Norwood
FINANCIAL CORP

Q2 2026 Investor Presentation

Community Bank Making Every Day Better™

JULY 27, 2026

NASDAQ GLOBAL: NWFL

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.

Key messages

1 **Reinforcing strengths and growth trajectory** of a regional bank with a rich history of serving communities since 1871

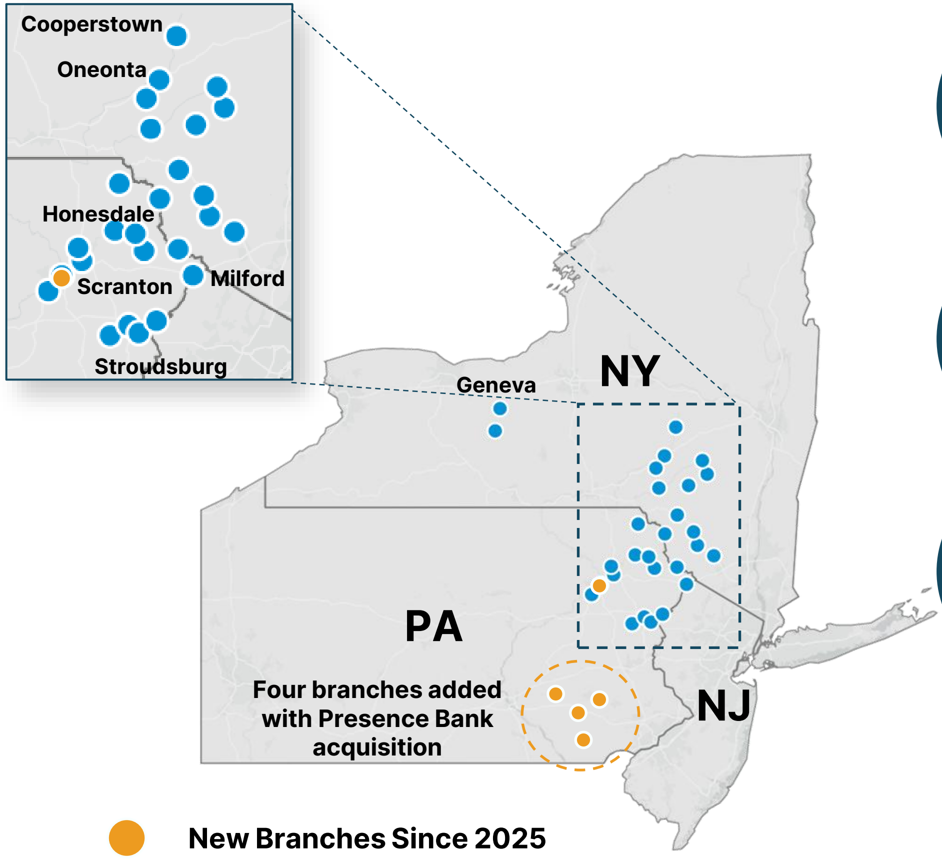
2 Creating a **high-performance culture** that consistently delivers improving results and increasing returns

3 Executing a **disciplined strategy to achieve 6%+ growth** through market outperformance and strategic M&A

4 Combining improved returns and disciplined capital allocation to **create shareholder value**

Growing and fortifying the Norwood franchise

Adding branch locations to GROW our geographic footprint



13 Countries

33 Offices

2 States

From a strong foundation, we continue to FORTIFY our financial position

NWFL NASDAQ

1871 Founded

310 Employees

Honesdale, PA Headquarters

2026 U.S. Innovative Bank Leader

Newsweek's America's Best Regional Banks & Credit Unions 2026

CAGR 2020 TO Q2 2026

Total assets	9%
Net interest income	12%
Net income	13%

Scan QR Code to See Wayne Bank Corporate Overview

Driving consistent execution across the organization to profitably grow and create shareholder value

Positioning the Bank for our next era of growth

Structurally improved our franchise

Repositioned our portfolio

Strengthened and deepened our leadership bench

Expanded and modernized our customer experience

Continued to add quality organizations through strategic M&A

Updated our brand to reflect our vision for the future: Every Day Better™

Strategically accelerating our growth trajectory

Aligning with regions and markets that have durable growth fundamentals

Partnering with small businesses to enable and grow with their success

Maintaining robust financial position with broad asset exposure and disciplined underwriting culture

Using our balance sheet to augment organic growth with strategic M&A

Creating a culture that reliably delivers high-return growth

Executing a disciplined growth strategy to achieve financial targets

Leveraging our strengths to create value

Organic growth

Serving markets and regions that are growing

Aim to outgrow underlying markets by partnering with regional small businesses and expanding with them

