To Horizon Bancorp, Inc. Board of Directors and Management:
Stop Making Acquisitions and Take Proactive Strategic Actions to Maximize Shareholder Value

October 27, 2025

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Table of Contents

Section 1

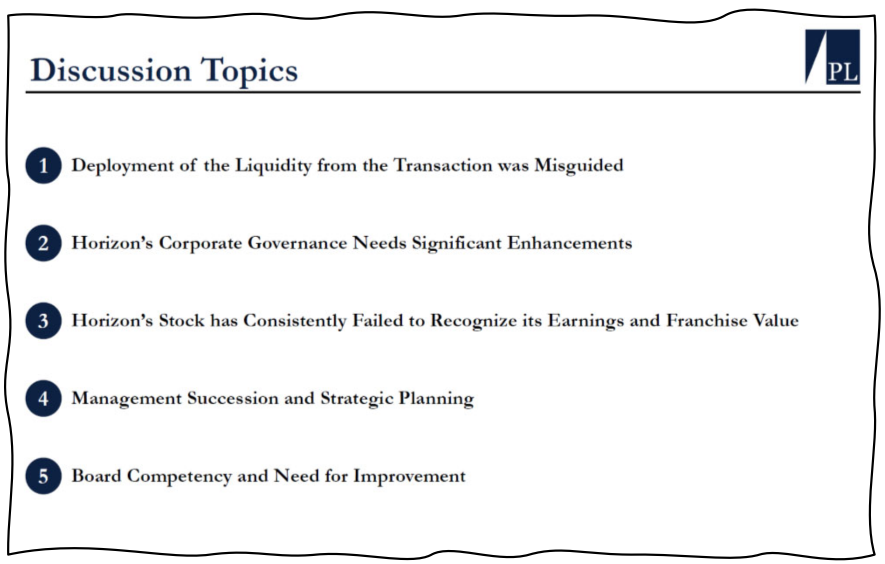
PL Capital & Horizon Bancorp, Inc. – Background

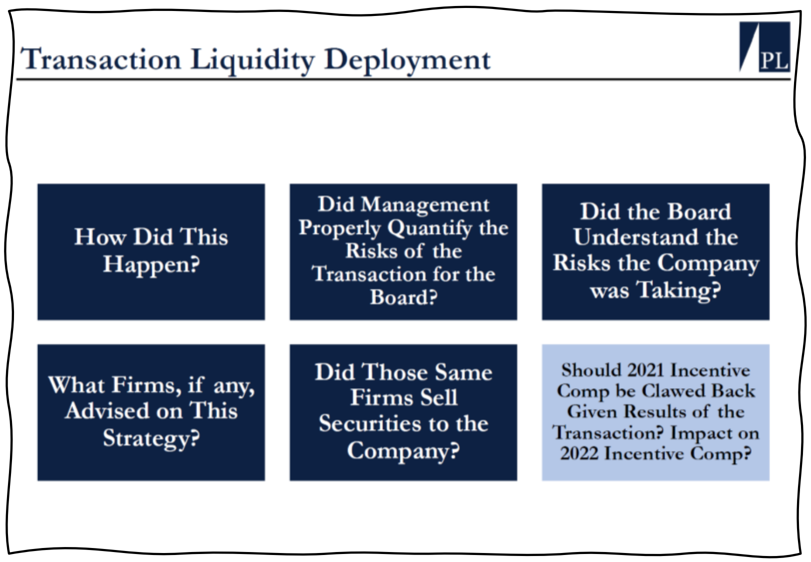
PL Capital / Horizon Bancorp Background

PL Capital is currently the 5th largest shareholder of Horizon Bancorp, Inc. (~3%). (1)

- **We have maintained ownership in Horizon (or in banks acquired by Horizon) since 2008, representing 17 years of continuous ownership.**
- **PL Capital was historically supportive of Horizon's acquisition strategy, until the 2021 Michigan deposit transaction (the "Transaction"). The Transaction and securities portfolio mismanagement ultimately cost shareholders <u>$300+ million in pre-tax losses,</u> more in foregone net income, and shareholder dilution via the recent Common Offering. (2)**
- **PL Capital has been an "activist" investor in the banking sector since 1996. We prefer to engage collaboratively and privately with boards and management teams, unless circumstances require public engagement, such as this.**
- **Prior and recent actions of Horizon's Board and management team have caused us to lose confidence in their understanding of the strategic actions Horizon needs to take. The recommendations contained herein are consistent with what we have been advising Horizon to do since the Transaction. We encourage the Board to review our previous presentation dated September 6, 2022.**

PL Capital's Previous Discussion Materials re: the Transaction (September 6, 2022)





(1) As of the most recent 13-F filings as of June 30, 2025

(2) Reference is made to the recent $104 million common equity offering closed on August 22, 2025 priced at $14.50

Section 2

The Michigan Deposit Transaction and the Securities Portfolio Were Severely Mismanaged; Resulting in Massive Losses Ultimately Realized in the Q3 2025 Restructuring

The Transaction and the Securities Portfolio Were Severely Mismanaged

HORIZON BANK

Horizon Bank to Acquire 14 TCF National Bank Branches in Michigan with 976 Million in Deposits and 278 Million in Loans

May 25, 2021

Extends Horizon's Midwest retail franchise in 11 Michigan counties

- **In the Transaction[1], Horizon assumed ~$1 billion in deposits. The net cash from the assumption of deposits, and other assets, were inexplicably invested in fixed rate, longer duration securities with low interest rates, at a time when interest rates were historically and unusually low.**

- **We say "inexplicable" because the cash should have been invested in shorter duration securities pending reinvestment into higher yielding loans, which – by the way – was managements' publicly stated intention, as noted below:**

- **On the 5-26-2021 investor call announcing the Transaction, Horizon's management said:**

"as this investment portfolio grows … we're not going to take significant amount of risk in the investment portfolio."

- **When rates subsequently rose, Horizon was stuck with massive unrealized losses on its securities portfolio and a rapidly declining stock price.**

(1) Announced on May 25, 2021 and Closed on September 17, 2021

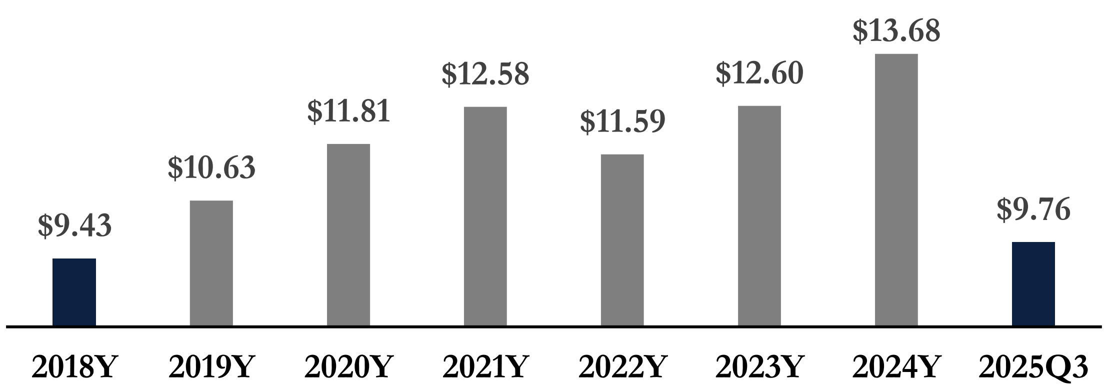
In Q3 2025 Horizon Decided to Restructure, Resulting in a Massive $300 million+ Realized Loss; TBV Has Not Increased in 7 Years

HORIZON BANK Horizon Bancorp, Inc. Announces Successful Execution of Balance Sheet Repositioning

