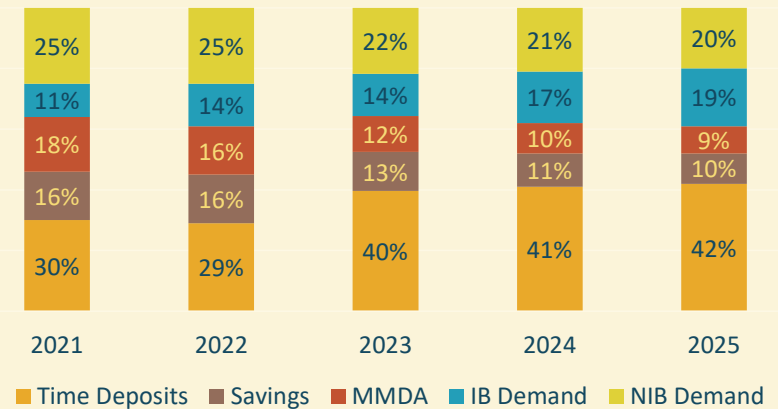
Deposit Portfolio by Category



Historical Funding Costs



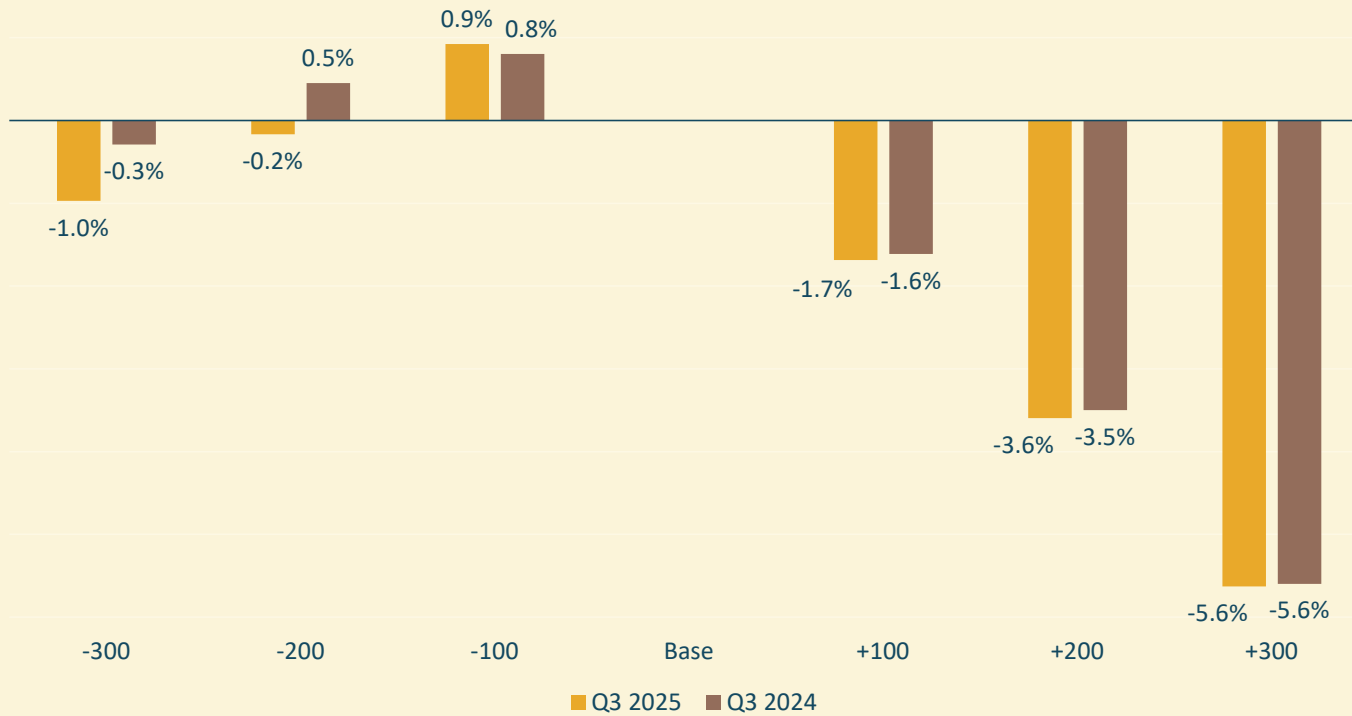
Deposit Composition Over Time



- \$30K Average Account Size**
- 6.2% 5-Yr Organic Compound Annual Growth Rate**
- \$462M in Municipal Deposits**

Interest Rate Sensitivity

Net Interest Income Sensitivity



Sensitivity to Net Interest Income over a 1-year time horizon, given a change in interest rates

Investment Proposition

Strong local ties providing consistent and sound growth opportunities

Granular loan and deposit portfolio tied to our community

Attractive financial profile enhanced by recent repositioning



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.



APPENDIX

TM

Every Day Better

Non-GAAP Financial Measures

Adjusted Return on Average Assets

(Dollars in thousands)

	Three Months Ended September 30, 2025	Three Months Ended December 31, 2025	Twelve Months Ended December 31, 2025
Net (loss) income	\$ 8,334	\$ 7,442	\$ 27,755
Average assets	2,363,759	2,441,572	2,369,516
Return on average assets (annualized)	1.40 %	1.21 %	1.17 %
Net (loss) income	8,334	7,442	27,755
Merger Expenses	568	520	1,238
Tax effect at 21%	(119)	(109)	(260)
Adjusted Net Income (Non-GAAP)	8,783	7,853	28,733
Average assets	2,363,759	2,441,572	2,369,516
Adjusted return on average assets (annualized) (Non-GAAP)	1.47 %	1.28 %	1.21 %

Adjusted Return on Average Tangible Shareholders' Equity

