

## 2024 Letter to Stakeholders

Ken LaRoe, Esq., LEED AP  
Founder, CEO & Chairman



### To my fellow stakeholders,

I am honored to have the opportunity to share Climate First Bancorp's continued success story with you.

In 2023, the Company's second full year of operation, the banking industry experienced unique challenges to overcome, such as unprecedented interest rate increases and bank failures. Despite these headwinds, with your support and the hard work and experience of our dedicated team of changemakers, last year was an overwhelming success.

### Building A Foundation In 2023

In 2023, the Company experienced strong growth. With national expansion on the horizon, last year, we made critical investments that will fuel our growth and sustained profitability for years to come.

### Our Team

Throughout 2023, we identified and added experienced team members across our organization, including our branch teams, commercial banking team, and at OneEthos, our fintech subsidiary. We also launched a mortgage department and filled crucial leadership roles. In 2023, our Climate First Bancorp team grew from 56 to 74 team members.

### Strategic Investment

Beyond growing our team, we invested heavily in technology within both Climate First Bank and OneEthos to enable us to seamlessly scale our business and reach our customers no matter where they are located.

### Growing Product Base

Finally, we broadened our loan product portfolio, streamlined our deposit product offering, and once again demonstrated that our mission-focused business model is the pillar of our success.

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### 2023 Business Highlights

Our 2023 performance was highlighted by our responsible and determined growth. Success in the second half of the year was substantiated by two consecutive profitable quarters - a trend we expect to continue going forward.

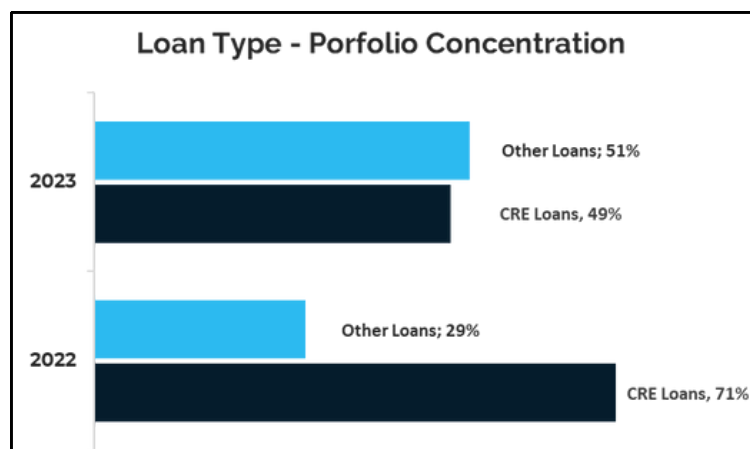
#### Deposits

Our deposit base grew 115% despite increased competition for deposits due to the Federal Reserve's interest rate hikes and the Silicon Valley Bank failure. This success was fueled by our ability to reach customers nationwide, leverage our digital-first customer experience, and implement a targeted marketing strategy focused on highlighting our unique product features and differentiating our brand.

|                 | 2022 (\$) | 2023 (\$) | Growth (%) |
|-----------------|-----------|-----------|------------|
| <b>Assets</b>   | \$280.9M  | \$542.3M  | 93%        |
| <b>Loans</b>    | \$235.3M  | \$460.9M  | 96%        |
| <b>Deposits</b> | \$222.7M  | \$479.8M  | 115%       |

#### Loans

Along with our deposit growth, we achieved balanced loan growth. In 2023, we added banking specialties, including SBA, leveraged employee stock ownership plan (ESOP) finance, home loans, and doubled down on commercial and residential solar lending. This growth enabled us to diversify our loan product mix and reduce our Commercial Real Estate (CRE) concentration from 71% in 2022 to 49% in 2023.