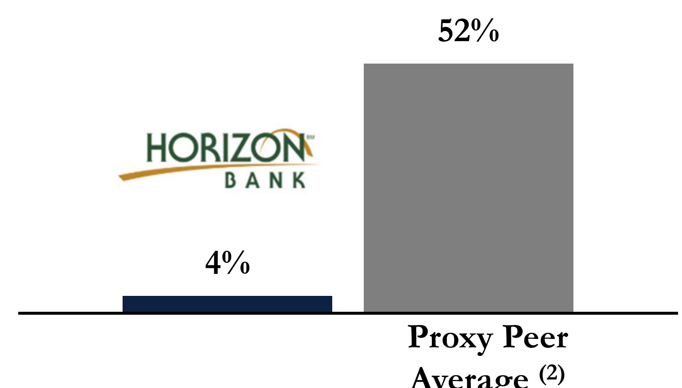
September 15, 2025

- **In Q3 2025 Horizon decided to restructure its "underwater" securities portfolio by raising capital and selling $1.7 billion of low-rate securities. The "successful" execution resulted in a massive $300+ million pre-tax loss on sale of securities and other losses, and a large reduction in TBV per share.**
- **To be fair, the loss was created in 2021, not in the restructuring. The loss was caused by the mismanagement of the Transaction and the securities portfolio, under the stewardship of the Legacy (1) 2021 Board members and management team, not the current management team or the post-2021 Board members.**
- **PL Capital supported the restructuring and participated in the Common Offering.**
- **The Q3 2025 restructuring resulted in a significant reduction in stated TBV per share, as noted below. TBV per share is back to where it was in 2018.**

Horizon's Tangible Book Value Per Share



TBV Change Since 2018 vs Peers

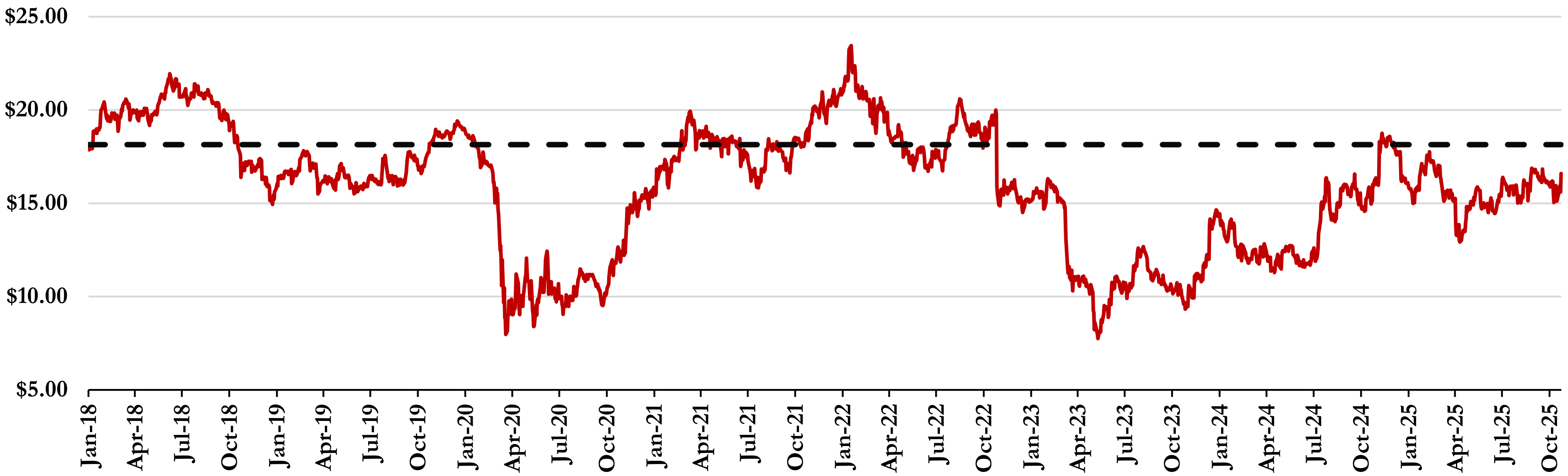


(2) HBNC's 2025 Proxy Peers include: SRCE, BY, CTBI, CHCO, FMNB, BUSE*, FMBH*, GABC*, GSBC, IBCP*, LKFN*, MBWM, MSBI*, MOFG, OSBC, PRK*, PEBO, QCRH, SYBT* Excludes PFC since that company has been sold and the deal has closed. Not all peers have reported Q3 2025 financials. TBV change for companies with a * are from 2018 to Q2'25. All others are from 2018 to Q3'25

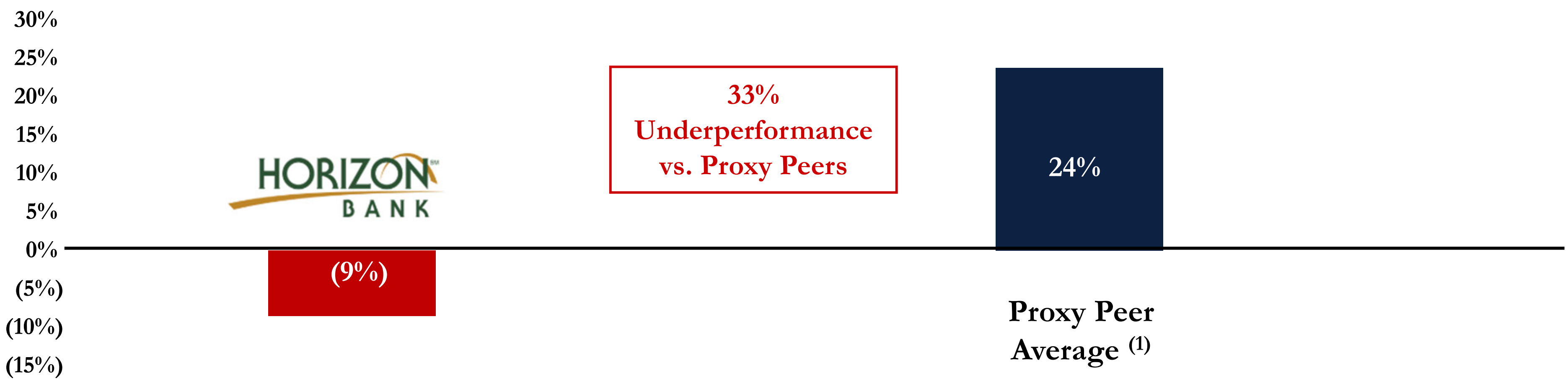
Source: S&P Capital IQ and Company Documents; (1) Legacy defined as pre the Transaction

The Stock Price is Still Below 2018 Levels

Horizon's Stock Price, Lower Today than 2018



Horizon's Stock Price Performance Since 2018 Versus Its Proxy Peers (price change only)