(Dollars in thousands)

	Three Months Ended September 30, 2025	Three Months Ended December 31, 2025	Twelve Months Ended December 31, 2025
Net (loss) income	\$ 8,334	\$ 7,442	\$ 27,755
Average shareholders' equity	226,733	240,123	227,160
Average intangible assets	29,380	29,369	29,388
Average tangible shareholders' equity	197,353	210,754	197,772
Return on average tangible shareholders' equity (annualized)	16.76 %	14.01 %	14.03 %
Net (loss) income	8,334	7,442	27,755
Merger Expenses	568	520	1,238
Tax effect at 21%	(119)	(109)	(260)
Adjusted Net Income (Non-GAAP)	8,783	7,853	28,733
Average tangible shareholders' equity	197,353	210,754	197,772
Adjusted return on average shareholders' equity (annualized) (Non-GAAP)	17.66 %	14.78 %	14.53 %

Non-GAAP Financial Measures (continued)

Adjusted Earnings Per Share

(Dollars in thousands)

	Three Months Ended September 30, 2025	Three Months Ended December 31, 2025	Twelve Months Ended December 31, 2025
GAAP-Based Earnings Per Share, Basic	\$ 0.89	\$ 0.81	\$ 3.01
GAAP-Based Earnings Per Share, Diluted	\$ 0.89	\$ 0.81	\$ 3.01
Net income	8,334	7,442	27,755
Merger Expenses	568	520	1,238
Tax effect at 21%	(119)	(109)	(260)
Adjusted Net Income (Non-GAAP)	8,783	7,853	28,733
Adjusted Earnings per Share, Basic (Non-GAAP)	\$ 0.94	\$ 0.85	\$ 3.11
Adjusted Earnings per Share, Diluted (Non-GAAP)	\$ 0.94	\$ 0.85	\$ 3.11

Tangible Book Value

(Dollars in thousands)

