

Message From the President

We are pleased to report an exceptionally strong start to 2021.

For the quarter ending March 31, Fortifi Bank posted net income after tax of \$3,018,000 vs. \$941,000 for the same period in 2020. Annualized Return on Equity was 24.01%, up from 8.54% for the first quarter of 2020. The total book value per share of common stock increased to \$99/share vs. \$83/share at 3/31/20.



Greg Lundberg
President | CEO

The favorable operating performance is due to several factors. The Bank took advantage of the non-interest income opportunities presented by the surge in demand for residential mortgage lending. In addition, Fortifi was an active participant in the SBA's Paycheck Protection Program. During the quarter, we closed on the sale of our Westfield, WI branch which netted the Bank a \$602,000 deposit premium. Finally, we have maintained our focus on efficient operation which has allowed us to decrease non-interest expense.

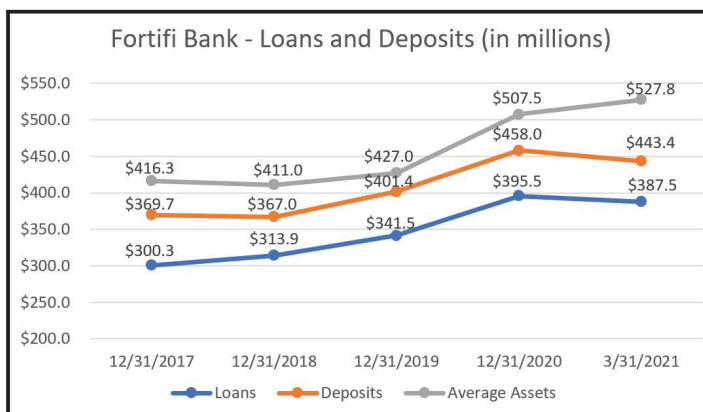
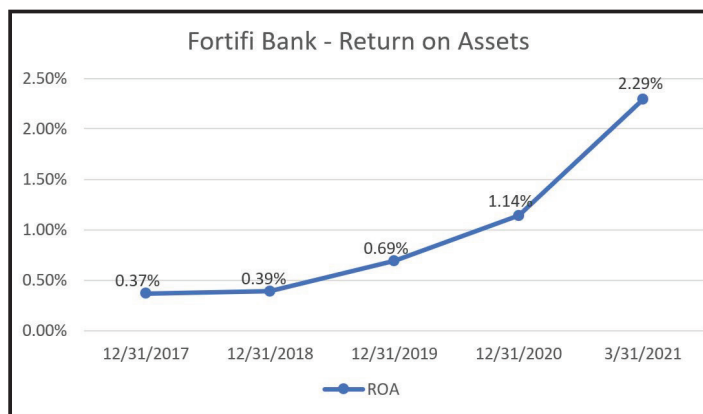
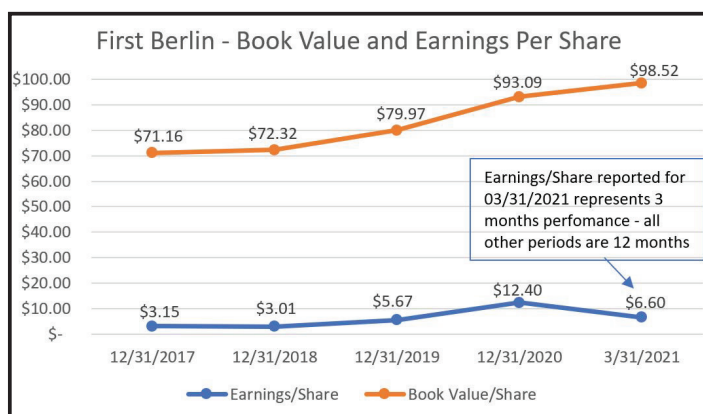
Our total loans were \$387,536,000 at the end of the quarter. The quality of our loan portfolio remains acceptable, however we have continued to grow our Reserve for Loan Losses to reflect the uncertainty of the economy. At 3/31/21 the reserve stood at \$5,075,000, an increase of \$1,523,000 from 3/31/20.