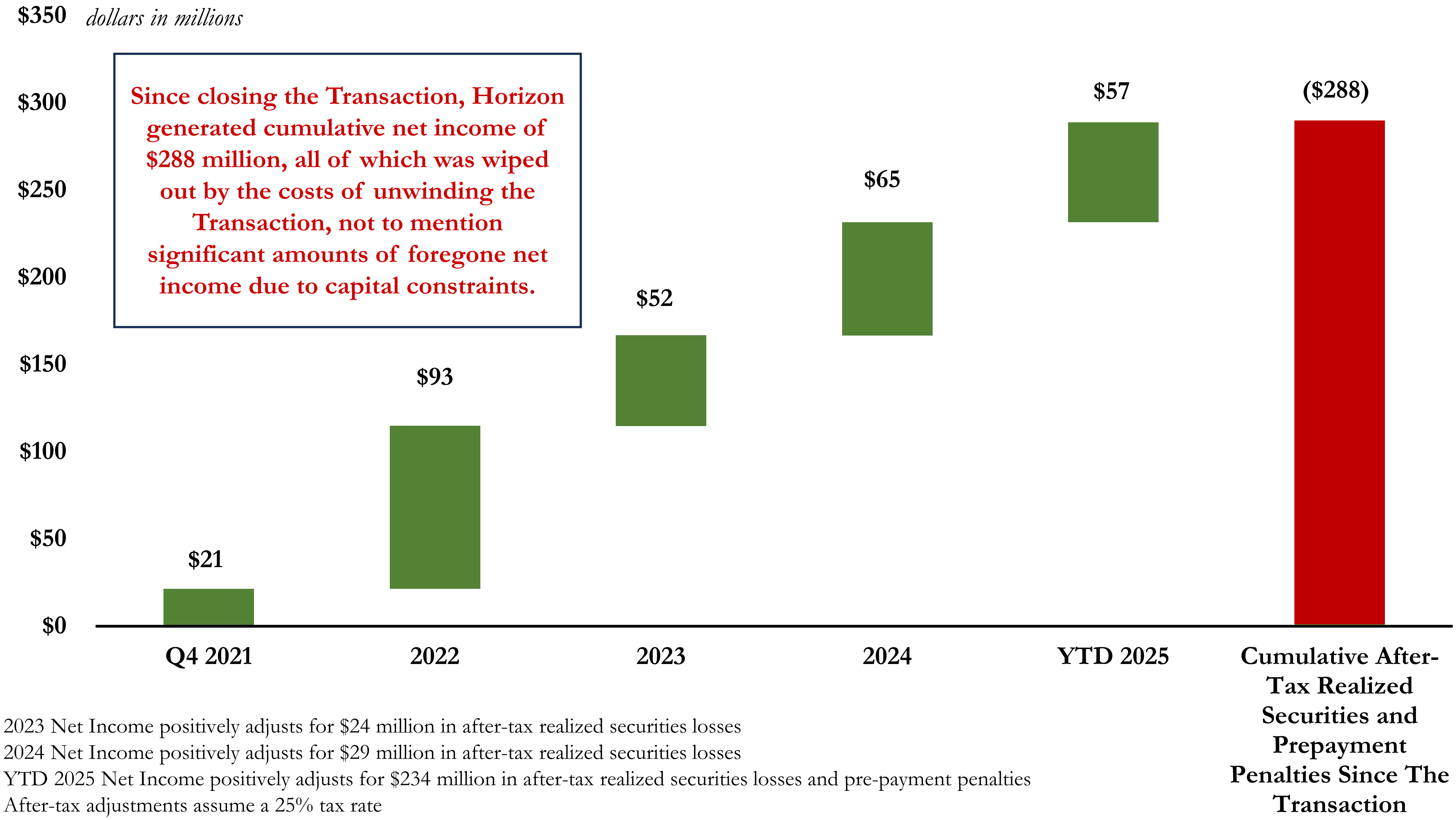
(1) HBNC's 2025 Proxy Peers include: SRCE, BY, CTBI, CHCO, FMNB, BUSE, FMBH, GABC, GSBC, IBCP, LKFN, MBWM, MSBI, OSBC, PRK, PEBO, QCRH, SYBT. Excludes PFC and MOFG due those companies having been acquired or having announced a sale.

Source: S&P Capital IQ; Market Data from 1-2-2018 to 10-24-2025

Meanwhile Hundreds of Millions of Dollars Were Lost

The Transaction and Related ALCO Mismanagement Wiped Out 100% of the Last 4 Years of Net Income.

Reported Net Income Adjusted for Realized Securities Losses and Pre-Payment Penalties Since the Transaction



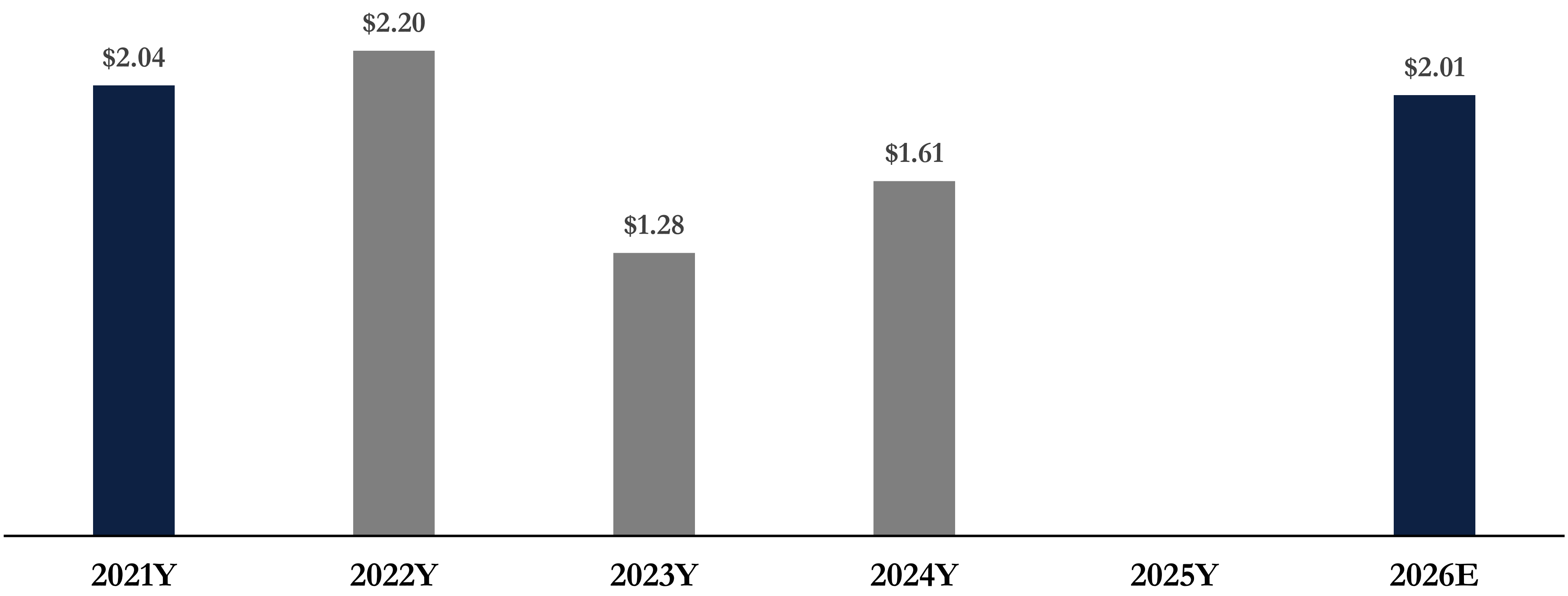
2023 Net Income positively adjusts for $24 million in after-tax realized securities losses
2024 Net Income positively adjusts for $29 million in after-tax realized securities losses
YTD 2025 Net Income positively adjusts for $234 million in after-tax realized securities losses and pre-payment penalties
After-tax adjustments assume a 25% tax rate

Source: S&P Capital IQ and Company Documents

The Restructuring Will Improve EPS, But Put it in Perspective

Despite the Benefits of the Restructuring, Core EPS is Still Not Expected to Reach Prior Years Levels.

Historical Core Earnings Per Share and 2026E Earnings Per Share



New and existing shareholders provided $100+ million of new common equity to restructure and derisk the balance sheet, not for acquisitions.

Source: S&P Capital IQ; Core EPS as defined by S&P Capital IQ; 2026E uses S&P Capital IQ consensus estimate as of 10/25/2025; 2025Y is expected to be a loss due to the restructuring

Q3 2025 Restructuring Increases EPS, But There's a "Catch"

The Disastrous Liquidity Deployment Decisions of Prior Management Destroyed Tangible Book Value, Effectively Capping the Trading and M&A Value per Share.

- **A portion of the Q3 2025 restructuring proceeds were invested in higher yielding securities and used to payoff certain high-cost liabilities, significantly de-risking the balance sheet. These actions also resulted in an increase in EPS estimates.**

- **The "catch" is greater EPS and a de-risked balance sheet will not necessarily lead to a significantly higher stock price or M&A value, because the stock is constrained by Horizon's low level of TBV (a lingering legacy of the massive losses incurred). Bank stocks typically trade off two primary multiples, Price to Earnings ("PE") and Price to TBV ("P/TBV"). The P/TBV ratio often acts as a ceiling on the stock price, regardless of how low the PE is. If the market's maximum P/TBV for a bank like Horizon is say 175% (i.e., $17.50 if TBV is $10 per share) it almost does not matter how much Horizon's EPS is or how low the PE ratio is.**

- **In Horizon's case, 9-30-25 TBV is $9.76 per share and 2026 estimated EPS is ~$2.00/share. If 175% of TBV is the practical limit for TBV (note: there is no precise %), the stock may not increase materially above $17.00 even though the PE at $17.00 is a below average 8.5x.**

Potential buyers of Horizon in M&A can't afford to pay a normal price-to-synergized earnings multiple because tangible book value and capital have been significantly reduced.