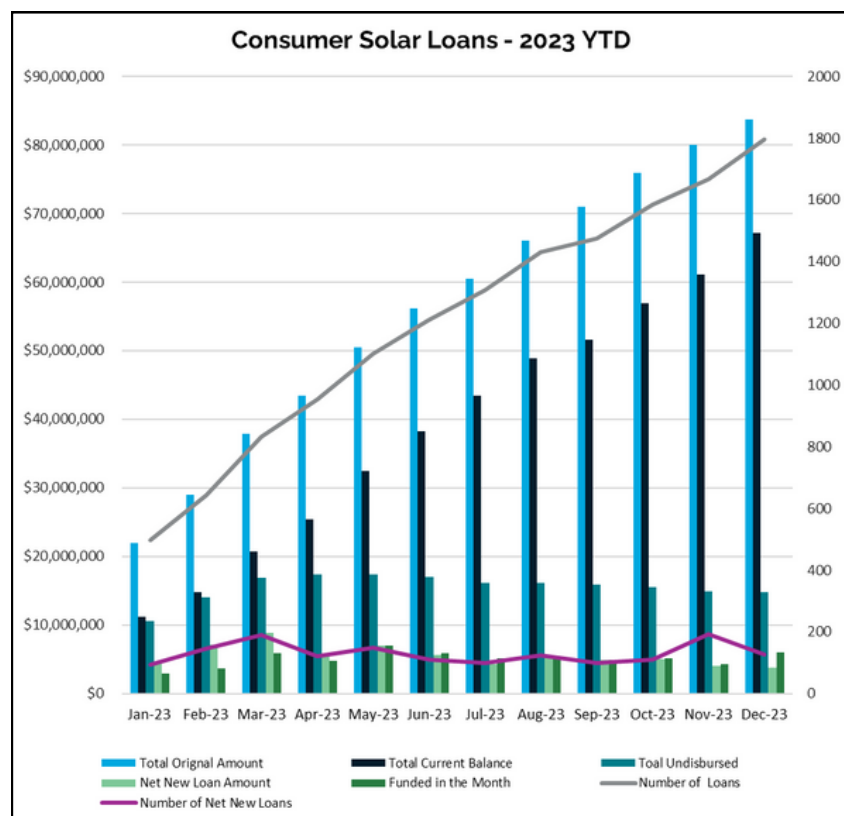
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### Mission-Aligned Banking

In 2023, the Bank thrived. This success once again proves the viability of prioritizing the planet and the value of a mission-driven business. Last year, a crucial part of our loan growth was achieved by leveraging our expertise in mission-aligned banking. As part of our commitments, we track our mission-aligned loans so that our customers can see the impact of their deposits at work. In 2023, I am proud to share we lent over \$152 million to values-aligned purposes. This growth was driven most significantly by the success of our digital consumer solar lending program powered by OneEthos's Solar Installer Platform.



| Mission Loan Category | YoY Growth (%) |
|-----------------------|----------------|
| Healthy Food          | 272%           |
| Economic/Workforce    | 1001%          |
| Youth Education       | 8%             |
| Manufacturing         | 4%             |
| Affordable Housing    | 2%             |
| Health & Well-Being   | (19%)          |
| Enviromental/Climate  | 431%           |
| Commercial Solar      | 472%           |
| Consumer Solar        | 367%           |
| <b>Total (\$)</b>     | <b>\$152M</b>  |

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### Customer Platforms

In 2023, we experienced success across all customer platforms.

| 2023  | Digital | Winter Park | St. Petersburg | Mount Dora | Total    |
|---|---------|-------------|----------------|------------|----------|
| <b>YTD Deposit Growth (\$)</b>                | \$44.1M | \$38.1M     | \$44.3M        | \$25.4M    | \$151.9M |
| <b>YTD Deposit Total (\$)</b><br>(12/31/2023) | \$64.6M | \$155.7M    | \$71.5M        | \$38.5M    | \$330.3M |
| <b>New Customers (Net)</b>                    | 742     | 558         | 414            | 436        | 2,150    |

### St. Petersburg Branch

The St. Petersburg market has experienced a significant transformation in 2023.

#### Updates

Last year, we began renovations on our future Bank headquarters in downtown St. Petersburg. I am excited to share that our renovation is nearly halfway done. Given the progress, a few months ago, our St. Petersburg team moved into our new headquarters, located at 182 37th Ave. N. St. Petersburg, FL 33704, with renovations set to be complete by summer 2024. We are seeking LEED Platinum certification for this building.

#### Successes

Our team in St. Petersburg has grown. Last summer, to help fuel our continued growth in the St. Petersburg market, we added Eric Holler, an experienced Branch Manager, and Kevin Carpentier, a Universal Banker, to our team. This strategy proved fruitful as the St. Petersburg Branch generated over 400 new account customers last year and over \$44M in deposits.



Branch Manager, Eric Holler (Left), Attorney Banking Specialist, Irma Walsh (Middle), and Universal Banker, Kevin Carpentier (Right)



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### Winter Park Branch

The Winter Park Branch continues to demonstrate outstanding performance in what is a legacy market for many of the producers on our team.

