



Norwood
FINANCIAL CORP

INVESTOR PRESENTATION

Q3 2025 Earnings Call

October 22, 2025

Forward-looking Statements and Additional Information

This presentation contains forward-looking statements within the meaning of the federal securities laws relating to the proposed merger with PB Bankshares, Inc. ("PBBK") by Norwood Financial Corp. ("Norwood" or "NWFL"), the integration of PBBK with NWFL, the combination of their businesses and projected or pro forma financial information and metrics. 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 NWFL and PBBK and members of their respective 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. Completion of the proposed merger, 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 NWFL'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 proposed merger may not be realized or take longer than expected to realize, the failure to obtain required regulatory or shareholder approvals, the failure of the closing conditions in the merger agreement to be satisfied or any unexpected delay in closing the transaction.

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 Annual Report on Form 10-K for the most recently ended fiscal year of NWFL and PBBK, as well as the proxy statement/prospectus described below, and other documents subsequently filed by NWFL and PBBK with the Securities and Exchange Commission. Due to these and other possible uncertainties and risks, NWFL and PBBK 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 NWFL and PBBK, and the parties assume 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. NWFL and PBBK believe 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 NWFL.

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. NWFL'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.

Forward-looking Statements and Additional Information

This communication is being made in respect of the proposed merger transaction involving NWFL and PBBK. This material is not a solicitation of any vote or approval of the NWFL and PBBK shareholders and is not a substitute for the proxy statement/prospectus or any other documents that NWFL and PBBK may send to their respective shareholders in connection with the proposed transaction. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities.

The proposed merger transaction will be submitted to the shareholders of PBBK for their consideration. In connection with the proposed merger, Norwood filed a Registration Statement on Form S-4 (File No. 333-290392) with the Securities and Exchange Commission (the "SEC"), to register the shares of Norwood common stock to be issued in connection with the proposed transaction. The Registration Statement, as amended, has not yet been declared effective by the SEC, includes the joint proxy statement/prospectus of Norwood and PB Bankshares which will be mailed to stockholders of PB Bankshares, seeking their approval of the proposed transaction. This communication does not constitute an offer to sell or the solicitation of an offer to buy and securities or a solicitation of any vote or approval. BEFORE MAKING ANY VOTING OR INVESTMENT DECISIONS, INVESTORS AND PBBK SHAREHOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC AND ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT NWFL, PBBK, THE PROPOSED TRANSACTION AND RELATED MATTERS. Shareholders are also urged to carefully review and consider NWFL's and PBBK's public filings with the SEC, including, but not limited to, its proxy statements, its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. Investors and security holders may obtain free copies of the Registration Statement, the proxy statement/prospectus, any amendments or supplements thereto and other documents containing important information about NWFL or PBBK and/or the proposed transaction, once such documents are filed with the SEC, at the SEC's website at www.sec.gov. In addition, copies of the documents filed with the SEC by NWFL, including the proxy statement/prospectus and the SEC filings that will be incorporated by reference in the proxy statement/prospectus, will be available free of charge on the NWFL's website at www.wayne.bank under the heading "Shareholder Services."

Participants in the Solicitation

NWFL, PBBK and certain of their respective directors, executive officers and other members of management and employees may, under the SEC's rules, be deemed to be participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of NWFL is set forth in its proxy statement for its 2025 annual meeting of shareholders, which was filed with the SEC on March 18, 2025, its annual report on Form 10-K for the fiscal year ended December 31, 2024, which was filed with the SEC on March 14, 2025, and in other documents filed with the SEC, each of which can be obtained free of charge from the sources indicated above. Information about the directors and executive officers of PBBK is set forth in its proxy statement for its 2025 annual meeting of shareholders, which was filed with the SEC on April 23, 2025, its annual report on Form 10-K for the fiscal year ended December 31, 2024, which was filed with the SEC on March 28, 2025, and in other documents filed with the SEC, each of which can be obtained free of charge from the sources indicated above. Additional information regarding the participants in the proxy solicitation, including a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. Free copies of these documents may be obtained as described in the preceding paragraph.