Piper Sandler Analyst Nate Race noted this impact in a recent Horizon Research Report (10-24-2025)

> higher NII expectations, and establish a 2027E of $2.20. Our PT moves to $19.00 (+$0.50) based on 9.5x our 2026E EPS and largely in-line with peers at 9.8x. While HBNC should arguably garner a higher forward P/E given as profitability (PSCe = 1.5%-1.6% ROA / 18%-20% ROTCE in 2026/27) is expected to be top quartile following its recent B/S re-positioning, we believe TBV dilution (and HBNC's resulting premium P/TBV of 1.7x vs. peers at 1.4x) tied to this initiative will likely limit P/E expansion above peers. We remain Neutral given limited visibility of catalysts for greater valuation improvement and upside to our estimates.

Source: S&P Capital IQ; 2026E uses S&P Capital IQ consensus estimate

Section 3

Horizon Should Cease all Buyside Acquisition Activities and Instead Focus on Organic Growth, Increasing Core Earnings, and Growing Capital and TBV

All Acquisition Activities Should Cease

From 2000 to the present, Horizon made 15 acquisitions, a strategy which PL Capital supported, <u>until now.</u> Horizon should cease all acquisition activities, for the following reasons:

- **Issuing additional shares in M&A will further dilute TBV per share. On page 12 and below we explain why Horizon's low TBV level (caused by the Transaction and disastrous liquidity deployment) effectively caps Horizon's stock price and M&A value. Horizon <u>needs to retain and grow TBV and capital, not dilute it with more acquisitions.</u>**
- **In the same way stock price valuations are effectively capped by low TBV levels (see page 12), franchise value (i.e., M&A value) per share is also capped by low TBV levels, due to these M&A pricing ratios:**
  - **<u>The "Pay to Trade" TBV ratio</u>: Acquirers will typically <u>not</u> acquire a bank for a P/TBV ratio that exceeds its own P/TBV ratio. So, if Bank A (acquirer) is trading at 175% P/TBV, it will rarely pay more than 175% P/TBV for Bank B (the seller).**
  - **<u>"TBV Earnback"</u>: This is the time it takes for the intangibles created in an M&A deal (TBV dilution) to be recovered through incremental earnings from the acquired bank. TBV earnbacks are generally considered acceptable if 3 years or less. While PL Capital does not subscribe to this theory, virtually all investment bankers and analysts do, so it is an unfortunate cap on Horizon's M&A value regardless of how high the EPS accretion and IRR may be from an acquisition.**
  - **The negative impact of both ratios on Horizon is elevated by Horizon's very low level of TBV and very high P/TBV ratio (lingering damage from the Transaction). This makes it difficult for an acquirer to pay a high P/TBV to buy Horizon, regardless of Horizon's earnings profile.**
  - **Diluting TBV through acquisitions will make this problem even worse, eliminating most or all the EPS benefit Horizon might enjoy from an acquisition.**

Horizon needs to increase capital and TBV by retaining earnings while it pursues its own upstream strategic partner.

All Acquisition Activities Should Cease (cont.)

From 2000 to the present, Horizon made 15 acquisitions, a strategy which PL Capital supported, until now. Horizon should cease all acquisition activities, for the following reasons (cont.):

- **Acquisitions are generally accretive to EPS but dilutive to TBV. As noted previously, Horizon needs incremental TBV more than it needs incremental EPS.**
- **Horizon trades at ~8x earnings, lower than its acquisitive peers. It does not have the currency to compete in M&A. By definition, it will have to overpay for an attractive acquisition or settle for a less desirable target.**
- **Horizon's stock trades below its inherent franchise (M&A) value. Handing that discounted stock to the shareholders of another bank via an acquisition dilutes existing shareholders.**
- **Horizon already has a valuable franchise and best in class deposits sufficient to attract potential acquirors.**
- **Instead of acquisitions, Horizon should pursue organic growth to grow TBV and core earnings. Investors will pay more for core earnings from organic growth than for purchase accounting earnings generated by acquisitions.**
- **While current management and post 2021 Board members are not to blame for the Transaction debacle, the Legacy Board members are responsible. We no longer trust their management and oversight of an acquisition strategy.**

If Horizon does an acquisition in the future, we will likely run a "vote NO" campaign against issuing shares in the transaction.

Horizon Has a Great Core Banking Franchise – it Should Stay Focused on Organic Growth and Core Earnings, not Acquisitions

Horizon has a great core banking franchise, a talented banking staff and strong market share in its core markets. It should concentrate all its efforts on growing this core banking franchise and making Horizon a better place for customers and employees.

  - **Retain earnings to grow capital and TBV levels.**
  - **Retain and recruit talented staff.**
  - **Grow the customer base.**
  - **Add new technology to improve efficiency and better serve customers.**
  - **Add new products and services.**
  - **Provide superior personalized customer service.**
  - **Take advantage of any dislocation caused by recent large bank merger announcements.**
  - **Grow loans and deposits organically.**

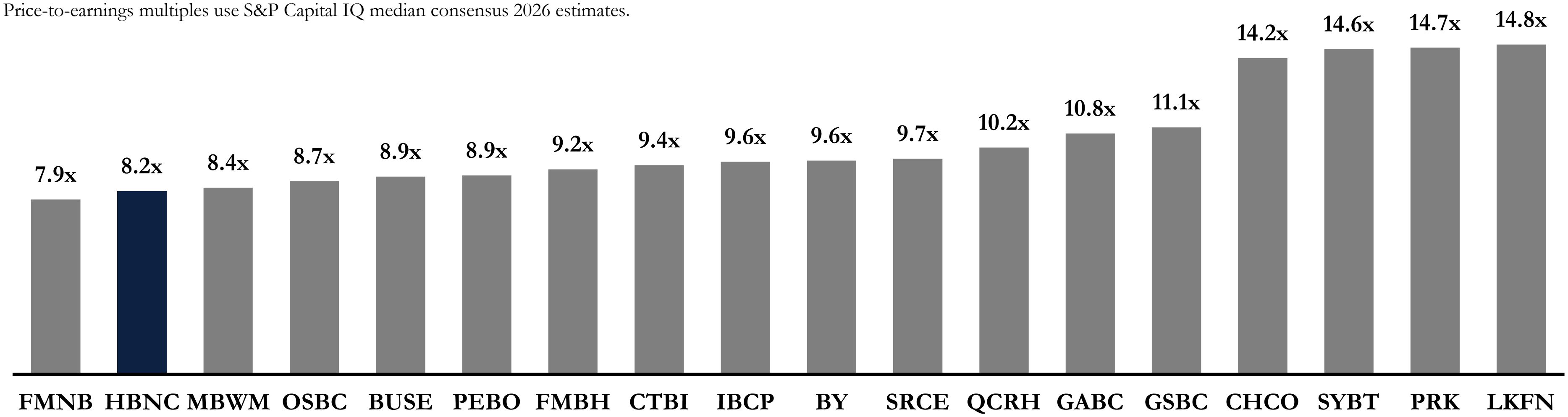
- **Wall Street analysts and investors will reward consistent, organic growth in earnings more than it will earnings from an acquisition strategy (i.e., core banking income is always worth more than purchase accounting income).**
- **For reasons noted previously, Horizon needs to grow its capital ratios, and in particular, TBV. We are not recommending that the dividend be reduced or halted but it likely should not be increased in the near future. By doing this, Horizon will increase its stock price and franchise value per share.**

