



**Norwood**  
FINANCIAL CORP  
NASDAQ GLOBAL: NWFL

# Q1 2026 Earnings Presentation

APRIL 27, 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.



# Q1 2026 Summary

## Selected Financial Highlights (all comps Y/Y)

**\$24.6M**

Net Interest Income  
+38%

**3.68%**

Net Interest Margin (fte)<sup>1</sup>  
+38 bps

**\$7.8M**

Adjusted Net Income<sup>1</sup>  
+35%

**1.10%**

Adjusted Return on  
Average Assets<sup>1</sup>  
+9 bps

**3.04%**

Net Interest Spread (fte)<sup>1</sup>  
+43 bps

**\$11.4M**

Adjusted Pre Provision  
Net Revenue<sup>1</sup>  
+41%

**\$0.72**

Adjusted Diluted EPS<sup>1</sup>  
+14%

**12.65%**

Adjusted Return on  
Tangible Equity<sup>1</sup>  
+25 bps

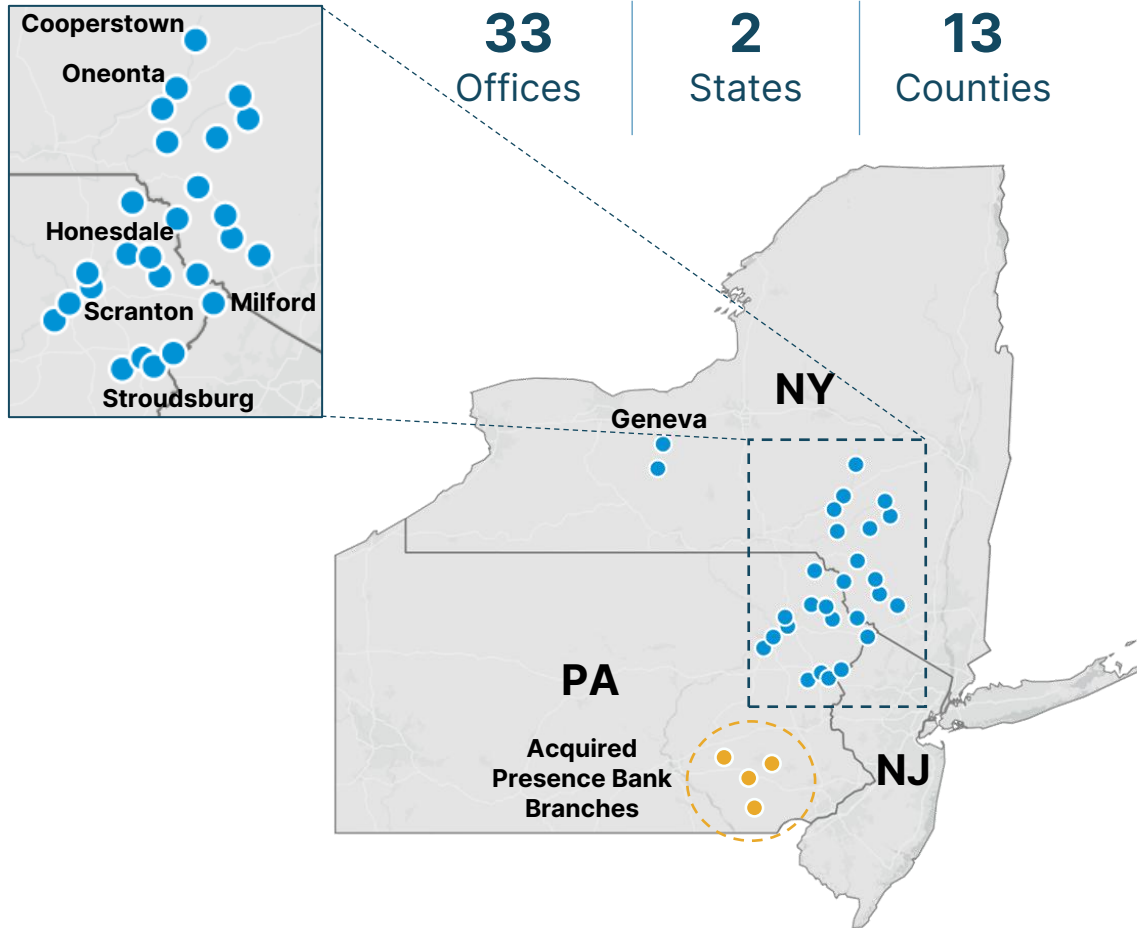
## Key Messages

- > 1** The team began 2026 with strong performance, including record net interest income, extending the momentum we are building towards a bright future
- > 2** Strong financial position and credit quality drove performance by improving margins, increasing profitability, and growing assets
- > 3** Presence Bank integration progressing as planned, expanding our geographic presence, increasing our asset base, and strengthening our team to better serve our communities
- > 4** Well positioned to continue building momentum in 2026, through 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™**



