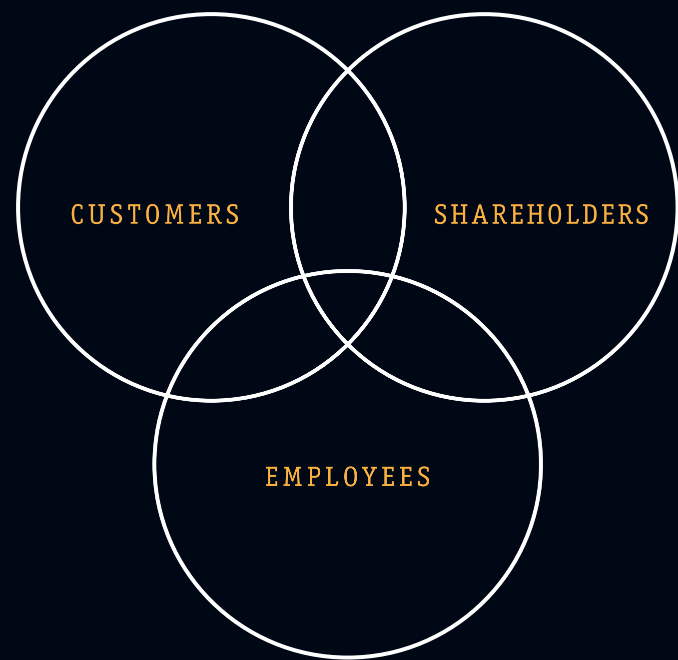
111 N. Washington Street / P.O. Box 23900 / Green Bay, WI 54305-3900
920-430-1400 / 1-800-369-0226

www.nicoletbank.com

Forward-looking Statements

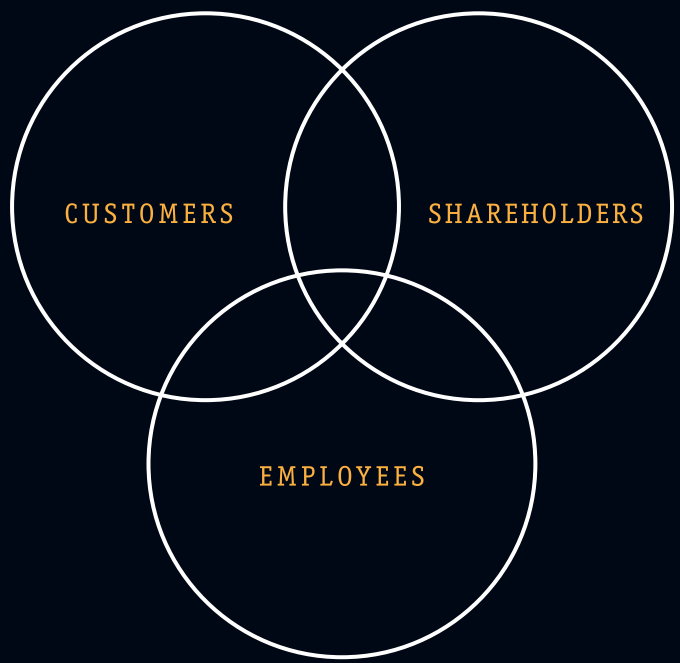
Statements made in this Annual Report which are not purely historical are forward-looking statements, as defined in the Private Securities Litigation Reform Act of 1995. This includes any statements regarding management's plans, objectives, or goals for future operations, products or services, and forecasts of its revenues, earnings, or other measures of performance. Such forward-looking statements may be identified by the use of words such as "believe," "expect," "anticipate," "intend," "target," "estimate," "continue," "positions," "prospects," "potential," "plan," "outlook," "would", "should," "could," "will," "may," or similar expressions. Forward-looking statements speak only as of the date they are made and Nicolet Bankshares, Inc. ("Nicolet") has no duty to update forward-looking statements. Forward-looking statements are based on current management expectations and, by their nature, are subject to risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements. Factors which may cause actual results to differ materially from those contained in such forward-looking statements include those identified in the Nicolet's most recent Form 10-K and subsequent SEC filings.