Q3 2025 Summary

Selected Financial Highlights (all comps Y/Y)

\$20.5M Net Interest Income +28%	2.94% Net Interest Spread (fte) ¹ +71 bps
3.63% Net Interest Margin (fte) ¹ +64 bps	\$10.6M Adjusted Pre Provision Net Revenue ¹ +71%
\$8.8M Adjusted Net Income ¹ +56%	\$0.94 Adjusted Diluted EPS ¹ +96%
1.47% Adjusted Return on Average Assets ¹ +79 bps	17.66% Adjusted Return on Tangible Equity ¹ +808 bps

Key Messages

1

We performed well during the third quarter, improving margins, increasing profitability, growing assets, and strengthening our financial position

2

Our 2025 results continue to benefit from the strategic repositioning of our bond portfolio completed Q4 2024

3

We have filed all required applications with regulatory authorities for approval of the merger, and the applications are pending

4

We completed the leadership transition of our Board of Directors and added two new Directors to strengthen governance and lead NWFL into our next leg of growth

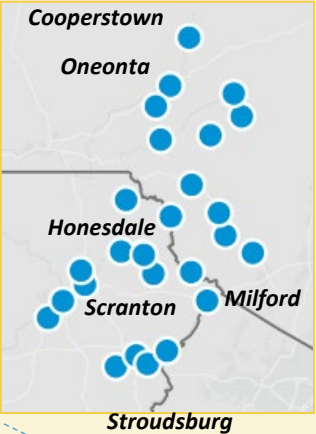
5

Our employees continue to live out our values of community service, making them “Every Day Better”

¹⁾ See appendix for Non-GAAP reconciliation

Franchise Overview | Norwood Financial Corp.

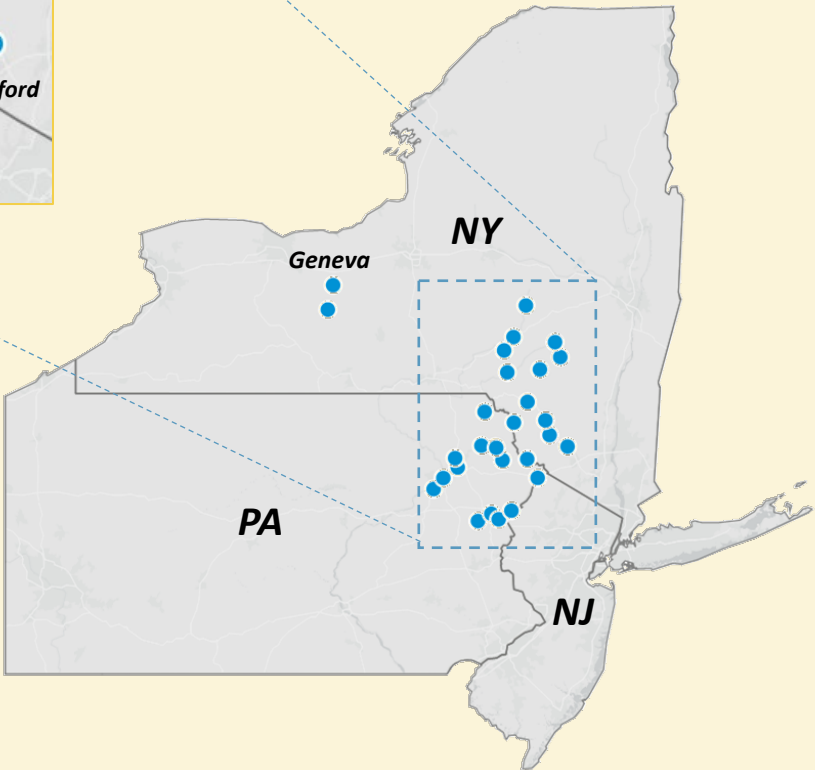
Branch Footprint



29
Offices

2
States

10
Counties



Franchise Highlights

NASDAQ: NWFL

Headquarters: Honesdale, PA

Founded: 1871

Employees: 281

Dividend Yield: 5.0%

\$2.4B
Total Assets

\$1.8B
Total Gross Loans

\$2.1B
Total Deposits

\$235M
Total Equity

\$244.0M
Market Cap

**Rejoined the Russell 2000
Index in 2023**



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

Strength. Security. Stability.