# Growing and Fortifying the Norwood Franchise

## Growing Our Branch Footprint



## Fortifying Our Financial Position

**NWFL**  
NASDAQ

**Honesdale, PA**  
Headquarters

**\$2.9B**  
Total Assets

**1871**  
Founded

**310**  
Employees

**4.2%**  
Dividend  
Yield

**\$2.2B**  
Total Gross Loans

**Rejoined the Russell 2000  
Index in 2023**

**\$2.4B**  
Total Deposits



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




**\$284M**  
Total Equity

**\$334M**  
Market Cap



# Presence Bank Merger Update

## Overview of Financials

Metric	Expected at Announcement	Q1 2026 Updated Expectations
<b>Tangible Book Value (TBV) Dilution</b>	<b>4.2%</b>	<b>2.244%</b> 
<b>Transaction Expenses</b>	<b>\$7.1M</b>	<b>\$6.1M</b> 
<b>Core Deposit Intangible (CDI)</b>	<b>\$4.9M</b>	<b>\$3.3M</b> 

## 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. \$22.90 on 12/31, 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

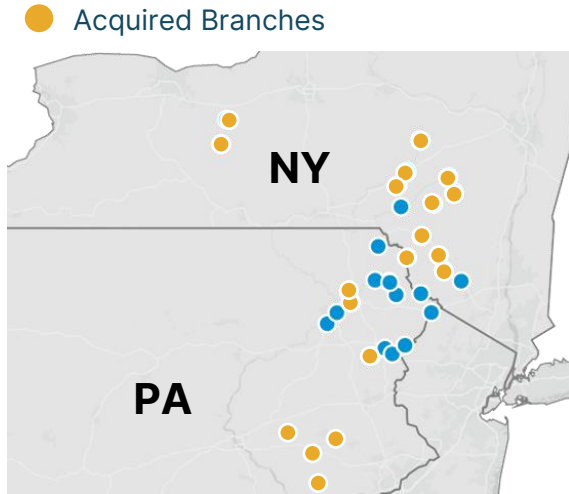
Net Goodwill created from the transaction was \$7.1M

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



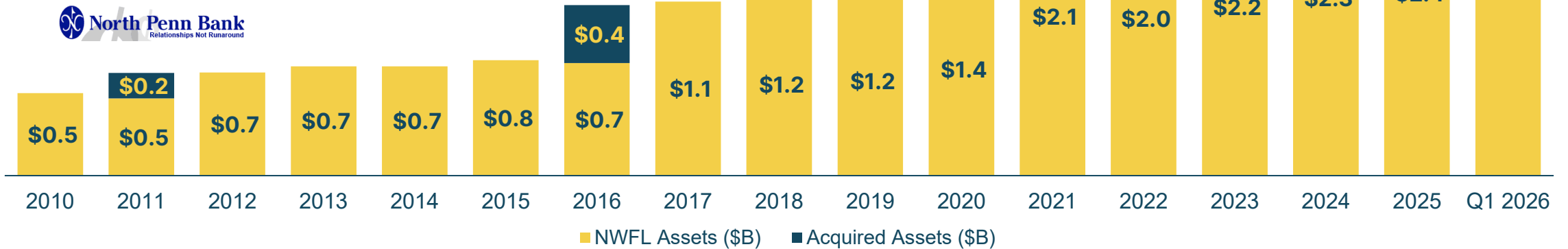
# Disciplined, Opportunistic Growth Strategy

## A History of Organic Growth and Successful Acquisitions



~12% CAGR

UPSTATE NEW YORK BANCORP, INC.