Increasing and broadening sources of noninterest income

Strategic M&A

Build on successful track record

Leverage strong balance sheet

Geographic-adjacent expansion

Be the acquisition partner of choice

Strong execution

Maintain diversified portfolio to minimize concentration risk

Disciplined underwriting culture to sustain high credit quality

Financial discipline to manage and optimize balance sheet exposures

Value creation

Generate **6%+** asset growth

Drive **double-digit** returns

Targeting **+$5B** in assets (+67% from current level)

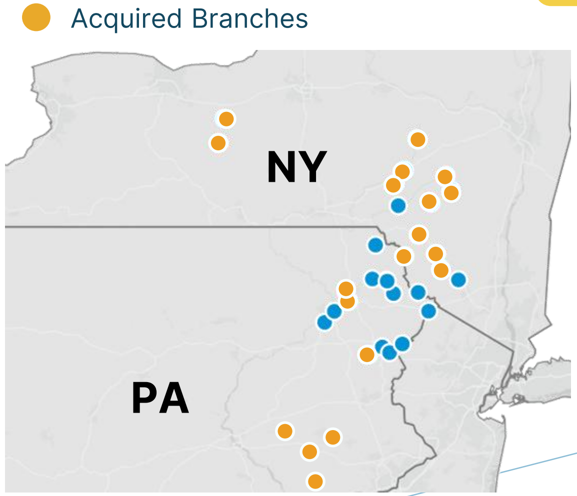
Loans to deposits greater than **90%**

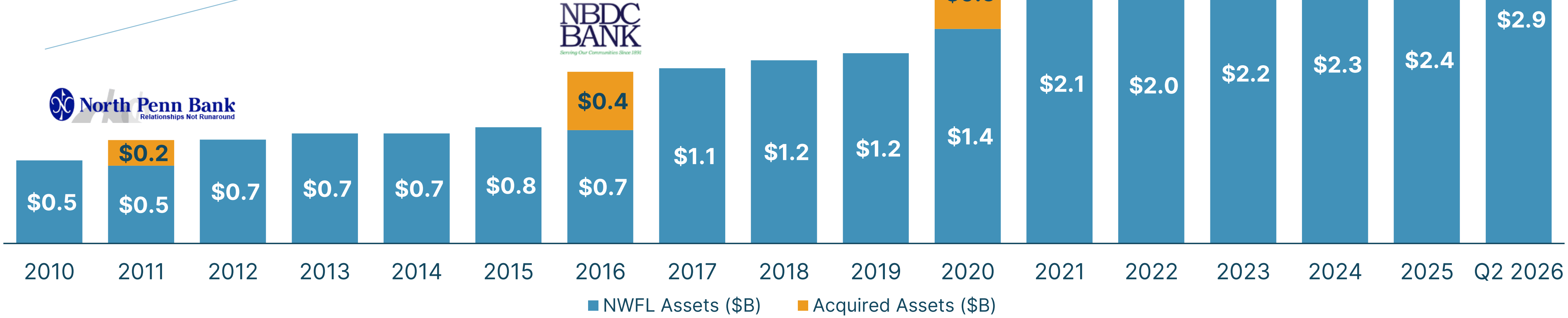
Committed to a **healthy and growing dividend**

Following a defined path to shareholder value creation

Disciplined, opportunistic growth strategy

A history of organic GROWTH and successful ACQUISITIONS





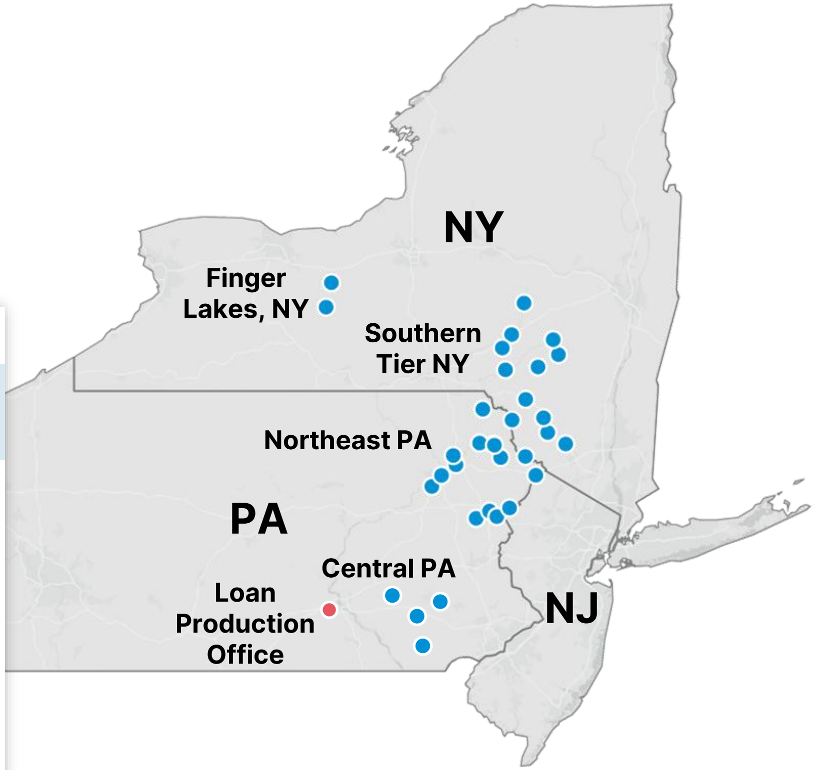
Clear focus on regions with healthy small businesses environment