SHARED SUCCESS



Nicolet
BANKSHARES, INC.

2017 ANNUAL REPORT



SHARED SUCCESS

The concept of shared success is a big part of the foundation of Nicolet Bankshares, Inc. Our value to the community and to each other is balancing the success between customers, shareholders, and employees. The shared success we intentionally create and grow with our 3 Circles is real. It is seen in our results for 2017 and felt in the communities that we serve.

We believe, as the banking industry consolidates and gets more competitive, that the interconnectedness between our 3 Circles is the one thing that very few companies can replicate. There is beauty in its simplicity. There is challenge in its execution.

The shared success of our 3 Circles is the reason we have been able to weather storms and forge bold strategies in the past. It is the reason we are optimistic about our future. It is, by definition, what a great community bank should be.

This photo was taken in the building that was the home of Algoma Hardwoods. The previous owner, Wendell Ellsworth, was a founding director of Nicolet. The company was one of our early customers.

Wendell and the employees who worked here were a part of the early shared success of Nicolet.

DEAR SHAREHOLDERS

2017 was a great year no matter how you slice it. Net income was $33.1 million for 2017, 80% higher than 2016. Earnings per diluted common share were $3.33, 40% higher than last year. Return on average assets was 1.25%, compared to 0.95% for 2016. Nicolet reached $2.9 billion in assets, $2.1 billion in loans (33% higher than year-end 2016, with 11% organic and the remainder from acquisition), and $2.5 billion in deposits (25% higher than year-end 2016, with 6% organic).

Effective execution and integration of our recent acquisitions, as well as organic growth, revenue growth, and effective cost management have all been meaningful contributors to this exceptional performance. Asset quality remained strong. These results are directly attributable to our focus on customer service, employee attitude, and long-term values — our 3 Circles.

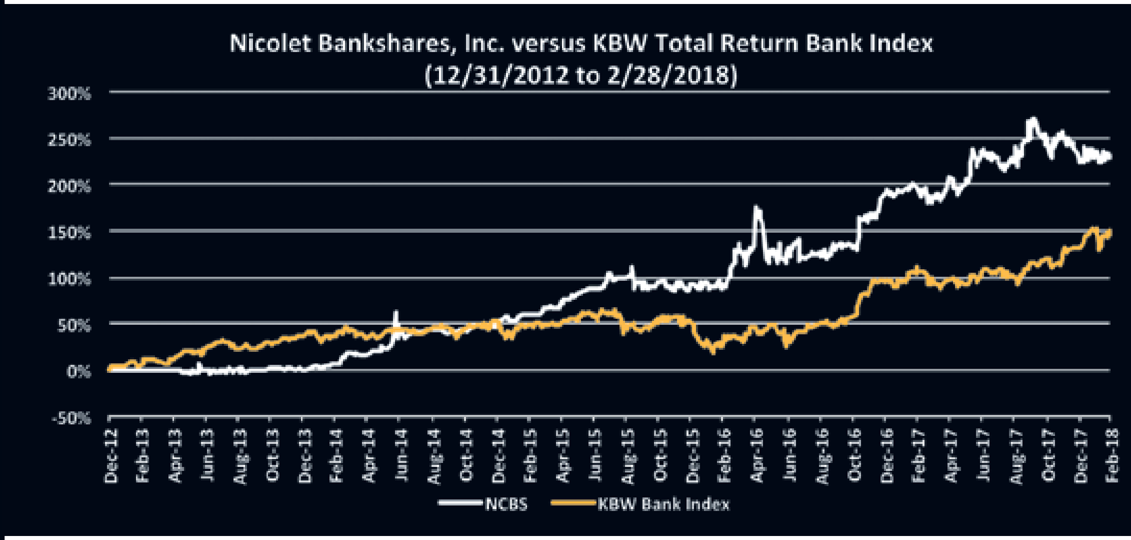
The main goal of this letter is to help you understand where we have been, particularly in the last five years, so that you can develop a feel for the trajectory we are on. We have aggressive expectations that we are managing toward, and we understand how we intend to achieve them. We invite you also to study what we are saying about today, our outlook, and draw your own conclusions about the future of your ownership in Nicolet.