Horizon Lacks the PE Multiple to Compete in M&A

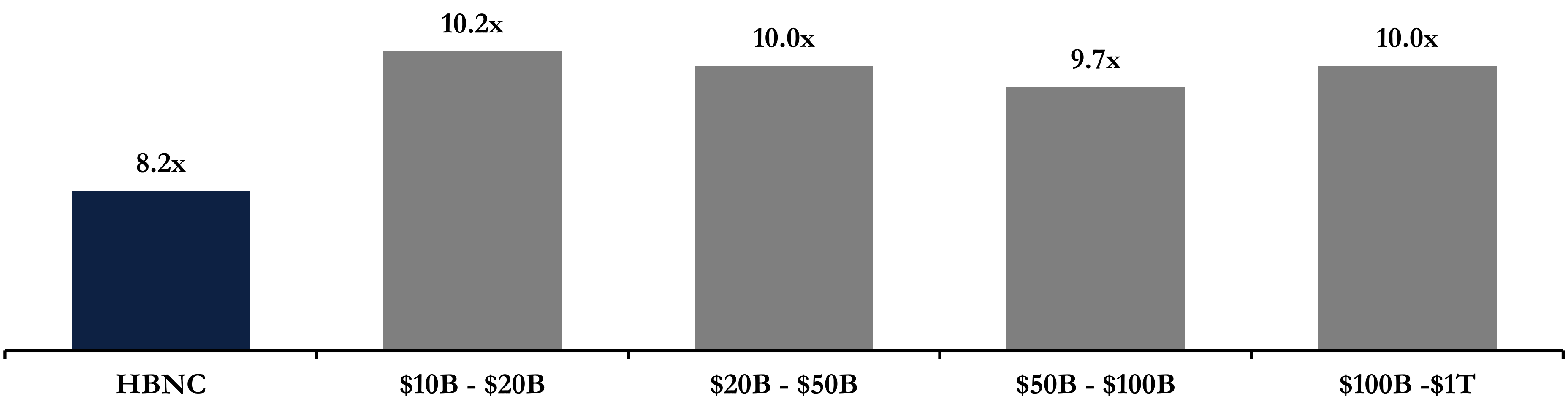
Given Horizon's Low Price-to-2026 Earnings Multiple, It Cannot Compete in M&A.

Horizon's Price-to-Estimated 2026 Earnings Multiple is Amongst the Lowest of It's Proxy Peers (1)

Price-to-earnings multiples use S&P Capital IQ median consensus 2026 estimates.



Horizon's Price-to-Estimated 2026 Earnings Multiple Versus Medians of Larger Bank Peers By Assets



(1) HBNC's 2025 Proxy Peers include: SRCE, BY, CTBI, CHCO, FMNB, BUSE, FMBH, GABC, GSBC, IBCP, LKFN, MBWM, OSBC, PRK, PEBO, QCRH, SYBT. Excludes PFC and MOFG due those companies having been acquired or having announced a sale. Excludes MSBI due to asset quality issues.

Source: S&P Capital IQ; Market Data As of 10-24-2025

We Have Lost Confidence in the Board's Ability to Oversee Acquisitions Because They Did Not Hold Anyone Accountable for the Transaction Debacle

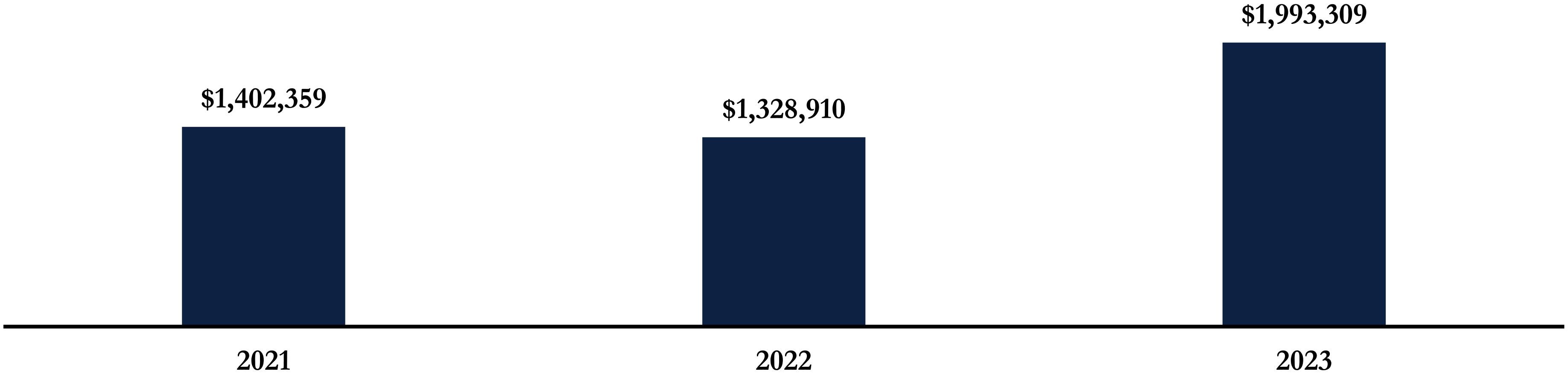
- **When boards have a material oversight failure (e.g., the Transaction and securities portfolio mismanagement) someone should be held accountable.**
- **Despite the massive losses incurred by the mismanagement of the Transaction and the securities portfolio, the Legacy Board did not hold themselves or prior management accountable. To our knowledge:**
  - **No member of management or the Board resigned, or was forced to resign, because of the Transaction, despite the massive losses and securities portfolio mismanagement.**
  - **No fees were reduced.**
  - **No management team salaries were reduced.**
  - **No member of management or the Board had their prior compensation clawed back.**
  - **Not only was no prior compensation clawed back, Craig Dwight, former CEO, was granted a generous severance package by the Board despite presiding over the mismanaged Transaction and securities portfolio.**

Given the lack of accountability for the Transaction debacle and aftermath, we do not trust the Board to oversee management's acquisition strategy, even if it were the right strategy … Which it is Not

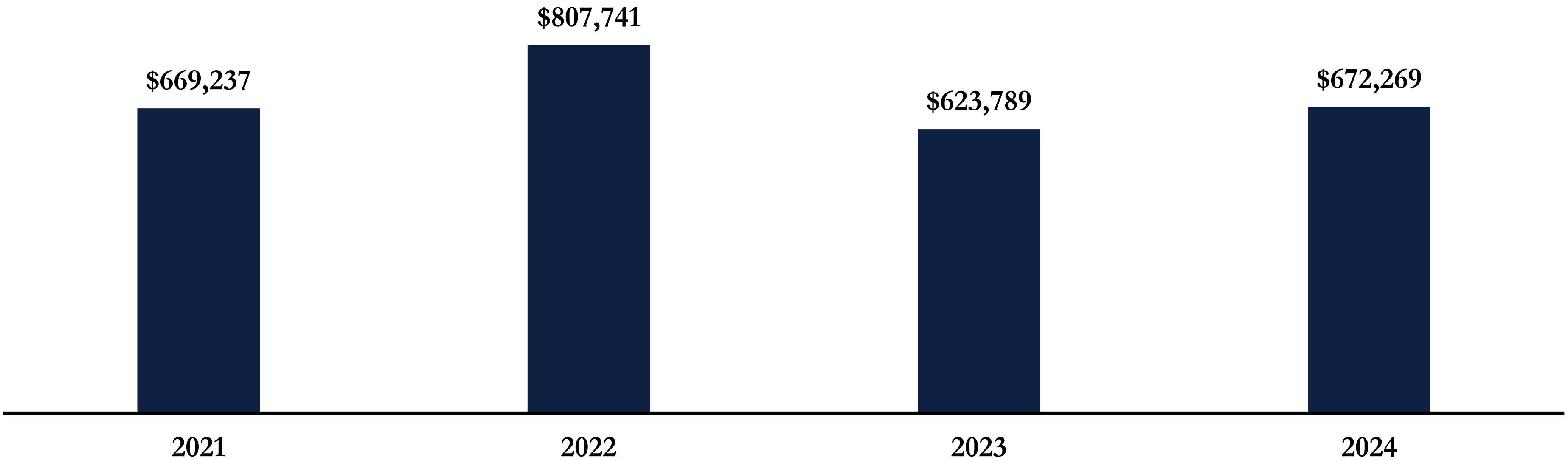
Source: PL Capital & Company public filings including the 2025 Proxy

Shareholders Suffered But Those Responsible Remained Employed and Fully Compensated