Community bank targeting opportunity-rich regions

Small cities in rural and suburban settings

Growing metro areas that have high credit quality

Northeast PA	Central PA	Southern Tier NY	Finger Lakes NY
Stable growth	**Mixes towards higher growth**	**Stable growth**	**Stable growth**
Key Industries: • Agribusiness / Food & Beverage Manufacturing • Plastics Manufacturing • Advanced Manufacturing	**Key Industries:** • Advanced Manufacturing • Agriculture and Food Manufacturing • Healthcare	**Key Industries:** • Homeland and Cybersecurity • Cleantech and Renewable Energy • Distribution • Agribusiness	**Key Industries:** • Optics, Photonics and Imaging • Biotech and Life Sciences • Agribusiness • Software and Digital Media



Serving communities that best fit our competitive differentiators

Our distinctives give us competitive advantages

We have COMPETITIVE DIFFERENTIATORS that position us to win in our markets

- Strong local ties provide 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 and aligned leadership focused on delivering shareholder return
- Well-positioned to take advantage of market dislocation and M&A opportunities

Enhancing our ability to deliver profitable growth

Management team building on legacy to create shareholder value

James O. Donnelly
President and Chief Executive Officer

Janak Amin
Executive Vice President and Chief Operating Officer

John McCaffery
Executive Vice President and Chief Financial Officer

Vincent G. O'Bell
Executive Vice President and Chief Lending Officer

John F. Carmody
Executive Vice President and Chief Credit Officer

Steven Daniels
Executive Vice President and Chief Consumer Banking Officer

Ryan J. French
Executive Vice President and Chief Human Resources Officer

Tracie A. Young
Executive Vice President and Chief Risk Officer

Larry Witt
Executive Vice President and Chief Information Officer

Douglas Byers
Executive Vice President and Market Executive

Joseph Adams
Senior Vice President and Director of Wealth Management and Investor Services