Prior to writing this letter, we reviewed past annual reports, to track what we wrote about and how it since turned out. We have had a remarkable record of delivering on what we said. While we are surrounded by numbers and love numbers, we live on our core values and mission—the knowledge that we exist to serve our customers and the communities they live in. We do this with efficiency, discipline, and heart. Our purpose remains constant, our strategies and tactics revolve around living our values in the current circumstances, and this consistency produces results.

This is a very opportune time to look back at how our Bank has changed in the last five years. Some people like to look at math while others prefer interpretative prose. The following table summarizes the math.

	2017	2012	Increase	Approximate Multiple
Year-end assets ($millions)	$2,932	$745	$2,187	4 times
Year-end common equity ($millions)	$364	$53	$311	7 times
Year-end outstanding shares (thousands)	9,818	3,425	6,393	3 times
Net income ($millions)	$33	$3	$30	Over tenfold
Earnings per diluted common share	$3.33	$0.53	$2.80	6 times
Return on average assets	1.25%	0.45%	0.80%	3 times
Year-end closing stock price	$54.74	$16.50	$38.24	3 times
KBW Bank Index	230	100		2 times

Our Bank has really emerged as a high performance company with a strong share price. The industry recovered nicely during this five-year period. While the timing of our aggressive growth was good, we didn't just ride the industry tide. The KBW bank index doubled over the five-year period, while the growth in our share price more than tripled.



Why did it work so well?

We create shared success. Every Nicolet employee is constantly exposed to the 3 Circles shown on the front cover. The different circles acknowledge that the interests of shareholders, customers, and employees can be divergent. The overlapped space in the center depicts our relentless drive to grow the space of shared success. We approach customer relationships and mergers with the same mindset. We are looking to create a fair win, and we are looking for people who understand what fair means.
That is why we do the fair deal that can be done rather than the perfect deal that doesn't happen. Negotiation for us is not a competitive sport. It is the process by which we seek to create shared success.

We were willing to act during a period when action felt risky. We nearly quadrupled our asset size (organically and through acquisitions), projecting our brand and value proposition into new communities and deeper into existing markets. This broader scope and depth strengthened our earning power. Net income increased more than tenfold, which in turn dramatically improved our return on average assets (ROA) to 1.25% in 2017.

We were disciplined about capital. Growth requires capital but growth for the sake of growth is often destructive of shareholder value. We have grown in a capital efficient manner. All our acquisitions were accretive to earnings per share. Our stock price (the primary consideration used) was relatively strong at the time of each merger, often leading to fewer shares being issued. Our common equity grew nearly seven times over the five-year period, while outstanding shares increased by less than three times. This was largely due to just-in-time capital—that is, shareholders of acquired banks accepting our stock for theirs. This may have been a leap of faith on their part, but we have consistently produced a solid return to them and our legacy shareholders. Investing in communities who are now literally invested in our stock is a win-win because it keeps those new communities, shareholders, and customers aligned with the continued success of Nicolet. Our board, employees, and prior board members continue to have a substantial ownership in Nicolet. This keeps us mindful of how profitability, share management, and short- and long-term decisions impact our share price. We have very high expectations for our future value, which keeps us disciplined about issuing new shares.

In 2012 the road map seemed crystal clear—gain scale and profits by buying other institutions that had strong core funding but struggled with other issues (such as loan quality, succession, or compliance). We followed that road map to the destination you see today. We gained efficiency, increased profits by tackling loan problems of the acquired institutions, and lowered our funding cost on a more stable, granular deposit base along the way.

So what's next?

Having finished the 2012 plan, we are now setting a new one. Our course for the future includes maturing into a consistent high performer. This includes a continued willingness to act with an urgent desire to get things done. Over the next five years we will prioritize organic growth across our markets and all revenue lines, especially wealth management, as well as prioritize targeted acquisition opportunities.