# Making Progress on Our 2026 Strategic Priorities

## Focused on Actions that will Create Value and Build Momentum



### Successfully complete Presence Bank integration

- Completed core system conversion to integrate IT and HR systems, creating a seamless, unified organization
- Standardize on operations and customer engagement
- Implement sharing of best practices



### 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
- 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
- Strengthened executive leadership team by adding Janak Amin, Chief Operating Officer; Larry Witt, Chief Information Officer; and Doug Byers, Market Executive and Head of Treasury Management



### Increase shareholder value

- Delivered strong Q1 results on strong financial position and performance of our entire team
- Grow 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<sup>1</sup>



Reduction in EPS from Q4 as higher net interest income was offset by a \$1M increase in the Provision for Loan Losses as well as higher expenses

## Tangible Book Value Per Share



TBV per share was down on a linked quarter basis due to acquisition of PB Bancshares, dividend payment, and decrease in our available-for-sale portfolio value

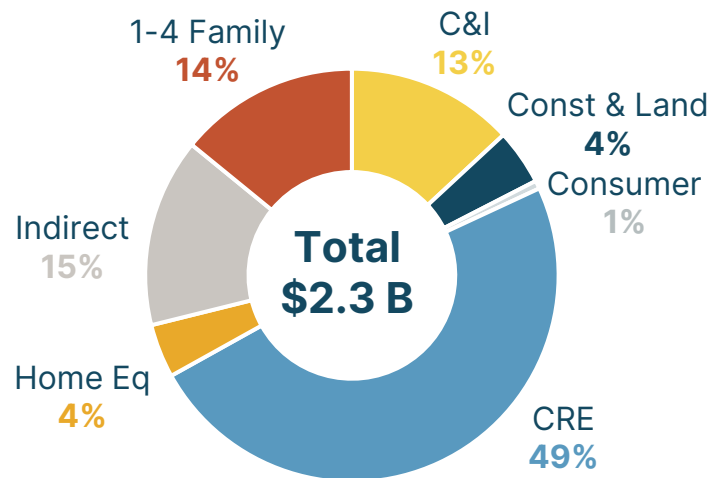
Repositioned portfolio and Presence Bank acquisition further strengthens our financial position and provides us with a larger organization to scale as we serve our communities



# Loan Portfolio Overview

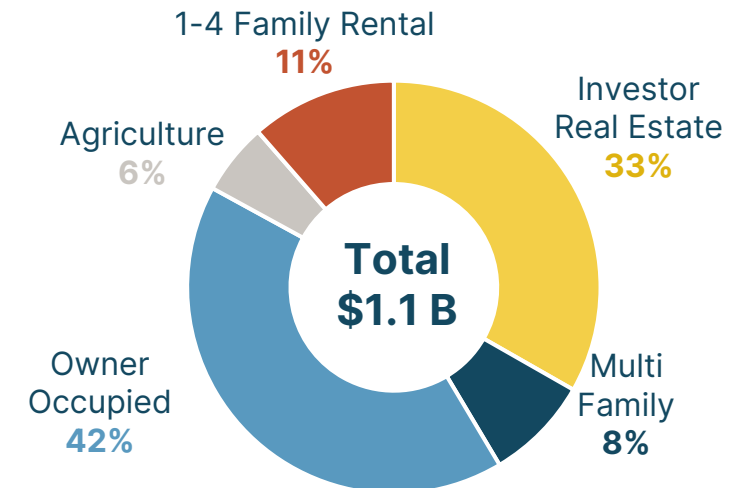
## Small Business Lending, Granular Relationships and Limited Industry Concentration