Joseph Mahon
Executive Vice President and Market Executive

Mike Rollison
Senior Vice President and Commercial Loan Team Leader

Diane M. Wylam
Senior Vice President and Senior Trust Officer

Kristen Lancia
Vice President and Marketing Manager

Combined management team and Board of Directors represent 8.1% ownership*

*Per 2025 proxy

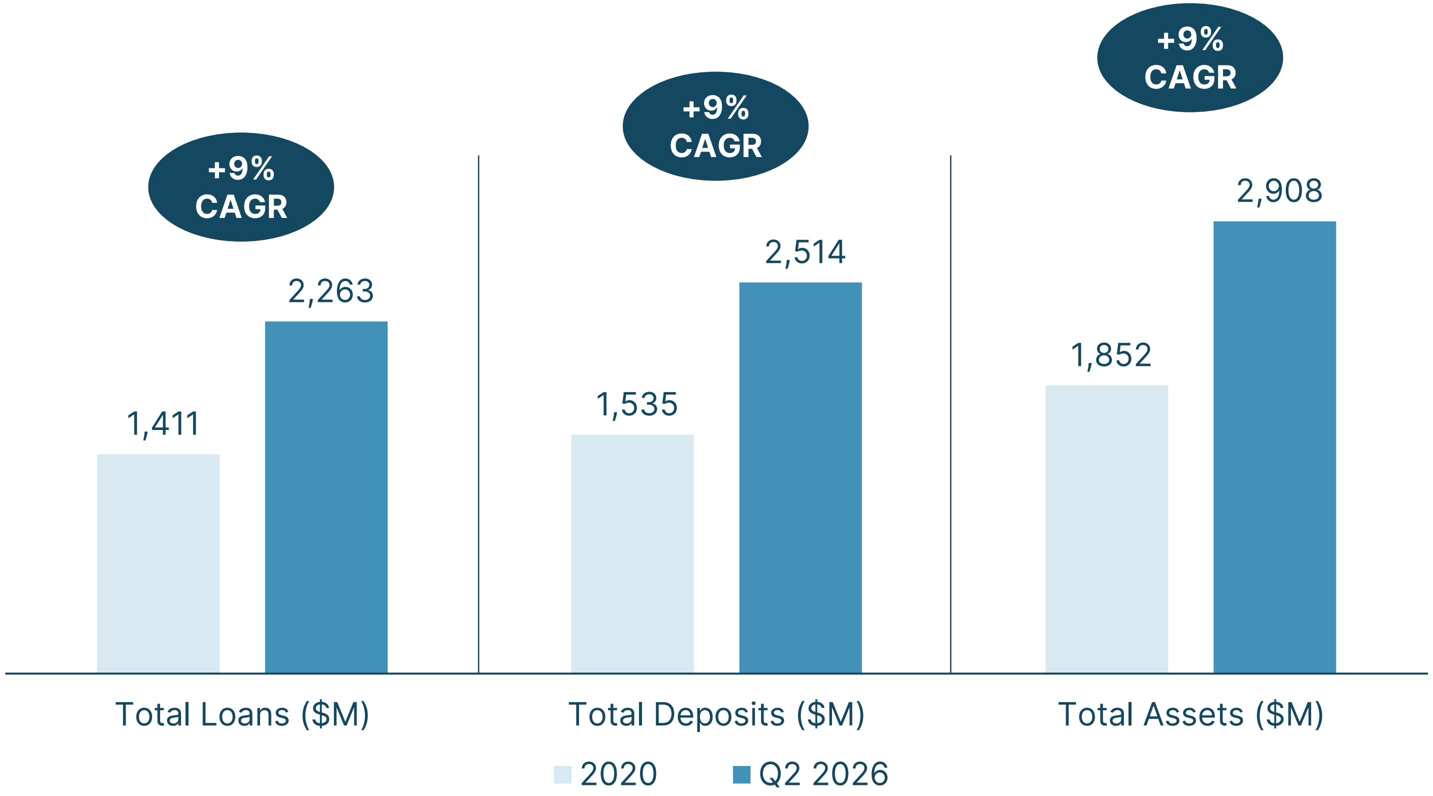
Executing a clear strategy to accelerate asset growth

Focus on small business lending, granular relationships, and diverse industry exposure

1. Organic growth as we serve and win with the small businesses in our communities

2. Disciplined underwriting process to ensure highest credit quality

3. Maintain loans-to-deposits near 90% target
   - 2020: 91.9%
   - Q2 2026: 90.0%



Achieving balanced growth as we execute our growth initiatives

Upgrading the customer experience to support growth initiatives

Growing deposits as we enable customer engagement

Modernizing our branches to provide the communities we serve with innovative banking technologies and tools

- Forty Fort grand opening and Presence Bank acquisition added five new branches in 2025
- Expanding access to modern technologies
- Promotes customer engagement to support home ownership, small business developments, and commercial development

Digital banking services

- Mobile banking for 24/7 access to advanced features
- Enhanced online account opening platform
- Easier, online mortgage application

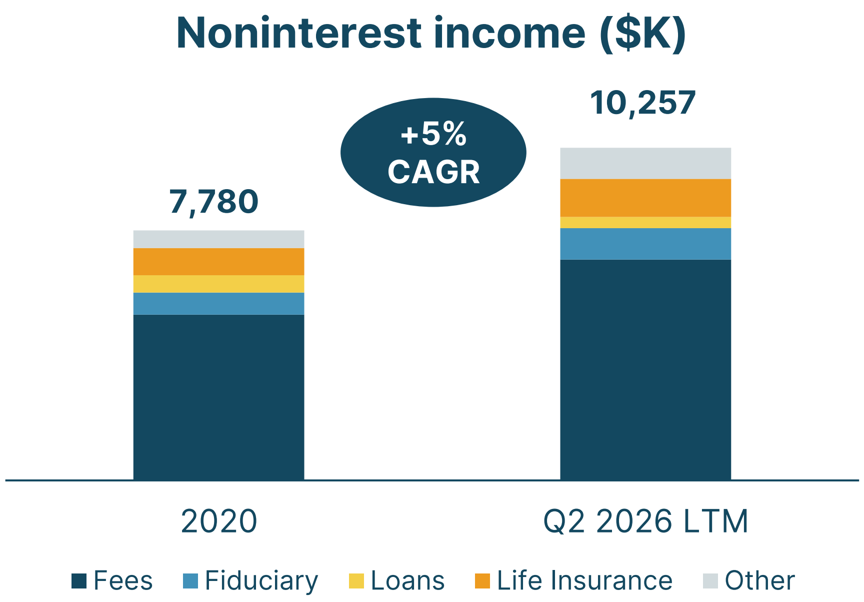
Creating stable foundation for long-term income