Key Tenets for Success

Customers

Employees

Community

Shareholders



150+ Years in Business

Recently rebranded: Consolidated Wayne Bank, the Bank of Cooperstown and Bank of the Finger Lakes 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 three successful acquisitions between 2011 and 2020

Focused on expanding fee income lines such as wealth/trust, mortgage and treasury management services



A Community Pillar

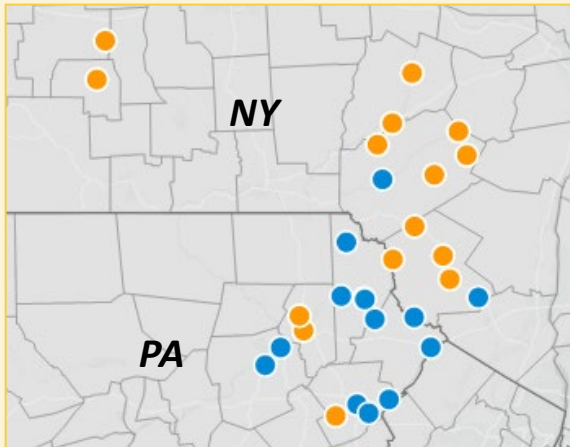
Mission Statement: "Helping the community grow by serving businesses and their employees"

The Bank and its employees are key contributors to several local charities
Focused on small business and local relationships

Disciplined, Opportunistic Growth Strategy

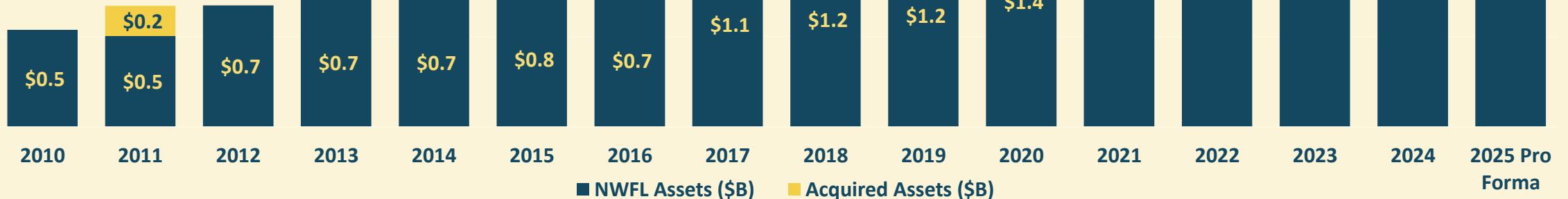
A History of Organic Growth and Successful Acquisitions

● Acquired Branches



~13% CAGR

UPSTATE NEW YORK BANCORP, INC.

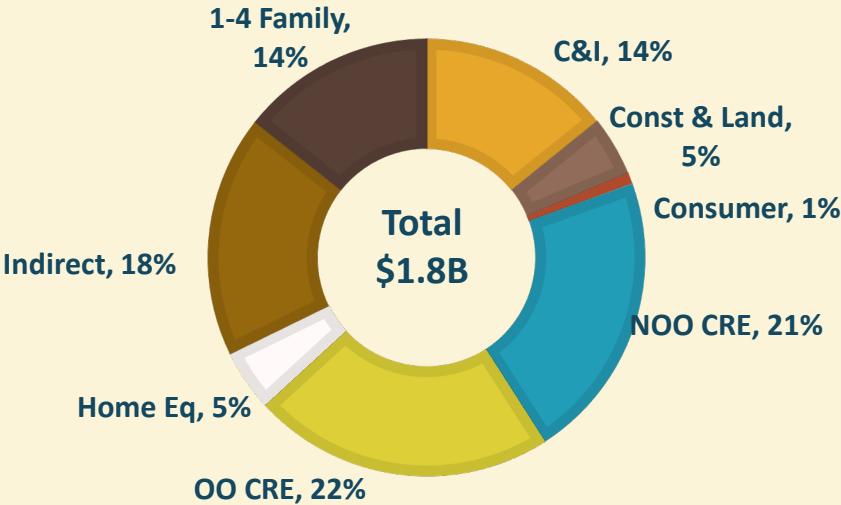


Note: Acquired branches on map reflect the branches existing today and exclude pending Presence Bank acquisition
 1. Presence Bank acquisition announced July 7, 2025; expected to close Q4 2025 or Q1 2026