#### *Updates*

In February of 2023, our Winter Park LEED Platinum retrofit was complete! I was honored to see so many of you at our Values Night grand opening celebration last February; it's always a highlight moment to share our successes with our community and valued partners.

#### *Successes*

Our Winter Park Branch continues to be our largest, with over \$155M in deposits. In 2023, we added over 550 new account customers and over \$38M in deposits. This growth last year was only possible due to our fantastic team. At the end of last year, we promoted Chary Gonzalez to Market Executive and added Carissa Dudley, an experienced Assistant Branch Manager, to our team. Together with Ingrid Soto, our recently promoted Branch Manager, they continue to drive and manage growth in our Winter Park market.



### Eustis/Mount Dora Branch

#### *Updates*

In November 2022, we opened our Eustis/Mount Dora Branch, our second branch in Central Florida. Our customers have enjoyed coming to our temporary branch, located in my family's historic machine shop, not only because of our outstanding branch team but also because of Maranello Auto, a Ferrari and Maserati shop we share the building with. However, I am excited to share that we are currently finalizing plans for a future permanent location to be built on Highway 441 in Mount Dora.

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### *Successes*

Our Eustis/Mount Dora Branch had a solid first year. In 2023, we added 436 new account customers and over \$25M in deposits. Within the strong deposit growth, the branch brought in a high percentage of low-interest-bearing deposits, a key revenue driver in the back half of the year. Given the branch's growth, we expanded the team. At the end of last year, we brought in Jill Perciaccante, an experienced Universal Banker. Together with our Branch Manager, Kaina Norelia, they will continue to grow our Lake County market.



### **Digital Branch**

Our digital-first approach to community banking and investment in scalable technology proved successful in 2023.

### *Updates*

Throughout the year, we invested in technology and personnel to support the growth and scale of our Digital Branch. Last year, to support our fastest-growing branch, we added two additional digital bankers, Erin Gannon and Norman Ruiz. This support, along with enhancements to our online and mobile banking app and digital consumer solar lending platform, has enabled the Digital Branch to support fast growth and provide a best-in-class customer experience.

### *Successes*

In 2023, we added 742 new account customers, which is over 130% more accounts than our second fastest-growing branch. Across the accounts added, we saw strong deposit balances equating to over \$44M in new deposits for the Digital Branch. In addition to our strong deposit growth, our Digital Branch also proved that they are ready to scale our consumer solar lending product. Last year the team successfully processed over 1,500 approved solar loans and booked over \$83M in consumer solar loans.

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### **2024: Scaling Our Reach Through Strategic Growth Initiatives**

In the first half of 2024, we are focusing on fine-tuning what we have built over the last two and a half years with growth in mind. Following the end of our de novo status on June 1, 2024, we plan to scale Climate First Bancorp's reach outside the state of Florida.

#### *Raising Additional Capital*

Despite the dynamic economic environment, in our first one-and-a-half years, Climate First Bank was in the top five of the fastest-growing new banks in the country. In 2023, I am proud to share that this extraordinary rate of growth continued, with the bank nearly doubling our asset size. As we prepare to scale our reach outside the state of Florida, we will need to raise additional capital to support this expansion.

#### *Scaling Our Banking Verticals*

Leveraging the experience of our leadership team, last year we launched two new divisions, Attorney Banking, and Residential Mortgage Lending. In addition to these two new divisions, we also continued to grow our mission-aligned banking focus, launching ESOP finance and bolstering our commercial banking team, allowing more focus on SBA lending and commercial solar lending.

#### *Delivering A Best-In-Class Digital Experience*

To say a community bank is not without challenges in delivering a first-class digital experience would be a gross understatement! But in 2023, we continued fixating on our digital customer experience with the goal being to provide the best community bank digital experience in the nation. We WILL pull this off!

At the beginning of 2023, we completed our first re-design of our website, [climatefirstbank.com](https://climatefirstbank.com). In this redesign, we focused on highlighting our products, simplifying our online customer journey, and sharing our mission. In 2024, we will continue refinement, further enhancing user experience and the customer journey.



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Along with the website redesign in 2023, we executed a new marketing strategy. Led by Rachel Kent, our Marketing Director, we revamped our social media, email marketing, and engagement with the press, focusing on sharing our value proposition and product-specific content. This approach has proven to help drive the growth of our Company and our brand. At the end of 2023, we had our most successful digital marketing campaign to date. Leveraging our digital marketing channels, we promoted the nation's best 8-month CD, which, in its first two weeks, brought in over 450 new accounts and \$44M in deposits, with nearly 90% of new accounts being driven by digital marketing. In 2024, building on this momentum, we are increasing our digital marketing spend and leveraging more data to better target our potential customers and grow our share-of-wallet with our existing community.