Growing noninterest income to enhance earnings quality

Provides diverse, stable income stream

Growing noninterest income more quickly than interest income

- Improve debit card utilization
- Building out mortgage franchise
- Upscale wealth management / trust department
- Leverage strength of franchise to drive growth across the organization



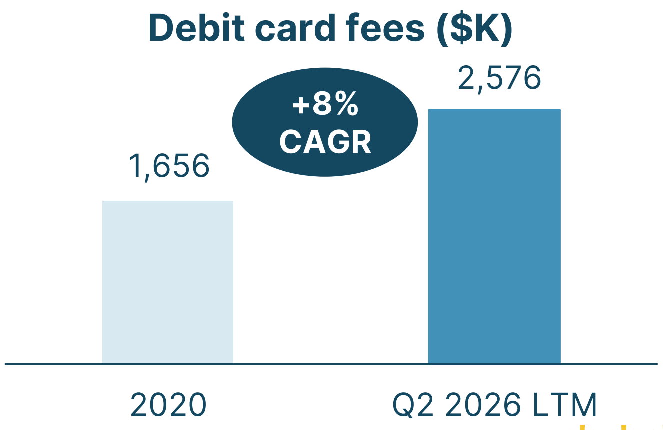
LONG-TERM GOAL | **Expand noninterest income from ~12% to 20% of total revenue in next 3-5 years**

Delivering Results: Improving Debit Card Utilization

Deposit growth provides opportunity to extend our service offerings

Strategic initiative to increase retail business and grow debit card fees

We have designed our policies to place more debit cards in customers' hands



Noninterest income is contributing to long-term growth strategy

Capital allocation framework to extend shareholder value creation

Investing in growth

Funding organic growth

Above well-capitalized risk-based ratios

- Total capital: 13.06%
- Tier 1: 12.37%
- CET1: 12.37%

Disciplined underwriting culture

Expanding through strategic M&A

Geographic adjacent

Targeting banks with strong execution, aligned cultures, and disciplined financial management

Returning cash to shareholders

Supporting and growing the dividend

34 years of increasing dividend

Attractive dividend yield 4.1%

Maintain healthy and growing dividend

Repurchasing shares opportunistically

Repurchased $4.2M over last 3 years

Remaining authorization up to ~5% of shares

Employing balanced approach to maximize shareholder value

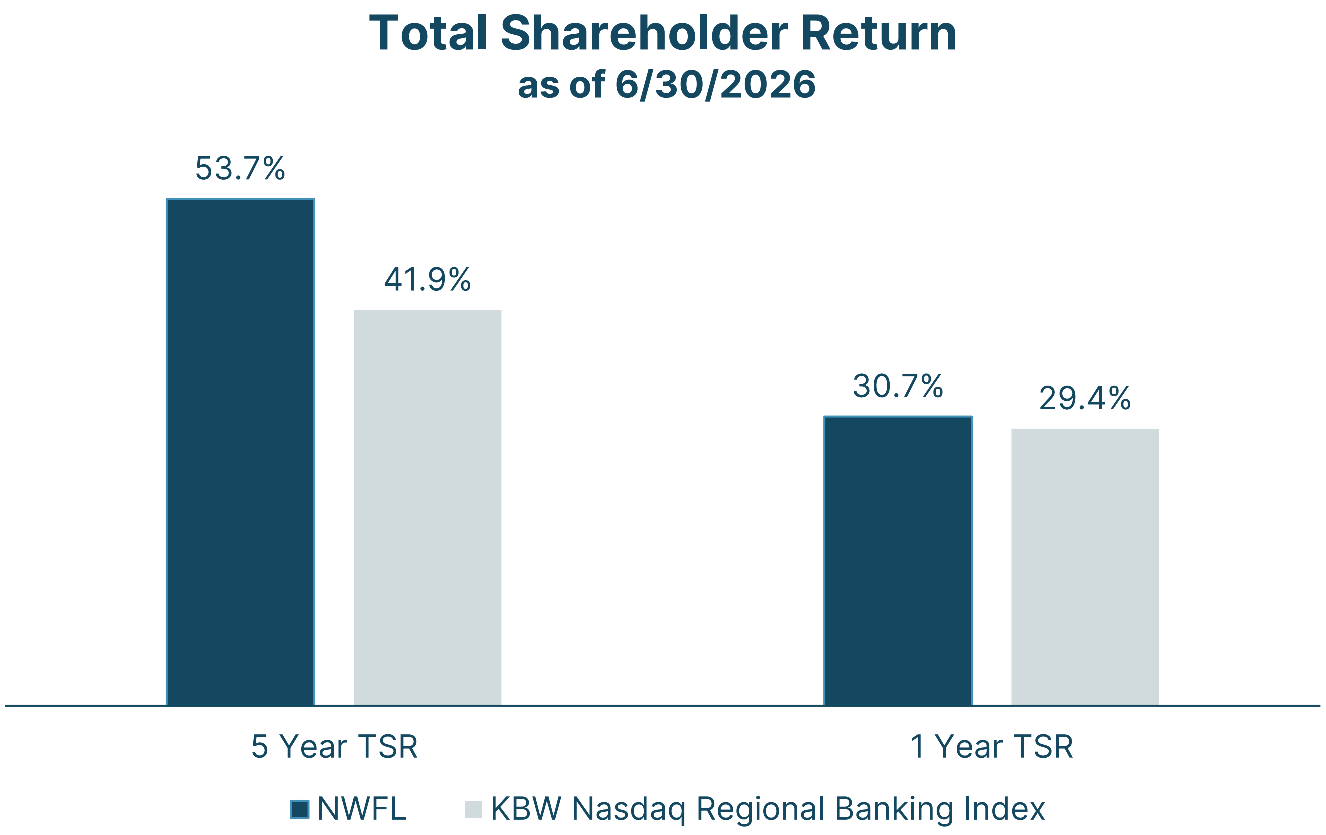
Building on history of generating total shareholder return