	September 30, 2025	December 31, 2025
Total shareholders' equity	234,905	242,157
Adjustments:		
Goodwill	(29,266)	(29,266)
Other intangible assets	(109)	(98)
Tangible common equity (Non-GAAP)	205,530	212,793
Common shares outstanding	9,262,325	9,293,858
Book value per common share	25.36	26.06
Tangible book value per common share (Non-GAAP)	22.19	22.90

Non-GAAP Financial Measures (continued)

Adjusted Return on Average Assets

(Dollars in thousands)

	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
Net (loss) income	\$ (12,651)	\$ (160)
Average assets	2,299,732	2,250,171
Return on average assets (annualized)	-2.19 %	-0.01 %
Net (loss) income	(12,651)	(160)
Net realized losses on sale of securities	19,962	19,962
Tax effect at 21%	<u>(4,192)</u>	<u>(4,192)</u>
Adjusted Net Income (Non-GAAP)	3,119	15,610
Average assets	2,299,732	2,250,171
Adjusted return on average assets (annualized) (Non-GAAP)	0.54 %	0.69 %

Adjusted Return on Average Tangible Shareholders' Equity

(Dollars in thousands)

	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
Net (loss) income	\$ (12,651)	\$ (160)
Average shareholders' equity	192,981	185,952
Average intangible assets	<u>29,424</u>	<u>29,449</u>
Average tangible shareholders' equity	163,557	156,503
Return on average tangible shareholders' equity (annualized)	-30.77 %	-0.10 %
Net (loss) income	(12,651)	(160)
Net realized losses on sale of securities	19,962	19,962
Tax effect at 21%	<u>(4,192)</u>	<u>(4,192)</u>
Adjusted Net Income (Non-GAAP)	3,119	15,610
Average tangible shareholders' equity	163,557	156,503
Adjusted return on average shareholders' equity (annualized) (Non-GAAP)	7.59 %	9.97 %

Non-GAAP Financial Measures (continued)

Adjusted Earnings Per Share

(Dollars in thousands)

	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
GAAP-Based Earnings Per Share, Basic	\$ (1.54)	\$ (0.02)
GAAP-Based Earnings Per Share, Diluted	\$ (1.54)	\$ (0.02)
Net (Loss) Income	(12,651)	(160)
Net realized losses on sale of securities	19,962	19,962
Tax effect at 21%	(4,192)	(4,192)
Adjusted Net Income (Non-GAAP)	3,119	15,610
Adjusted Earnings per Share, Basic (Non-GAAP)	\$ 0.38	\$ 1.93
Adjusted Earnings per Share, Diluted (Non-GAAP)	\$ 0.38	\$ 1.93

Tangible Book Value

(Dollars in thousands)

	December 31, 2024
Total shareholders' equity	213,508
Adjustments:	
Goodwill	(29,266)
Other intangible assets	(152)
Tangible common equity (Non-GAAP)	184,090
Common shares outstanding	9,272,906
Book value per common share	23.02
Tangible book value per common share (Non-GAAP)	19.85

Non-GAAP Financial Measures (continued)

Pre Provision Net Revenue											
(Dollars in thousands)											
		Three Months Ended December 31,				Twelve Months Ended December 31					
		2025	2024			2025	2024				
Income before tax expense (GAAP)	\$	9,368	\$ (16,057)			\$ 35,019	\$ (258)				
Provision for (release of) credit losses		468	1,604			1,773	2,673				
Pre provision net revenue (PPNR) (Non-GAAP)		9,836	(14,453)			36,792	2,415				
Merger expenses and net realize losses on sale of securities		520	19,962			1,238	19,962				
PPNR adjusted for merger expenses (Non-GAAP)		10,356	5,509			38,030	22,377				
		Three Months Ended									
		September 30,									
		2025									
Income before tax expense (GAAP)	\$	10,531									
Provision for (release of) credit losses		(502)									
Pre provision net revenue (PPNR) (Non-GAAP)		10,029									
Merger expenses		568									
PPNR adjusted for merger expenses (Non-GAAP)		10,597									

Thank You