Over the past year, our OneEthos engineers have written proprietary code, adding features to our online and mobile banking applications and enhancing the online experience for consumers and small business account holders nationwide. In early 2023, the Bank fully integrated with Plaid, allowing customers easier payments and account access across multiple channels; and we have launched Apple Pay and Google Pay integration for easier and more secure transactions without the need to carry a debit card. In 2024, in partnership with OneEthos, Climate First Bank continues to push the boundaries of our digital banking experience. This year we will be rolling out a new online account opening experience and impact banking platform aimed to attract and retain customers and enable customers to align the impact of their spending and saving with their unique personal values.

### *OneEthos Growth Initiatives*

Following the formation of our Holding Company, Climate First Bancorp, and the launch of our fintech subsidiary OneEthos, CEO Marcio deOliveira immediately has delivered on their mission to develop compelling and scalable fintech solutions that address the needs of mission-driven financial institutions.



# CLIMATE FIRST BANCORP

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In mid-2022, the OneEthos team launched a multi-faceted digital solution for consumer solar lending that included demand generation, installer pipeline management, point of sale, and borrower loan application modules. OneEthos's hypothesis that sustainable growth can be accelerated by combining a bank's ability to access lower-cost capital with the capabilities of a technology company has proven true. To date, we have over 230 solar installers across the state of Florida now utilizing our lending platform to finance residential rooftop solar for their customers. This incredible and exponential adoption by the solar installers drove 2,937 solar loan referrals to Climate First Bank in 2023. In 2024, we are poised to expand this success nationally, offering OneEthos's demand generation technology to other values-driven financial institutions across the US.

### 2023 Highlights



40+

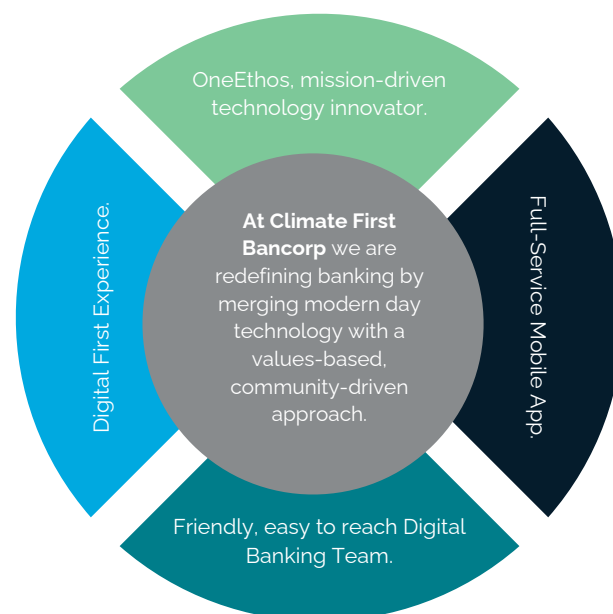
MW of Solar Financed



The equivalent GHG emission avoided by recycling **10 tons** of waste.

### Rethinking Community Banking In The Digital Age

No longer is community constrained by physical location. In 2024, individuals and businesses seek community with an expanded set of criteria. Characteristics such as common identity, ethos, ideas, beliefs, and interests have become more important for defining a community than geographic location. Over the past ten years, this concept has transformed how we interact with one another, where we spend our time (i.e., social media), and what communities we belong to.





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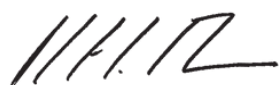
For us, this shift has directed how we define our community and the stakeholders we seek to support. At Climate First Bancorp, we realize 'our community' is not restricted by lines on a map. Rather, our community is one of shared beliefs. Values, including a commitment to environmental, social impact, and authentic, meaningful contribution, are what bind our community. Today, I am proud to share that we serve customers in 49 states and 2 countries; we have employees across the nation and partners around the world.

At Climate First Bancorp, we will succeed because we choose to do business with a purpose. Our model, one that merges modern technology with a values-based, community-driven approach, is redefining banking. More people every day are joining our movement, voting with their wallets, and banking like tomorrow depends on it.

As I shared with my team at the end of 2023, WE are on to something special, and WE are going to change the world, and it's going to take ALL of us.

I am eager to see what the next year brings us and am excited to be able to share it with you all.

Sincerely,



Ken LaRoe, Esq., LEED AP  
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