Proactively repositioned investment portfolio to perform well in current and future interest rate environment

Strong track record of growing assets organically and through strategic M&A

Financial discipline to grow income and improve returns

Attractive dividend yield as we return cash to shareholders



Executing strategy to extend TSR outperformance into the future

M&A CASE STUDY

Presence Bank as an example of our successful M&A track record

ANNOUNCED

Jul 7, 2025

COMPLETED

Jan 5, 2026

Presence Bank: a growing and respected bank located in attractive Pennsylvania markets

Strategic fit

- Shared values, culture, and commitment to high quality customer service
- Geographic-adjacent expansion into growing metro areas
- Well run bank with high credit quality and strong execution

Combination makes both banks stronger

- Expands NWFL's geographic footprint into attractive Central PA markets
- Enhances PB's customer services and solutions offerings

Presence Bank merger update

OVERVIEW of financials

Metric	Expected at announcement	Q1 2026 updated expectations
Tangible Book Value (TBV) Dilution	**4.2%**	**2.24%** ✓
TBV Earnback	**2.5 Years**	**0.5 Years** ✓
Core Deposit Intangible (CDI)	**$4.9M**	**$3.3M** ✓

HIGHLIGHTS

Successful acquisition of Presence Bank, with transaction closing January 5, 2026

Core systems conversion completed April 2026

TBV per share was $22.38 at close vs. $22.96 on 6/30, resulting in dilution 2.24%, better than estimated 4.2%; subsequent declines through Q1 due to negative AOCI marks on the investment portfolio and common dividends declared

Transaction expenses of $6.1M 14% lower than original estimate of $7.1M

CDI of $3.3M is 33% lower to original estimate of $4.9M

Net Goodwill created from the transaction was **$7.1M**

Q1 pre-tax impact of purchase accounting accretion was **$435K**

Leveraging our distinctives to create shareholder value

1

Reinforcing strengths and growth trajectory of a regional bank with a rich history of serving communities since 1871

2

Creating a **high-performance culture** that consistently delivers improving results and increasing returns

3

Executing a **disciplined strategy to achieve 6%+ growth** through market outperformance and strategic M&A

4

Combining improved returns and disciplined capital allocation to **create shareholder value**

APPENDIX

Every Day Better

QUARTERLY RESULTS

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

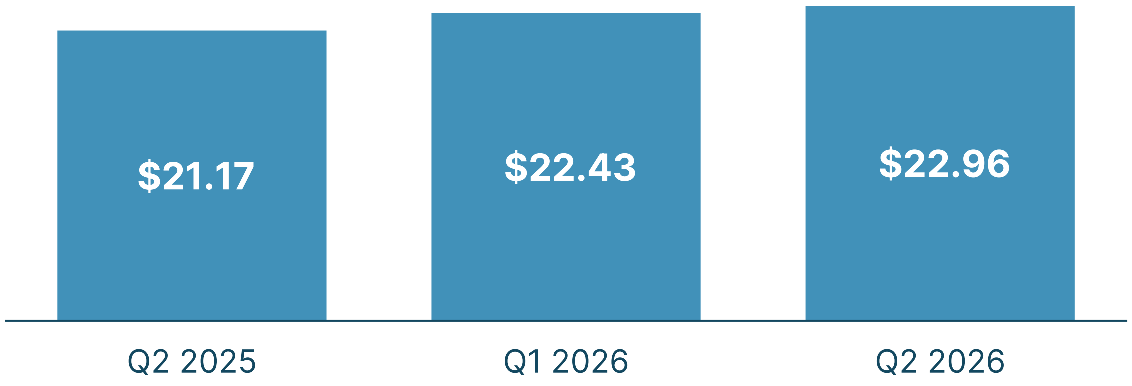
Focused on actions that will create value and build momentum