Craig M. Dwight, Horizon's Former CEO's Total Annual Compensation



Mark E. Secor, Horizon's Former CFO's Total Annual Compensation

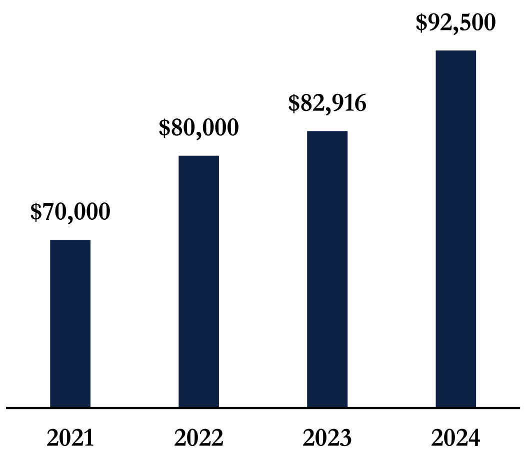


Source: Summary Compensation Table from Horizon's 2025 and 2024 Proxy Statement

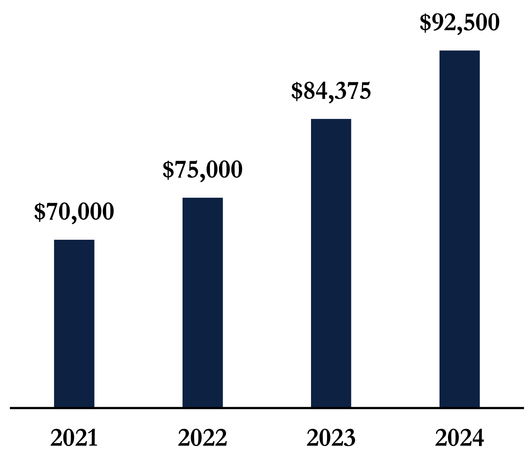
Shareholders Suffered But Those Responsible Remained Employed and Fully Compensated

Board Fees Have Consistently Increased Each Year Since the Transaction

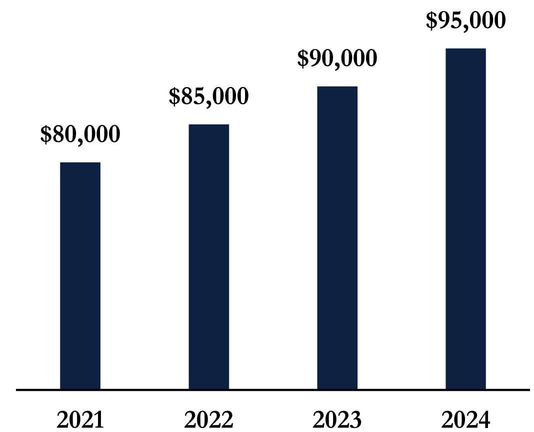
Legacy Director 1



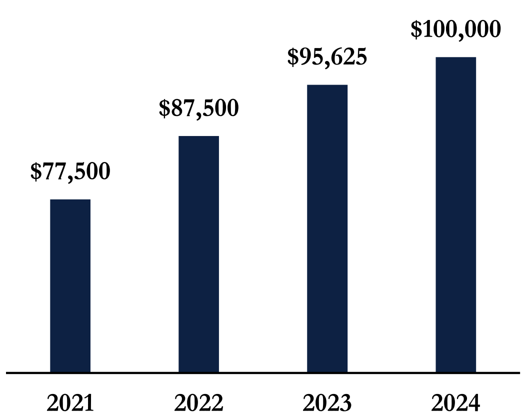
Legacy Director 2



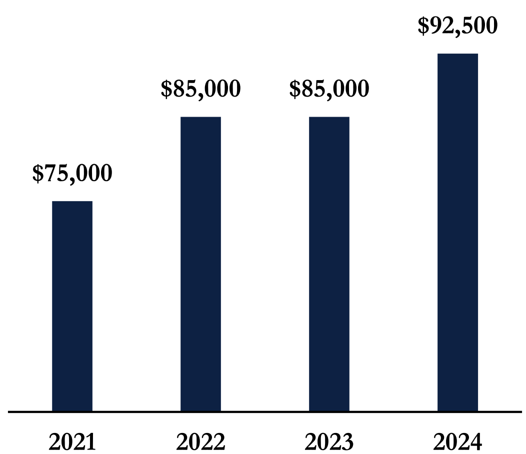
Legacy Director 3



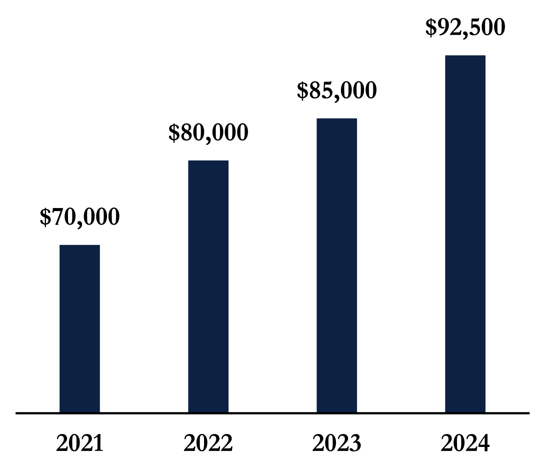
Legacy Director 4



Legacy Director 5



Legacy Director 6



Source: Company Proxy Statements

We Have Lost Confidence in the Board's Ability to Oversee Acquisitions and Even if They Were Capable, It is the Wrong Strategy

The Current Board Is Comprised of Six Legacy Members and Seven Post-Transaction Members.

- **We believe the six Legacy members have proven they cannot provide proper oversight of an acquisition strategy. And we are concerned that the entire Board has apparently agreed to pursuing an acquisition strategy when Horizon should be pursuing a sale transaction.**

■ Indicates compensation committee member

Legacy Board Members

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
James Dworkin Class 2026						**Lawrence Burnell Class 2027**					**Steven Reed Class 2026**

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
								CEO **Thomas Prame Class 2027**	**Kevin Ahern Class 2028**	**Brian Walker Class 2028** Comp
										Larry Magnesen Class 2026
	Michele Magnuson Class 2026 Comp	*Board Chair* **Eric Blackhurst Class 2028** Comp			**Julie Freigang Class 2027**			**Vanessa Williams Class 2026** Chair - Comp	**Brian Maass Class 2028**	**Michele Samuels Class 2027**

(2015–2021: Legacy Board Members)

Source: Company Proxy statements and Company Website; Year shown coordinates with when a director joined the Company's Board. Many directors joined the bank board prior to the holding company board

Section 4

Horizon's Incentive Plans Focus on the Wrong Metrics; Executive Management And Board Stock Ownership is Not Sufficient

Horizon's Incentive Plans Focus on the Wrong Metrics

As part of its 2024 Executive Compensation Program, the Company offered Short-Term and Long-Term Incentive Opportunities to its Executives, but no Per Share Metrics Were Used.

"Part A metrics place heavier weight on financial outcomes in order to align bonus payouts with shareholders' interests [(1)]"

- **2024 Short-term incentive financial outcome metrics were based on Net Income and Efficiency**
  - **In the future we recommend the Company drop net income as a short-term financial metric and include per share metrics such as EPS and / or TBV growth. Given our views of Horizon's best path forward, we recommend TBV per share growth as the primary metric.**
  - **A net income metric inappropriately encourages potentially risky and non-core asset growth, share issuances and acquisitions.**
- **2024 Long-term incentive plans were based on three performance goals, measured relatively versus a peer group. The three performance goals were weighted ~1/3rd each:**
  - **Return on common equity;**
  - **Compound annual growth rate of total assets; and**
  - **Return on average assets.**
  - **We typically favor relative peer metrics, however, because Horizon's capital and TBV levels (the denominator in certain metrics used by Horizon) have been significantly lowered by the losses incurred, we recommend the use of absolute measures instead. Given our view on capital and TBV growth, we recommend the use of growth in TBV as a primary metric (in absolute terms not relative).**
  - **In the future the Asset Growth metric should be removed or deemphasized as it encourages acquisitions, non-core growth and risk taking.**

(1) HBNC's 2025 Proxy filed on March 17, 2025

Source: PL Capital & Company Proxy

Horizon's Board and Management Do Not Have Sufficient Ownership to Give Us Confidence They Will Exercise Proper Oversight of Acquisitions

- **Only one Legacy Board member participated in the Common Offering, an insult to all shareholders.**
- **No Legacy officers required to file Form 4s participated in the Common Offering, an insult to all shareholders.**
- **Chief Executive Officer Prame purchased a mere 1,034 shares in the Common Offering for $14,993, the least of any disclosed Director or Officer on SEC Form 4. Another insult to shareholders, especially when you consider Mr. Prame's total disclosed compensation in 2024 was $1.6 million. (1)**

Name	Position	Legacy?	Transaction Date	Share Amount	Price	Dollars
Thomas Prame	**CEO**	**No**	**8/22/2025**	**1,034**	**$14.50**	**$14,993**
John Stewart	CFO	No	8/22/2025	1,724	$14.50	$24,998
Michele Samuels	Director	No	8/22/2025	1,724	$14.50	$24,998
Eric Blackhurst	Director	Yes	8/22/2025	1,724	$14.50	$24,998
Kevin Ahern	Director	No	8/22/2025	6,896	$14.50	$99,992

More members of Management and the Board should have participated in the recent Common Offering. And the CEO should have not purchased the least amount.