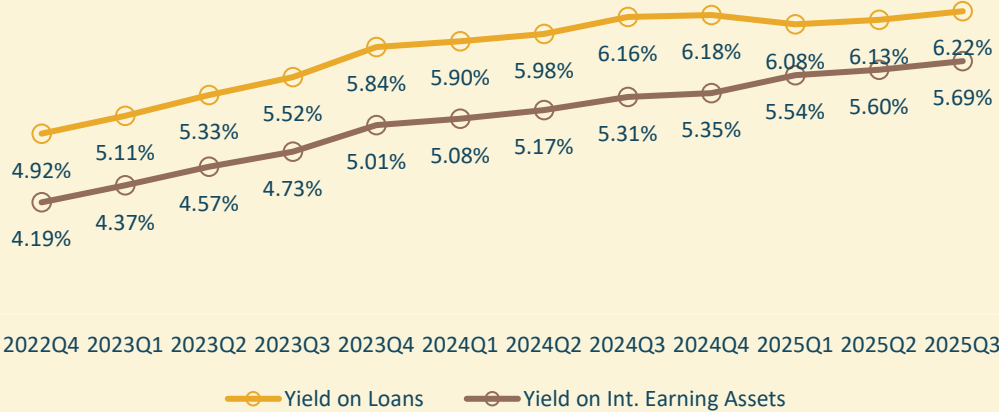
Loan Portfolio Overview

Small Business Lending, Granular Relationships and Limited Industry Concentration