First Berlin Bancorp, Inc. is offering up to 100,000 shares of its authorized and unissued Common Stock. The offering will be a private placement available only to accredited investors. The purchase price will be \$90/share and generate up to \$9,000,000 of additional capital for the company. The offering will expire on June 30, 2021 unless extended by the company. We intend to use the proceeds to assist in the continued profitable growth of Fortifi Bank.

Your investment in First Berlin Bancorp represents an investment in a community Bank celebrating 145 years of commitment to Growin' Wisconsin. That growth represents opportunity for a significant number of families and businesses in our area. On behalf of our Board of Directors and employees, thank you.

(dollars in thousands)

| Income Statement Items: | Q1 2021 | Q1 2020 |
|------------------------------------|---------|---------|
| Interest Income | \$5,591 | \$5,328 |
| Interest Expense | \$347 | \$992 |
| Non-Interest Income | \$2,935 | \$1,297 |
| Net Income After Taxes | \$3,018 | \$941 |
| Net Interest Margin ⁽¹⁾ | 4.23% | 4.01% |
| Return on Equity (annualized) | 24.01% | 8.54% |
| Return on Assets (annualized) | 2.29% | 0.82% |
| Efficiency Ratio | 47.66% | 72.33% |
| Capital Ratios: | Q1 2021 | Q1 2020 |
| Tier-One Capital Ratio | 9.64% | 9.49% |
| Risk Based Capital | 13.13% | 11.17% |
| RLL/Total Loans | 1.31% | 1.00% |



(dollars in thousands)

| Balance Sheet Items: | Q1 2021 | Q1 2020 |
|-------------------------------|-----------|-----------|
| Total Deposits | \$443,466 | \$369,897 |
| Total Loans | \$387,536 | \$355,297 |
| Reserve for Loan Losses (RLL) | \$5,075 | \$3,552 |
| Total Assets | \$512,509 | \$460,448 |
| Total Equity Capital | \$51,482 | \$44,736 |
| Shares: | Q1 2021 | Q1 2020 |
| Number of Shares Outstanding | 443,250 | 443,250 |
| Earnings per Share | \$7 | \$2 |
| Book Value | \$99 | \$83 |

(1) "Net Interest Margin" reflects interest income including select loan origination fees net of interest expenses, adjusted for tax-exempt loans and securities, as a percentage of average earning assets.



Together, we're Growin' Wisconsin – one person, one business, one relationship at a time.

FORTIFI BANK ANNOUNCES NEW LEADERSHIP APPOINTMENTS

In March, Fortifi Bank announced the appointments of four individuals to new bank leadership roles. Promoted from within the company, these leaders have affirmed their areas of expertise and dedication to Fortifi Bank as a whole. Their contributions will help drive long-term success and ensure we remain an independent community bank serving the people and businesses of Wisconsin.



Gina Evans
Senior Vice President
Director of Wealth Management



Loni Meiborg
Senior Vice President
Director of Organizational Development



Dave Mills
Senior Vice President
Senior Lender



Theresa Weckwerth
Vice President
Enterprise Risk Management



PPP LOANS CONTINUE TO OFFER
SMALL BUSINESS RELIEF IN 2021

Fortifi Bank remains committed to helping small business owners navigate the economic uncertainty caused by COVID-19. Our team processed over 300 U.S. Small Business Administration (SBA) Paycheck Protection Program (PPP) loans in 2020 and continues to guide Main Street businesses through these trying times.

Q1 2021 added the following, bringing our total PPP dollars approved to over \$53.5 million – a noteworthy amount for an independent community bank of our size.