(1) HBNC's 2025 Proxy filed on March 17, 2025

Source: S&P Capital IQ and SEC Form 4 Filings

Many Board Members and Officers Do Not Have Sufficient Ownership; The Vast Majority of Insider Ownership Came From Grants Not Purchases

Many Members of the Board Lack Sufficient "Skin-in-the-Game." Most Shares Owned Were Granted as Director Fees, Not Purchased Directly in the Market or in the recent Common Offering

Stock Ownership Guidelines

Director	3x annual retainer
CEO	3x base salary
NEOs other than CEO	2x base salary

Common Stock Ownership of Named Executive Officers and Directors

Individuals	Position	Source	Common Stock Held	% of Shares Out.	Market Value	Greater Than Stock Ownership Guidelines	Salary Assumption For Guideline
Executives							
Kathie A. DeRuiter	EVP & Senior Operations Officer	2025 Proxy	88,451	0.17%	$1,468,287	Yes	$335,837
John R. Stewart	EVP & CFO	8/22/25: Form 4	79,745	0.16%	$1,323,767	Yes	$440,000
Mark E. Secor	EVP, Chief Administrative Officer	2025 Proxy	70,397	0.14%	$1,168,590	Yes	$300,000
Thomas M. Prame	CEO, President & Director	8/22/25: Form 4	47,521	0.09%	$788,849	No	$600,000
Lynn M. Kerber	EVP & Chief Banking Officer	2025 Proxy	27,173	0.05%	$451,072	No	$355,306
Todd A. Etzler	EVP, Chief Legal and Risk Officer	2025 Proxy	25,488	0.05%	$423,101	No	$272,944
Subtotal Executives			**338,775**	**0.66%**	**$5,623,665**		
Current Board of Directors							**Cash Retainer**
James B. Dworkin	Director	2025 Proxy	55,699	0.11%	$924,603	Yes	$45,000
Michele M. Magnuson	Director	2025 Proxy	42,439	0.08%	$704,487	Yes	$45,000
Lawrence E. Burnell	Director	2025 Proxy	38,335	0.08%	$636,361	Yes	$45,000
Steven W. Reed	Director	2025 Proxy	29,069	0.06%	$482,545	Yes	$45,000
Eric P. Blackhurst	Chairman	8/22/25: Form 4	26,298	0.05%	$436,547	Yes	$45,000
Kevin W. Ahern	Director	8/22/25: Form 4	16,896	0.03%	$280,474	Yes	$45,000
Julie S. Freigang	Director	2025 Proxy	12,066	0.02%	$200,296	Yes	$45,000
Vanessa P. Williams	Director	2025 Proxy	7,214	0.01%	$119,752	No	$45,000
Michele Samuels	Director	8/22/25: Form 4	4,986	0.01%	$82,768	No	$45,000
Brian W. Maass	Director	2025 Proxy	4,121	0.01%	$68,409	No	$45,000
Larry Magnesen	Director	10/10/25: Form 3	3,262	0.01%	$54,149	No	$45,000
Brian Walker	Director	6/9/25: Form 4	2,862	0.01%	$47,509	No	$45,000
Subtotal Board of Directors			**243,247**	**0.48%**	**$4,037,900**		

Source: S&P Capital IQ Company 2025 Proxy and SEC Form 4 and Form 3 Filings; % ownership based on 50,970,530 shares outstanding and Market Value based on 10/24/2025 Horizon stock price of $16.60

Section 5

Horizon Should Retain a Financial Advisor to Help Evaluate then Engage with Potential Acquirers

A Complete Change in Strategic Direction is Needed

Commentary Made by Current CEO Thomas Prame on the Company's Q3 2025 EPS Call Highlights that Horizon is on the Wrong Strategic Path.

- **Despite incurring a massive $300+ million pre-tax loss and raising capital to restructure the balance sheet to unwind a failed acquisition (the Transaction), on the recent Q3 call CEO Prame declared that Horizon was going back on the acquisition trail. Even more insulting to shareholders, no mention was made of evaluating all strategic options. Not only is it tone deaf, it's also the wrong strategy.**

- **While Mr. Prame and the current management team are not to blame for the Transaction related losses, they and the Board need to realize a complete change in strategic direction is needed. Acquisitions are no longer the right strategy for all the reasons we noted previously.**

- **<u>INSTEAD OF ACQUISITIONS, HORIZON NEEDS TO FIND THE RIGHT ACQUIRER.</u>**

Mr. Prame (CEO) on Q3 2025 conference call (10-23-2025):

Thomas M. Prame
CEO, President & Director

Sure. Thanks for the follow-up question. Specifically in M&A, Horizon has a great history of M&A success over -- for many decades. It's really been built on the fact of our great brand reputation in our core markets and also being just a really good company to transact with. As you look over the last couple of years, we have not been as well positioned in the space because of some of the earnings power that we had at the time and also the risk elements within the balance sheet. Heading into 2026, we have a significantly different and more efficient and derisked balance sheet that's going to be producing peer-leading financial metrics and top-tier capital generation.

Successful M&A for us is going to be consistently focused around franchises that add to the current franchise that we have that we feel is extremely profitable. The size will probably be between $300 million, $400 million up to several billion dollars. But again, it's going to be logical and very accretive to the franchise from a space. We think there's great opportunities for us in Mic
in our core markets of Indiana. And again, from a positioning standpoint, Horizon will be in a stronger position and v
front-footed. Again, the profile of the organization is significantly different and more optimistic. And also the balance
attractive towards potential partners, who would look at Horizon as an opportunity for them to be a long-term partner

Thomas M. Prame
CEO, President & Director

Thanks for the question. I think starting end of last year, beginning of this year, the increased dialogue was definitely evident. I think there was a little bit of uncertainty at the time of whether or not you should transact from a seller perspective. As you've seen, there's been a couple of activities here in the marketplace on footprint, [e-commerce] activities we've been involved in, which is great from a brand reputation and also individuals looking for Horizon as a potential partner. But as I mentioned previously, our former balance sheet probably didn't position us as well to get us to the finish line.

We anticipate that these activities will still continue in '26. I think as you're seeing out in the overall environment as a whole, it's a good market to transact. I think folks are -- if they're looking to sell right now, it's probably a good time to have that consideration at their Board level discussions and our footprints in Michigan and Indiana. We feel like we've positioned ourselves at a higher level and a more attractive position for execution on those.

Source: PL Capital and the Company's Q3 2025 Earnings Call Transcript

The Right Strategy is for Horizon to Find an Attractive Upstream Partner

An 'M&A Wave' which will permanently alter the banking landscape has begun. This is Horizon's best opportunity to maximize shareholder value and recover the value destroyed by Horizon's prior mismanagement. The open window for M&A is not permanent.