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

Adjusted earnings per share[1]

Tangible book value per share



[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

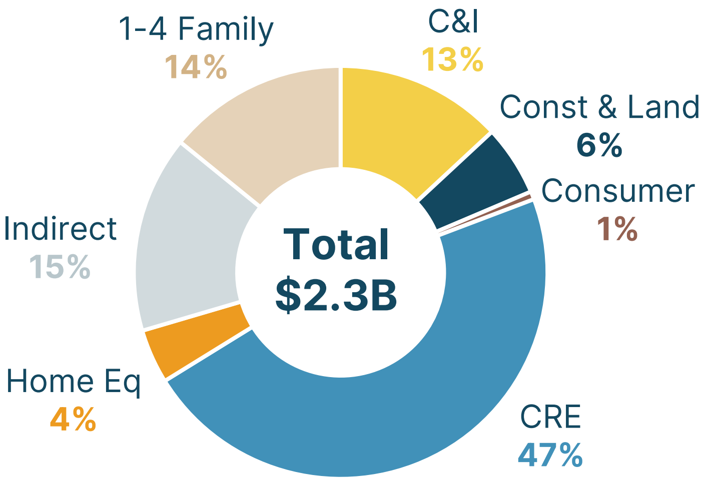
TBV per share increased, demonstrating our ability to generate earnings while continuing to build shareholder value

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

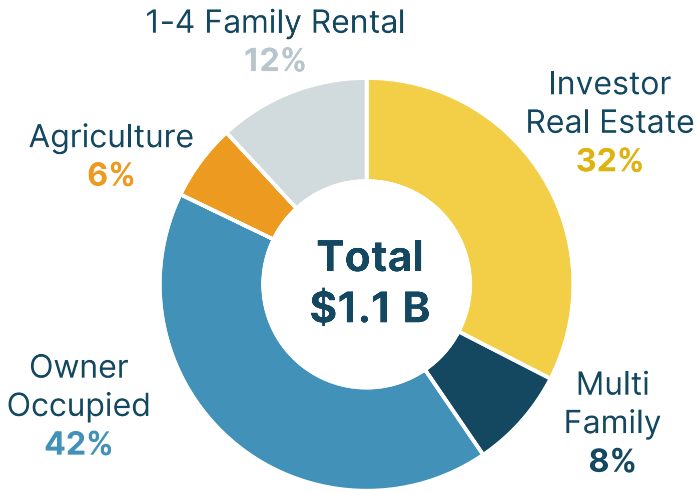
Small business lending, granular relationships and limited industry concentration

Loan portfolio by category

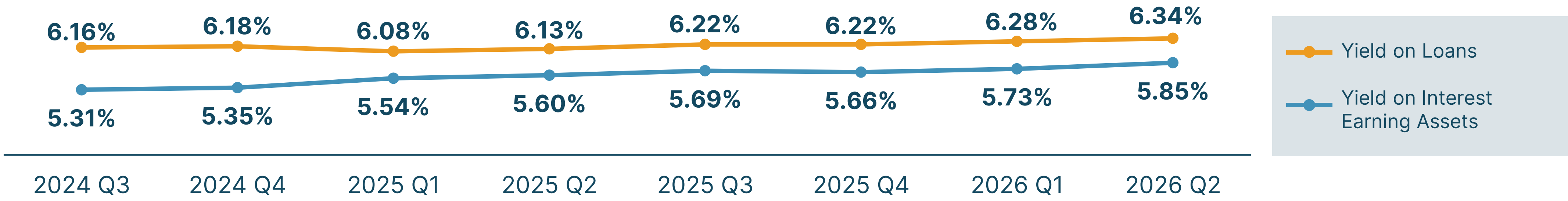


$98K Average Loan Size
$325K Average Commercial Loan Size
12% Adjustable, **43%** Floating, and **45%** Fixed Rate
Office Exposure: **6 loans for ~$2.8M**
CRE Ratio: **202%** (as of Q2 2026)