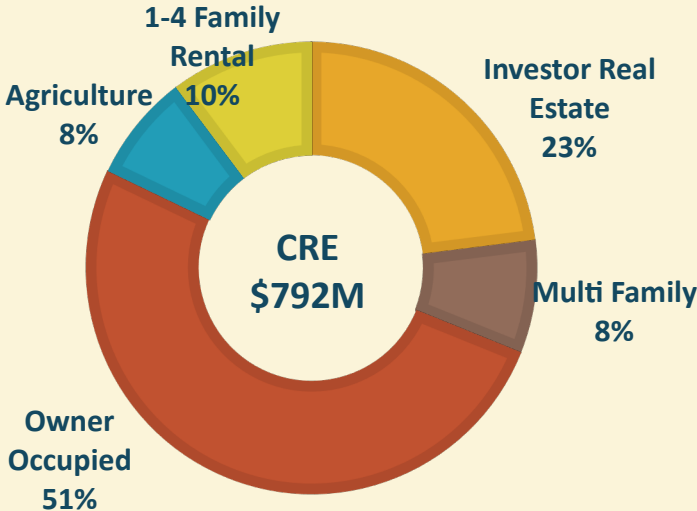
Loan Portfolio By Category



Historical Asset Yields



CRE Loans by Industry



\$91K Average Loan Size



\$298K Average Commercial Loan Size



13% Adjustable, 32% Floating, and 55% Fixed Rate



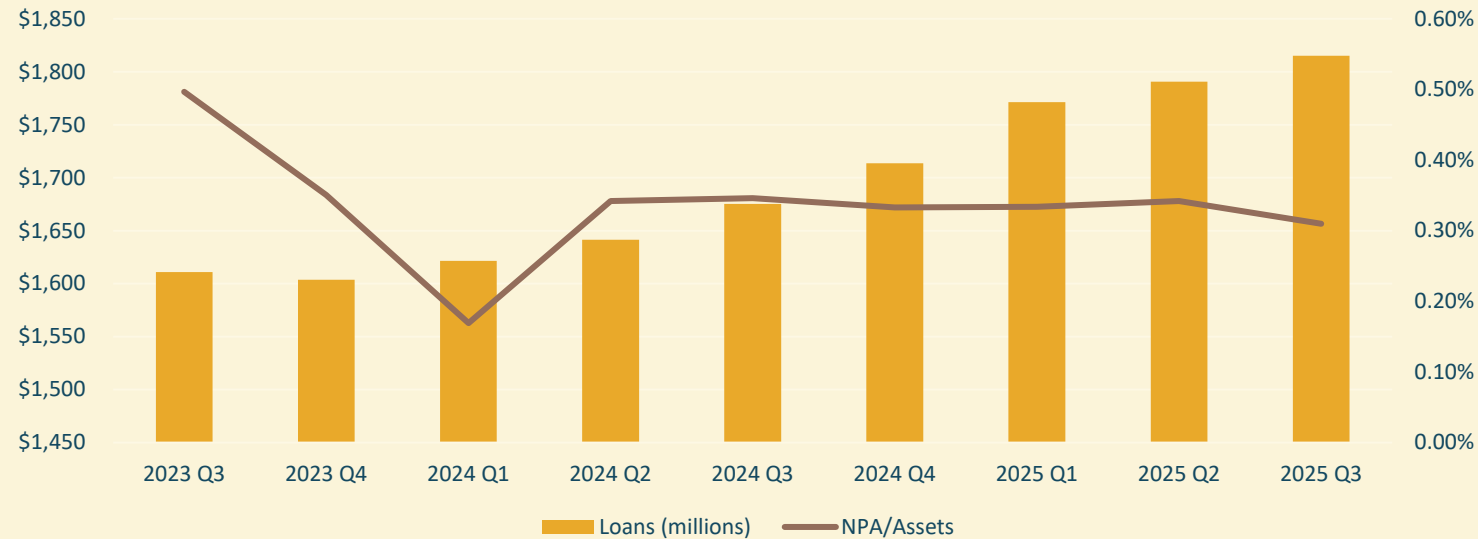
Office Exposure: 7 loans for ~\$5M



CRE Ratio: 131% (as of Q2 2025)

Strong Historical Credit Quality

Recent Loan Growth Has Not Compromised Our Disciplined Credit Culture

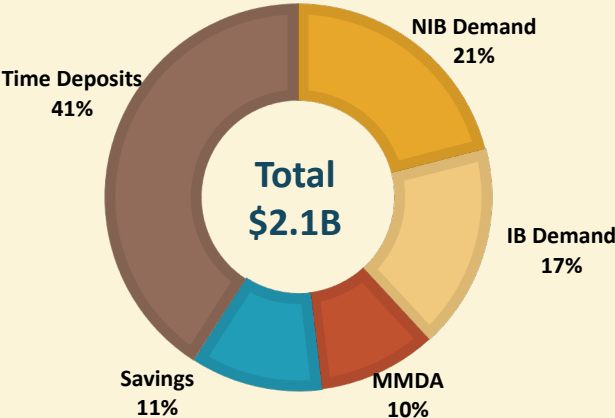


	For the Calendar Year Ended						YTD
	2018	2020	2021	2022	2023	2024	2025
Credit Quality Ratios (%)							
Non Performing Loans/Loan	0.09	0.24	0.05	0.08	0.48	0.46	0.36
Net Charge Offs/Loans	0.13	0.07	0.07	0.02	0.39	0.10	0.07
ACL/Loans	0.92	0.93	1.21	1.15	1.18	1.16	1.10
Reseves/NPAs	362	302	664	1,165	246	252	258