- **This M&A Wave is driven by a complete change in the regulatory environment. Regulators appointed by the Trump Administration are explicitly supportive of M&A by banks of all sizes.**
- **Recent deal announcements and other anecdotal evidence confirm this M&A Wave.**
  - **This M&A Wave is not permanent and can go away with a change in Administration and/or Congress**
- **This M&A Wave will likely last for the next 2+ years, but the proactive management teams and boards will be the ones that have the most optionality to identify and secure an attractive long-term partnership with the right acquirer.**
- **Horizon and other banks typically know which small subset of larger banks are the best fit for them, if and when they choose to find a partner. In fact, most banks have had prior discussions with these potential partners over the years. HORIZON AND OTHER BANKS TYPICALLY BELIEVE THEIR PREFERRED UPSTREAM PARTNER WILL ALWAYS BE THERE. THIS IS NO LONGER TRUE. Many of the larger banks on Horizon's "short list" may themselves find their preferred merger partner before Horizon decides it is time to find a partner.**
- **<u>Time is of the essence</u>. Proactive bank CEOs and Boards will be in the best position to secure the best outcome for all of their stakeholders (customers, employees, shareholders, communities).**

The Right Strategy is for Horizon to Find an Attractive Upstream Partner

What steps should Horizon's Board and management team take to not miss out on this once in a generation opportunity?

- **Rebuild TBV and capital ratios, and avoid acquisitions, while it thoughtfully and proactively evaluates and pursues strategic alternatives.**
- **Engage a financial advisor to identify and evaluate attractive potential upstream partners, calculate their ability to pay, and assist in taking action steps to make sure that Horizon is well known to those potential partners.**
  - **Identify which upstream partners would be a good fit for all of Horizon's stakeholders (employees, customers, communities, shareholders).**
- **Management and its advisor should proactively reach out to potential upstream partners to better understand the potential partners and their value propositions, and to let them know that Horizon wants to be considered as a potential partner.**
- **Waiting for a phone call from an acquirer is not acceptable given the current M&A environment. Proactive management teams and Boards will have the most optionality and likely the best outcomes. M&A is a competitive task and takes effort.**
- **Horizon's low-cost deposit base, earnings capacity, clean balance sheet, strong credit quality, attractive footprint and cost saves would likely attract several potential partners willing to offer a strong bid, giving Horizon optionality to consider various potential partners.**
- **After the significant losses incurred by Horizon's shareholders in the past 4 years, it is time for Horizon to recover some or all of that value for its long-term shareholders. It is not time to reward another bank's shareholders by doing more acquisitions.**

CEO Prame's Q3 EPS Comments About the M&A Environment Apply to Horizon as a Seller as Well as an Acquirer

Mr. Prame's comments are highlighted below. These same concepts apply to Horizon and Horizon's Board as well.

"… the balance sheet is more attractive towards potential partners, who would look at Horizon as an opportunity for them to be a long-term partner with us."

"It's really been built on the fact of our great brand reputation in our core markets and also being just a really good company to transact with."

"…..it's a good market to transact......if they're looking to sell right now, it's probably a good time to have that consideration at their board level discussions …"

(Mr. Prame referring to boards of potential targets of Horizon on why it's a good time to sell; this applies to Horizon's Board as well)

- **Why shouldn't these concepts apply to Horizon as well? Why can't Horizon get comfortable being part of another bank in the same way over a dozen banks have gotten comfortable joining Horizon over the years? There are certainly potential acquirers who have similar attractive characteristics to Horizon.**
- **Why is it always Horizon shareholders paying the premium to the shareholders of another bank? It's time for Horizon's shareholders to get a premium, particularly in light of the disastrous losses incurred. It is also the right strategic action for Horizon given the challengers faced by community banks.**

Source: The Company's Q3 2025 Earnings Call Transcript

A Peer Bank, Similarly Situated to Horizon, Did the Right Thing

October 23, 2025: Nicolet Bankshares, Inc. Announces Merger with MidWestOne Financial Group, Inc. Combination creates premier community banking franchise in the Upper Midwest

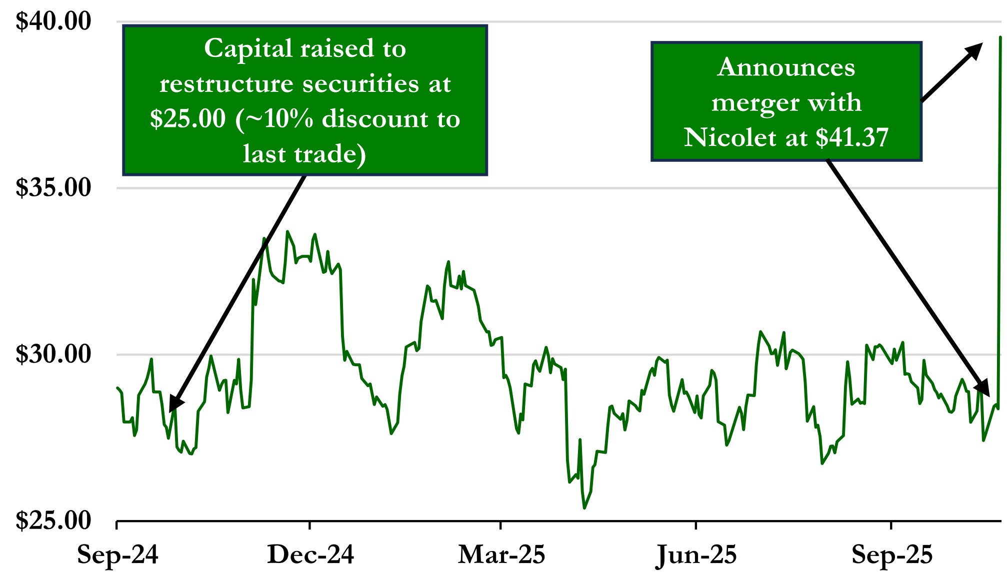
- **MidWestOne shares similar characteristics with Horizon. It operates in attractive Midwest markets and enjoys a very attractive deposit base (1.91% cost of total deposits in the most recent quarter).**
- **Similar to Horizon, MidWestOne was burdened with a large, long-term / low rate available for sale and held to maturity securities portfolio. MidWestOne raised common equity at $25.00 in September of 2024 to restructure its securities portfolio.**
- **Just last week, MidWestOne announced it was being acquired by Nicolet for $41.37, a 45% current market premium and a 65% premium to the capital raise price. We encourage the Board to review and familiarize itself with this transaction. We believe Horizon's Board and management should pursue a similar strategy.**

Financial Highlights Comparison

dollars in thousands

As of Q3 2025	MidWestOne	Horizon
Assets	$6,249,752	$6,712,497
Loans	$4,419,628	$4,823,669
Deposits	$5,478,996	$5,520,901
NIB deposits, as % of total	17.5%	20.3%
Cost of deposits	1.9%	1.8%
Loans / Deposits	80.7%	87.4%
TCE Ratio	**8.4%**	**7.6%**

MOFG Stock Price Since 8/31/2024



Source: S&P Capital IQ and MOFG public documents

Recap and Action Steps

Recap

- PL Capital is a long term (2008-present), large shareholder of Horizon. The principals of PL Capital are seasoned banking industry veterans with over 40 years each of bank M&A and strategic planning experience.
- Horizon shareholders have suffered from the mismanagement of the Transaction and the securities portfolio, leading to a $300+ million pre-tax loss in the Q3 2025 restructuring.
- We supported the restructuring. The losses were caused by the Legacy Board and management team's mismanagement of the Transaction and the securities portfolio, not the restructuring.
- We historically supported Horizon's acquisition strategy, other than the mismanagement of the Transaction and the securities portfolio.
- We no longer support the acquisition strategy and will publicly oppose any attempts at acquisitions.

Action Steps

- Horizon should focus on organic growth, core earnings, and rebuilding capital and TBV, not acquisitions.
- A M&A Wave has begun due to sea changes in the regulatory environment. The M&A window is open, but it is not permanent.
- This M&A Wave will permanently alter the banking industry landscape in a way that is favorable for Horizon now but could be unfavorable for Horizon in the future.
- Horizon should engage an investment banking firm to help Horizon evaluate then pursue an acquisition by an attractive upstream partner willing to pay an appropriate premium.
- That premium to market price should reflect Horizon's valuable franchise and be financially and strategically superior to remaining independent. It is time for Horizon shareholders to benefit after the disastrous losses of the past few years.
- Time is of the essence. Proactive boards and management teams will have the most optionality and best outcomes.