CRE loans by industry



Historical yields



Strong historical credit quality

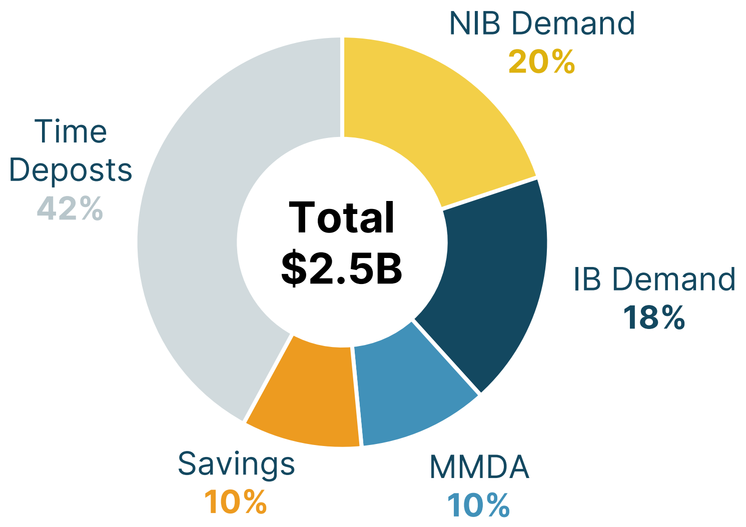
Credit quality ratios

	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

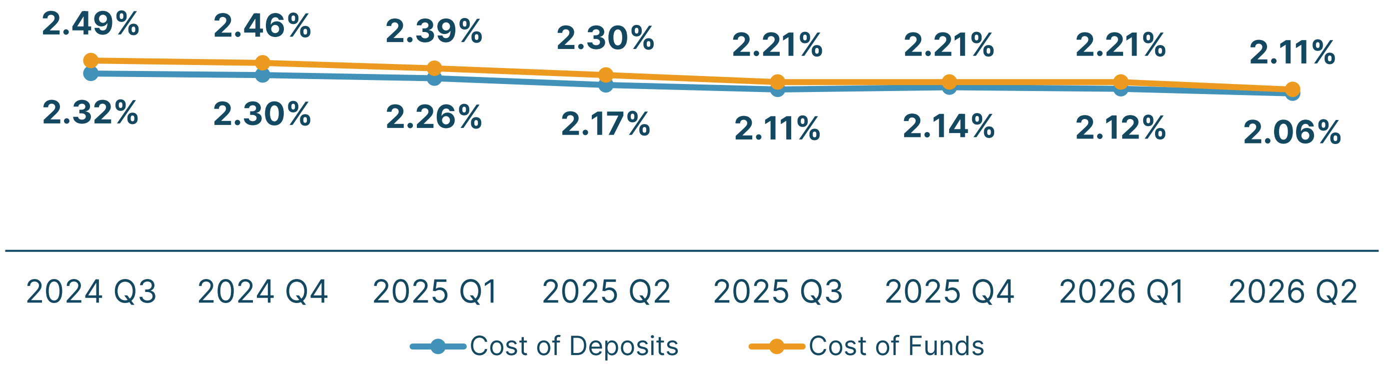
Deposit portfolio by category



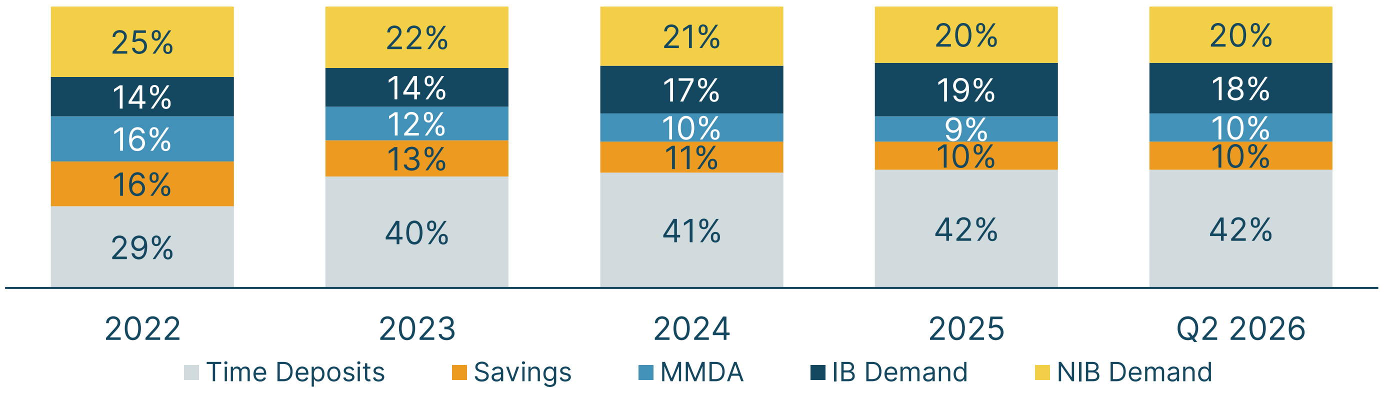
$53K Average Account Size

$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

NON-GAAP RECONCILIATIONS

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