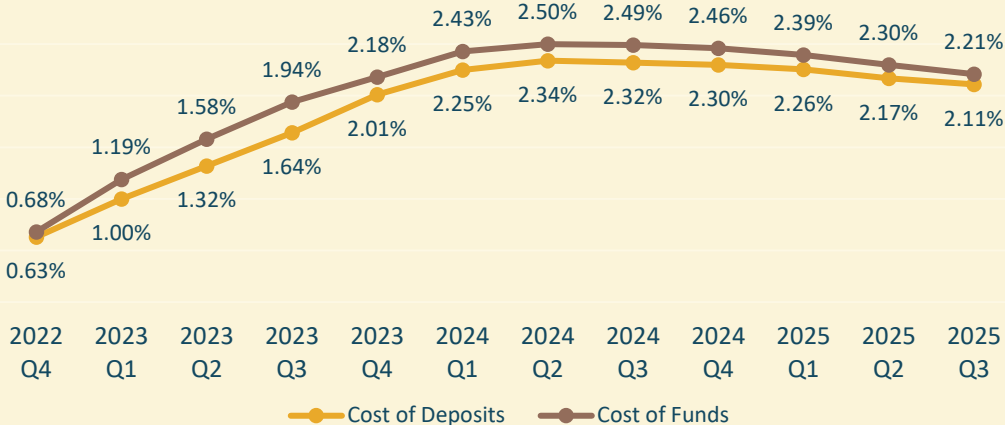
Deposit Portfolio Overview

Attractive Retail Franchise Bolstered by Commercial and Municipal Relationships

Deposit Portfolio by Category



Historical Funding Costs





\$32K Average Account Size

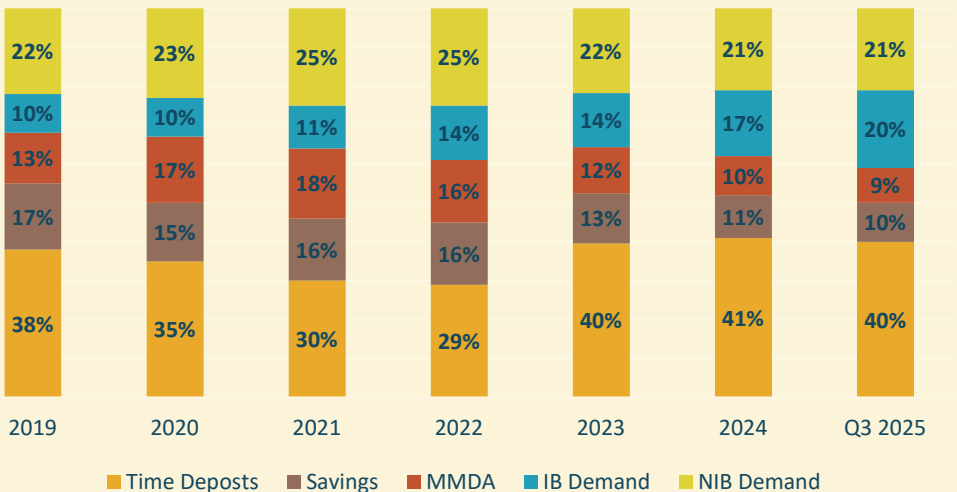


6.5% 5-Yr Organic Compound Annual Growth Rate



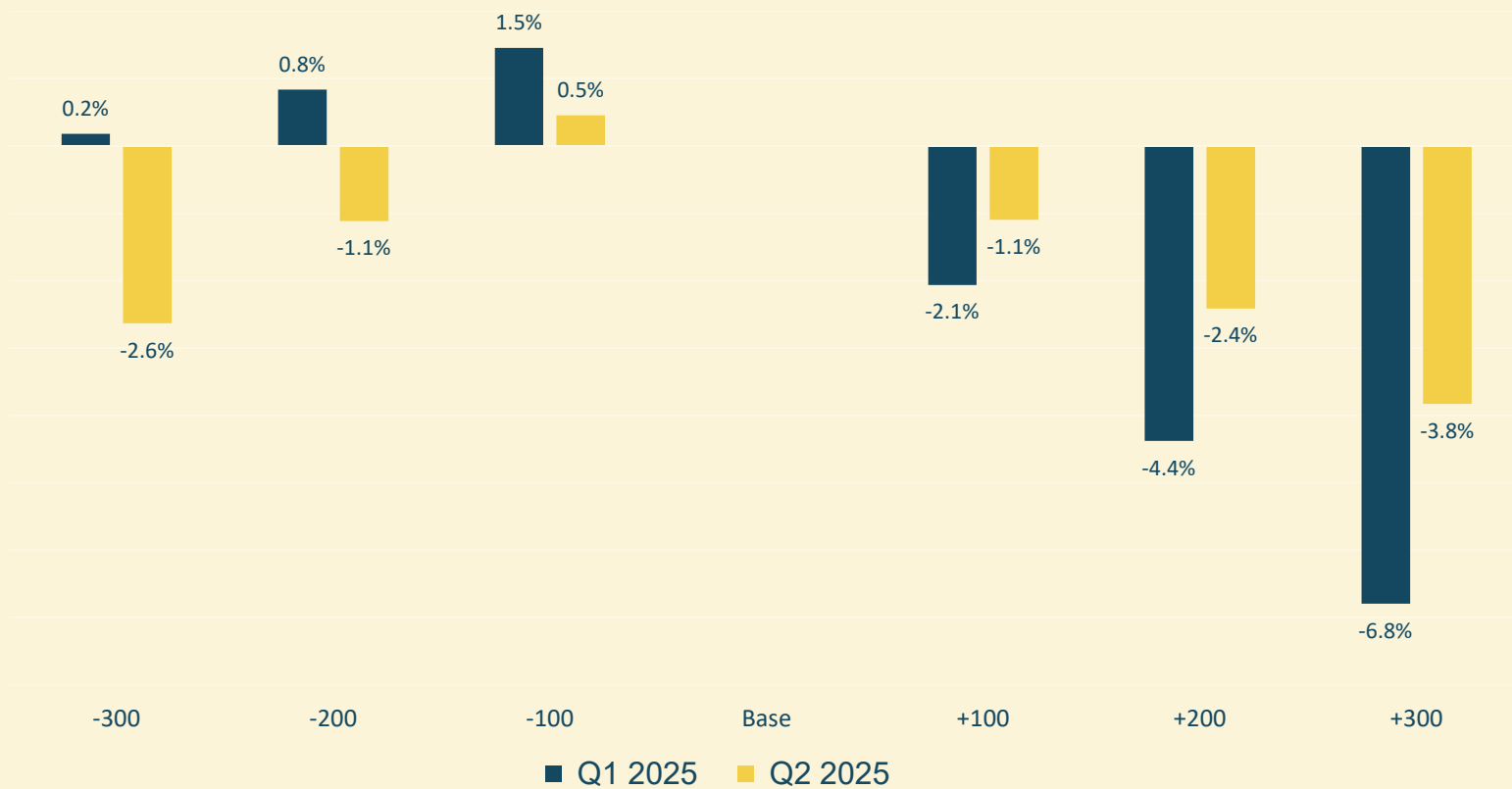
\$476M in Municipal Deposits

Deposit Composition Over Time



Interest Rate Sensitivity

Net Interest Income Sensitivity



Note: Impact to net interest income as of September 30, 2024

Investment Proposition

Strong local ties providing consistent and sound growth opportunities

Disciplined underwriting culture

Granular loan and deposit portfolio tied to our community

Experienced Executive Team, aligned with Board of Directors, focused on delivering shareholder return

Attractive financial profile enhanced by the proposed offering and repositioning

Well-positioned to take advantage of market dislocation and M&A opportunities



Strength. Security. Stability.



APPENDIX

Every Day Better

Non-GAAP Financial Measures

Adjusted Return on Average Assets

(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended
	2025	2024	2025	2024	June 30, 2025
Net (loss) income	\$ 8,334	\$ 3,844	\$ 20,313	\$ 12,491	\$ 6,205
Average assets	2,363,759	2,236,466	2,345,909	2,233,530	2,355,809
Return on average assets (annualized)	1.40 %	0.68 %	1.16 %	0.75 %	1.06 %
Net (loss) income	8,334	3,844	20,313	12,491	6,205
Merger Expenses	568	0	718	0	150
Tax effect at 21%	(119)	0	(151)	0	(32)
Adjusted Net Income (Non-GAAP)	8,783	3,844	20,880	12,491	6,324
Average assets	2,363,759	2,236,466	2,345,909	2,233,530	2,355,809
Adjusted return on average assets (annualized) (Non-GAAP)	1.47 %	0.68 %	1.19 %	0.75 %	1.08 %