### Loan Portfolio By Category

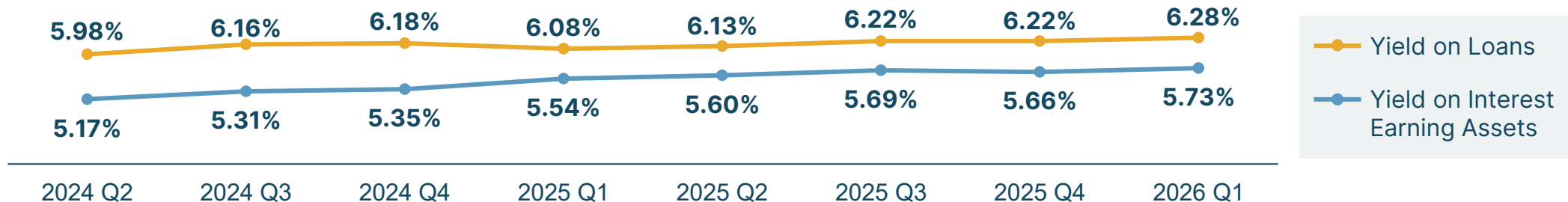


- \$105K** Average Loan Size
- \$323K** Average Commercial Loan Size
- 12%** Adjustable, **41%** Floating, and **47%** Fixed Rate
- Office Exposure: **7 loans** for **~\$4.2M**
- CRE Ratio: **198%** (as of Q1 2026)

### CRE Loans by Industry



### Historical Asset Yields



# Strong Historical Credit Quality

## Credit Quality Ratios

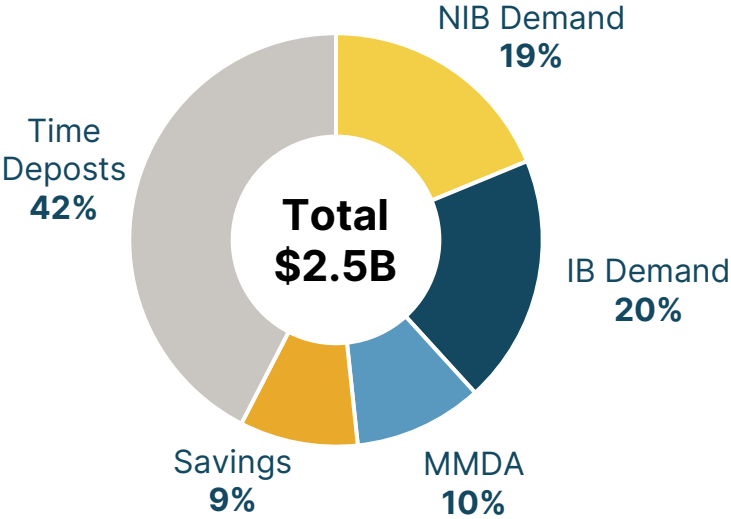
	2022	2023	2024	2025	Q1 2026
<b>Non-performing Loans / Loans</b>	0.08%	0.48%	0.46%	0.34%	0.46%
<b>Net Charge Offs / Loans</b>	0.02%	0.39%	0.10%	0.03%	0.09%
<b>ACL / Loans</b>	1.15%	1.18%	1.16%	1.07%	1.09%
<b>Reserves / NPAs</b>	1,165%	246%	252%	280%	220%