- ✓ 203 SBA PPP loans processed
- ✓ \$16.3 million PPP dollars approved

NEW PERSONAL + BUSINESS ACCOUNTS

Our personal and business accounts underwent a major revamp for the first time in years. Now with fewer options, the new checking and savings account suites were designed to reduce confusion and make it easy for clients to choose the best account for their needs – while also improving profitability.

After the accounts transitioned, our team proactively helped clients determine if they were still in the best product. An online account quiz was created to help guide clients through the process of choosing an account that maximizes their returns and reduces unnecessary fees.

- ✓ FortifiBank.com/rightfit

BERLIN BRANCH BRINGS LOBBY
+ DRIVE-UP UNDER ONE ROOF

Fortifi Bank Berlin spent much of the first quarter preparing for its relocation to 240 Broadway Street, a vacant building previously occupied by Old National Bank and AnchorBank. The move brings more convenience to clients by offering the lobby and drive-up under one roof and ample off-street parking next to Kwik Trip.

The move allows for the expansion of our support offices downtown, creating greater efficiencies.



WESTFIELD BRANCH SOLD TO NATIONAL EXCHANGE

National Exchange Bank & Trust purchased the assets of Fortifi Bank's Westfield location on March 12, 2021. We are confident that this change is a favorable business decision while providing the Westfield community long-term financial support.

CELEBRATING RIPON ATHLETIC'S 100-YEAR MILESTONE



2021 marked the centennial for Ripon Athletic's Sand Knit product line, a name renowned for custom U.S.A.-made athletic uniforms. It's an honor to partner with a growing family business that upholds such a legacy.

Pictured left to right: Adam Anderson, Business Banker; Erik Derleth, Ripon Athletic Chief Operating Officer; Greg Lundberg, Fortifi Bank President + CEO; Andy Kutnink, Ripon Athletic Chief Financial Officer

FUNDRAISING FOR BRANDON PUBLIC LIBRARY



In January, our Ripon branch held a Casual for a Cause day to raise funds for the Brandon Public Library's expansion project.

This is one of several local organizations in first quarter that received financial support thanks to donations from the Fortifi Bank team.

Pictured left to right: Amy Briese, Universal Banker; Pastor John Tilstra, Friends of the Brandon Library President; Christy Ross, Library Director; David Soda, Treasury Management Officer; John Mirr, Mortgage Lending Specialist; Jamie VandeBrink, Personal Banker; Anna Koplin, Ripon Branch Manager

KADOW JOINS BOARD OF DIRECTORS

Jason Kadow joined the Fortifi Bank board of directors in early 2021. Kadow is the CEO of KMA, Inc., a Madison, WI based accounting and advising firm specializing in small business services.

With 23 years of CPA experience and 10 years as a business owner in Dane County, Kadow brings a wealth of insight that will help shape Fortifi Bank's future.



Jason Kadow
CEO | KMA, Inc.

OUR VISION





Our vision is to grow Wisconsin — one person, one business, one relationship at a time.

OUR MISSION

Fortifi Bank helps people, businesses, and communities better understand their opportunities in the financial world based on 145 years of experience.

We do this with a commitment to our core values, extraordinary client service, trusted financial solutions, and local decision making.

CORE VALUES

-  Supporting Each Other
-  Can-Do Attitude
-  Seamless Service
-  Building Relationships

FORTIFI BANK
BOARD OF DIRECTORS

Bruce Bohn
President | Bohn Farms, Inc.

Eric Cerbins
Past President + CEO | Fortifi Bank

Roger Field
Retired Pharmacist | Field Pharmacy

Jason Kadow
CEO | KMA, Inc.

Russel L. Kuehn
President | First Berlin Bancorp

Greg Lundberg
President + CEO | Fortifi Bank

Mark Milbrandt
Plant Manager + Partner | Apollo Tool Inc.

Peter J. Prickett
Former CEO | First National Bank - Fox Valley

Pat Seaman
Retired Auto Dealer | Westside Garage