Adjusted Return on Average Tangible Shareholders' Equity

(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended
	2025	2024	2025	2024	June 30, 2025
Net (loss) income	\$ 8,334	\$ 3,844	\$ 20,313	\$ 12,491	\$ 6,205
Average shareholders' equity	226,733	189,135	222,791	183,593	223,351
Average intangible assets	29,380	29,440	29,394	29,457	29,394
Average tangible shareholders' equity	197,353	159,695	193,397	154,136	193,957
Return on average tangible shareholders' equity (annualized)	16.76 %	9.58 %	14.04 %	10.82 %	12.83 %
Net (loss) income	8,334	3,844	20,313	12,491	6,205
Merger Expenses	568	0	718	0	150
Tax effect at 21%	(119)	0	(151)	0	(32)
Adjusted Net Income (Non-GAAP)	8,783	3,844	20,880	12,491	6,324
Average tangible shareholders' equity	197,353	159,695	193,397	154,136	193,957
Adjusted return on average shareholders' equity (annualized) (Non-GAAP)	17.66 %	9.58 %	14.43 %	10.82 %	13.08 %

Non-GAAP Financial Measures (continued)

Adjusted Earnings Per Share

(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended
	2025	2024	2025	2024	June 30, 2025
GAAP-Based Earnings Per Share, Basic	\$ 0.89	\$ 0.48	\$ 2.22	\$ 1.55	\$ 0.67
GAAP-Based Earnings Per Share, Diluted	\$ 0.89	\$ 0.48	\$ 2.22	\$ 1.55	\$ 0.67
Net (Loss) Income	8,334	3,844	20,313	12,491	6,205
Merger Expenses	568	0	718	0	150
Tax effect at 21%	(119)	0	(151)	0	(32)
Adjusted Net Income (Non-GAAP)	8,783	3,844	20,880	12,491	6,324
Adjusted Earnings per Share, Basic (Non-GAAP)	\$ 0.94	\$ 0.48	\$ 2.28	\$ 1.55	\$ 0.69
Adjusted Earnings per Share, Diluted (Non-GAAP)	\$ 0.94	\$ 0.48	\$ 2.28	\$ 1.55	\$ 0.69

Pre Provision Net Revenue

(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended
	2025	2024	2025	2024	June 30, 2025
Income before tax expense (GAAP)	\$ 10,531	\$ 4,850	\$ 25,651	\$ 15,799	\$ 7,832
Provision for (release of) credit losses	(502)	1,345	1,305	1,069	950
Pre provision net revenue (PPNR) (Non-GAAP)	10,029	6,195	26,956	16,868	8,782
Merger expenses	568	0	718	0	150
PPNR adjusted for merger expenses (Non-GAAP)	\$ 10,597	\$ 6,195	\$ 27,674	\$ 16,868	\$ 8,932

Non-GAAP Financial Measures (continued)

Net interest income on a fully taxable equivalent basis

(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended
	2025	2024	2025	2024	June 30, 2025
Net Interest Income	\$ 20,458	\$ 15,931	\$ 57,380	\$ 45,566	\$ 19,065
Taxable equivalent basis adjustment using 21% marginal tax rate	192	207	589	601	199
Net interest income on a fully taxable equivalent basis	\$ <u>20,650</u>	\$ <u>16,138</u>	\$ <u>57,969</u>	\$ <u>46,167</u>	\$ <u>19,264</u>

Average tangible equity

(Dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended
	2025	2024	2025	2024	June 30, 2025
Average equity	\$ 226,733	\$ 189,135	\$ 222,791	\$ 183,593	\$ 223,351
Average goodwill and other intangibles	(29,380)	(29,440)	(29,394)	(29,457)	(29,394)
Average tangible equity	\$ <u>197,353</u>	\$ <u>159,695</u>	\$ <u>193,397</u>	\$ <u>154,136</u>	\$ <u>193,957</u>

Tangible Book Value

(Dollars in thousands)

	at September 30,		at June 30,
	2025	2024	2025
Total shareholders' equity	234,905	195,654	225,425
Adjustments:			
Goodwill	(29,266)	(29,266)	(29,266)
Other intangible assets	(109)	(167)	(121)
Tangible common equity (Non-GAAP)	205,530	166,221	196,038
Common shares outstanding	9,262,325	8,090,711	9,260,522
Book value per common share	25.36	24.18	24.34
Tangible book value per common share (Non-GAAP)	22.19	20.54	21.17



Thank You