# Deposit Portfolio Overview

## Attractive Retail Franchise Bolstered by Commercial and Municipal Relationships

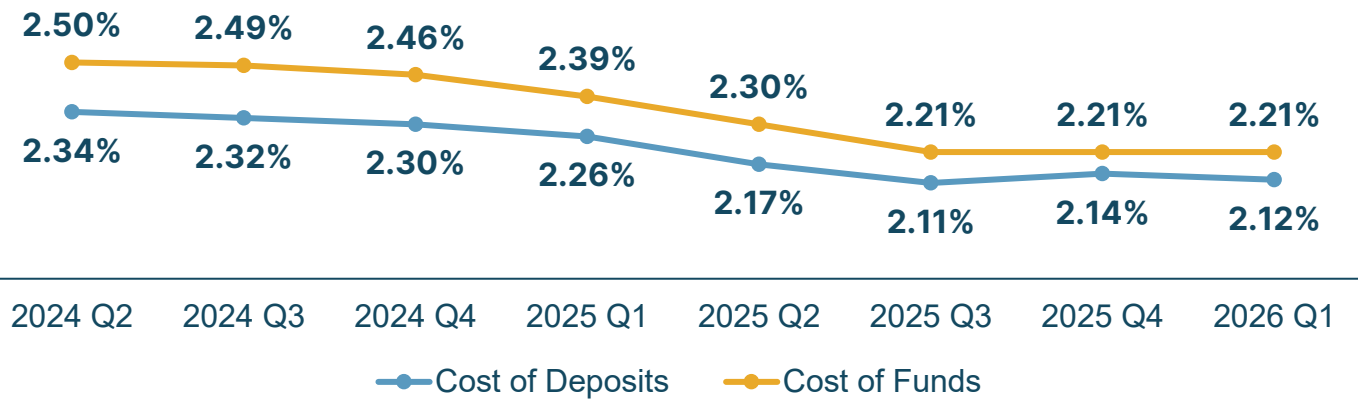
### Deposit Portfolio By Category



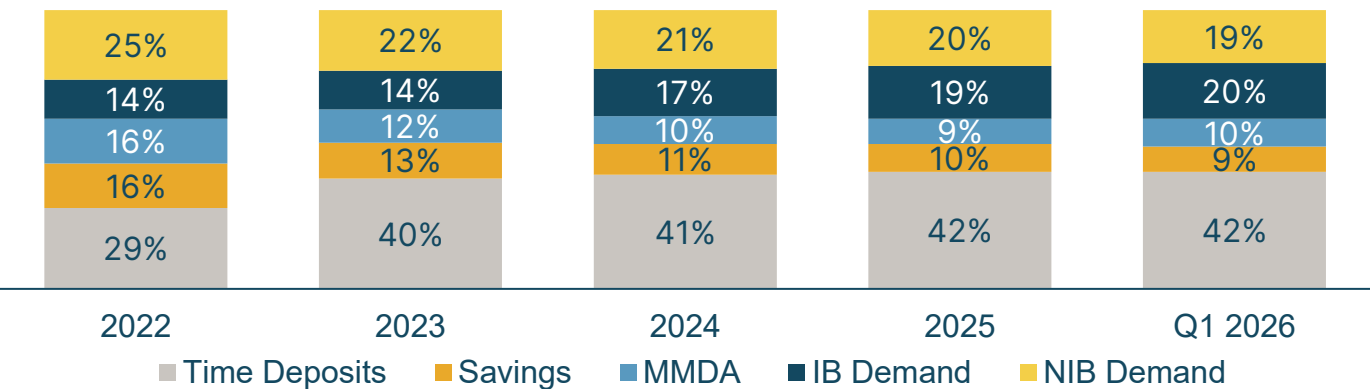
**\$30K** Average Account Size

**\$490M** in Municipal Deposits

### Historical Funding Costs

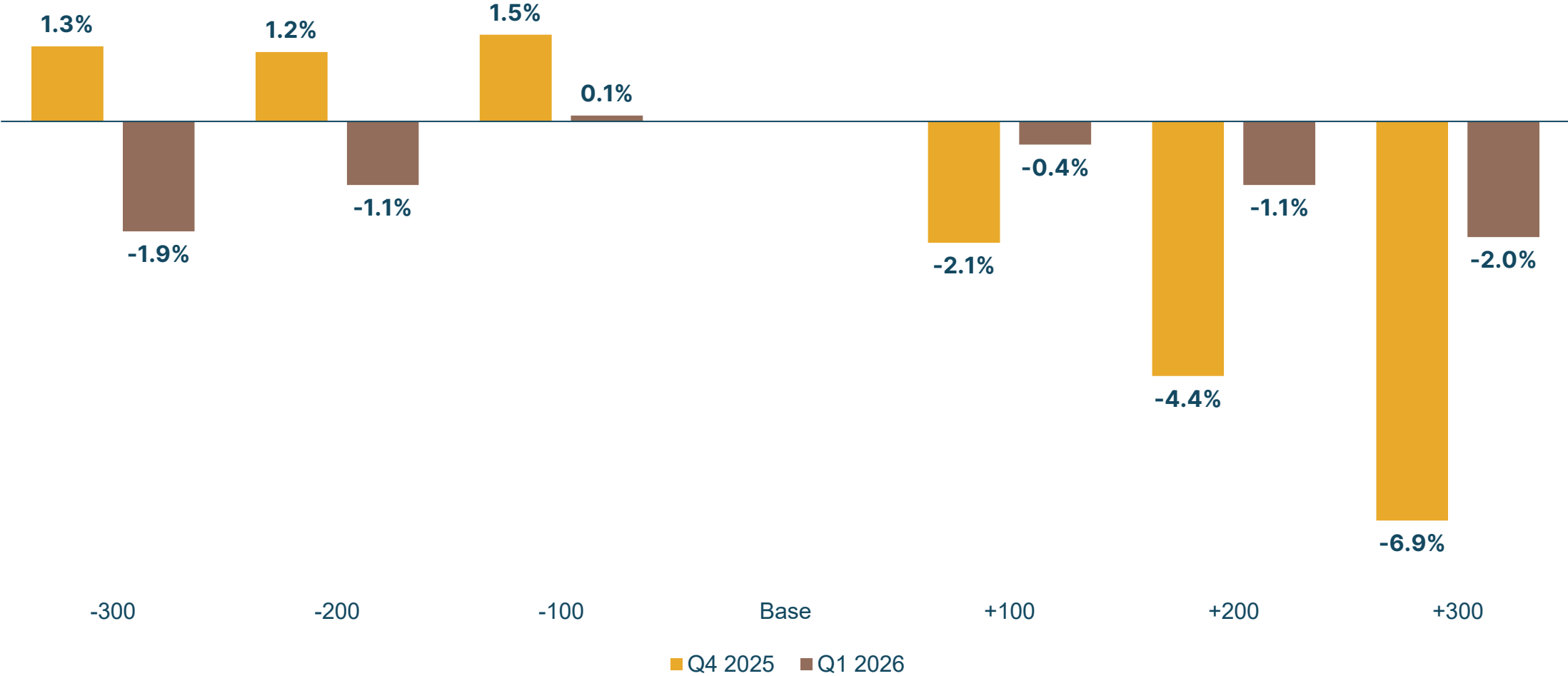


### Deposit Composition Over Time



# Interest Rate Sensitivity

## Net Interest Income Sensitivity



# 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:** “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



# 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



**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.**



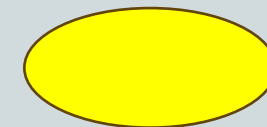
NORWOOD FINANCIAL CORP  
NASDAQ GLOBAL: NWFL



*Every Day Better*

# Non-GAAP Financial Measures

## Adjustments for Merger-Related Expenses and BOLI Restructuring Fee



### **Adjusted Return on Average Assets**

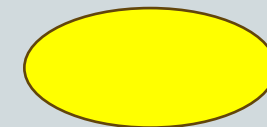
(Dollars in thousands)

	<b>Three Months Ended December 31, 2025</b>	<b>Three Months Ended March 31, 2026</b>
Net income	\$ 7,442	\$ 3,730
Average assets	2,441,572	2,868,074
<b>Return on average assets (annualized)</b>	<b>1.21 %</b>	<b>0.53 %</b>
Net income	7,442	3,730
Merger-related expenses	520	4,941
BOLI restructuring fee	0	225
Tax effect at 21%	(109)	(1,085)
Adjusted Net Income (Non-GAAP)	7,853	7,811
Average assets	2,441,572	2,868,074
<b>Adjusted return on average assets (annualized) (Non-GAAP)</b>	<b>1.28 %</b>	<b>1.10 %</b>



# Non-GAAP Financial Measures

## Adjustments for Merger-Related Expenses and BOLI Restructuring Fee

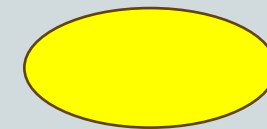


<u>Adjusted Return on Average Tangible Shareholders' Equity</u> (Dollars in thousands)	<b>Three Months Ended December 31, 2025</b>	<b>Three Months Ended March 31, 2026</b>
Net income	\$ 7,442	\$ 3,730
Average shareholders' equity	240,123	289,799
Average intangible assets	<u>(29,369)</u>	<u>(39,334)</u>
Average tangible shareholders' equity	210,754	250,465
<b>Return on average tangible shareholders' equity (annualized)</b>	<b>14.01 %</b>	<b>6.04 %</b>
Net income	7,442	3,730
Merger-related expenses	520	4,941
BOLI restructuring fee	0	225
Tax effect at 21%	<u>(109)</u>	<u>(1,085)</u>
Adjusted Net Income (Non-GAAP)	7,853	7,811
Average tangible shareholders' equity	210,754	250,465
<b>Adjusted return on average shareholders' equity (annualized) (Non-GAAP)</b>	<b>14.78 %</b>	<b>12.65 %</b>



# Non-GAAP Financial Measures

## Adjustments for Merger-Related Expenses and BOLI Restructuring Fee



### Adjusted Earnings Per Share

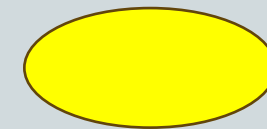
(Dollars in thousands)

		<b>Three Months Ended December 31, 2025</b>		<b>Three Months Ended March 31, 2026</b>
<b>GAAP-Based Earnings Per Share, Basic</b>	\$	<b>0.81</b>	\$	<b>0.35</b>
<b>GAAP-Based Earnings Per Share, Diluted</b>	\$	<b>0.81</b>	\$	<b>0.35</b>
Net Income		7,442		3,730
Merger-related expenses		520		4,941
BOLI restructuring fee		0		225
Tax effect at 21%		<u>(109)</u>		<u>(1,085)</u>
Adjusted Net Income (Non-GAAP)		7,853		7,811
<b>Adjusted Earnings per Share, Basic (Non-GAAP)</b>	\$	<b>0.85</b>	\$	<b>0.73</b>
<b>Adjusted Earnings per Share, Diluted (Non-GAAP)</b>	\$	<b>0.85</b>	\$	<b>0.72</b>



# Non-GAAP Financial Measures

## Adjustments for Merger-Related Expenses and BOLI Restructuring Fee



<b><u>Tangible Book Value</u></b>	<b>December 31,</b>	<b>March 31,</b>
(Dollars in thousands)	<b><u>2025</u></b>	<b><u>2026</u></b>
Total shareholders' equity	242,157	283,938
Adjustments:		
Goodwill	(29,266)	(36,375)
Other intangible assets	<u>(98)</u>	<u>(3,319)</u>
Tangible common equity (Non-GAAP)	212,793	244,244
Common shares outstanding	9,293,858	10,890,166
<b>Book value per common share</b>	<b>26.06</b>	<b>26.07</b>
<b>Tangible book value per common share (Non-GAAP)</b>	<b>22.90</b>	<b>22.43</b>



# Non-GAAP Financial Measures

## Adjustments for Merger-Related Expenses and BOLI Restructuring Fee

### Pre Provision Net Revenue

(Dollars in thousands)

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Income before tax expense (GAAP)	\$ 4,820	\$ 7,287
Provision for credit losses	<u>1,459</u>	<u>857</u>
<b>Pre provision net revenue (PPNR) (Non-GAAP)</b>	<b>6,279</b>	<b>8,144</b>
Merger-related expenses	4,941	0
BOLI restructuring fee	<u>225</u>	<u>0</u>
<b>PPNR adjusted for one time expenses (Non-GAAP)</b>	<b>11,445</b>	<b>8,144</b>

	<b>Three Months Ended</b>	
	<b>December 31,</b>	
	<b>2025</b>	
Income before tax expense (GAAP)	\$ 9,368	
Provision for credit losses	<u>468</u>	
<b>Pre provision net revenue (PPNR) (Non-GAAP)</b>	<b>9,836</b>	
Merger-related expenses	<u>520</u>	
<b>PPNR adjusted for one time expenses (Non-GAAP)</b>	<b>10,356</b>	





Thank You

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