We are effective at growth and it pays. Finding ways to work more effectively and efficiently is a low-risk way to improve customer experience, shareholder return, and employee motivation and satisfaction. Finally, we will invest for sustainability—this includes product and delivery enhancements, pricing, technology, succession sequencing, and additional investment in our people. At the end of 2017, a discretionary $0.5 million profit sharing contribution was made to non-leadership, eligible participants of the 401k plan, rewarding the job well done. An employee stock purchase plan was developed in 2017 and taken to shareholders in 2018 to provide a deeper ownership opportunity within Nicolet. Equity ownership meaningfully aligns shareholder interests with company strategy. In 2017, 0.9 million options with 5-year vesting were granted to nearly 40 selected leaders, underscoring both their opportunity and responsibility to deliver results on a sustainable basis. The use of episodic option grants on the front end of performance periods is consistent with option grants authorized in the past and with Nicolet's entrepreneurial culture. Some call this dilution. We view it as the engine for future value.

What else influences our future plans?

Yesterday's recipe cannot simply be repeated tomorrow because the industry context has changed dramatically. The industry is really at an inflection point. Acquisition prices have increased (fortunately our share price has risen faster). Competition for quality loans is fierce. Interest rates are rising, perhaps more quickly on deposits than on loans. After a long and tepid economic recovery, we are finally seeing wages and salaries rise. The following themes formed the framework for our strategy articulated above:

1. **General economic outlook.** The fusion of politics and economics seems to grow consistently more complete. We need to run and grow our businesses in the knowledge that national and global currents have a stronger and more immediate impact than in earlier decades. With the November 2016 election and the December 2017 passage of tax reform, the long, slow recovery from the 2008 systemic shock has given way to more rapid growth. The corporate tax rate cut will stimulate investment and growth, but rising concerns about deficits and inflation have sound foundation. The potential for major political instability nationally and internationally is also a legitimate concern in the publics' mind. What we see in the moment is strong performance by our commercial customers and more aggressive attitude toward investment in plant and equipment as well as strong acquisition activity. With very tight labor markets and a 100% deductibility of equipment purchases, the case for automation is compelling.

The rise in labor costs cuts both ways. It increases business cost but supports the kind of broad base prosperity that healthy communities depend on. While we ride this wave of prosperity, it is important for bankers and their customers to remember how quickly underlying weaknesses can turn markets. Recession is too polite a word to describe the systemic shocks of the 2007 to 2011 period. There are clear systemic weaknesses below the surface of current prosperity. We don't live as killjoys, but we remember well how important it was for us to prepare for and work through the last economic setback. We plan on being there for our customers for the next round of problems. We are experiencing strong loan growth through real relationships and the strong regional brand we have earned for being "aggressively prudent" in support of our customers and community.

2. **Banking Industry Landscape.** Nicolet is one of the rare institutions that was able to turn the financial crisis into a profitable growth opportunity. The deep loan quality crisis has passed and along with it the opportunity to make money fixing loan problems. We don't look forward to the next recession, but we have demonstrated the ability to harvest counter-cyclical opportunity. Banks continue to consolidate at a rapid pace due to the need for great efficiency and often due to the lack of management depth and succession. Acquisitions often model 20% to 50% cost savings for a reason. Size also gives banks the ability to maintain investments in technology and in talent development. Loan charge offs are down industry-wide, but many small banks are struggling to generate the profitability necessary to warrant continued independence. We expect continued opportunity for growth through acquisition. The underlying trend is not abating, but more turbulent times provide urgency.

3. **Tax Reform.** Tax reform is stimulating investment by our customers. Lower corporate tax rates also reduce the amount of tax our Company will pay. This has created some confusion about income statement benchmarks. In the past an ROA of 1% had been the benchmark for a solid bank, and 1.25% for the high-performing bank. Before tax reform, we established the long-term goal of becoming a consistent high-performing bank; post-tax reform the ROA benchmark will rise. Given that the basic premise of tax reform was to stimulate wages and investment, it is unknown how much of the tax savings will go directly to the shareholder. Regardless of where the new ROA settles, we are starting this goal from a very strong core base, and hold ourselves to get to the top performing tier. But we also know and appreciate that the last 10 to 15 basis points of ROA will be the hardest to harness, especially while continuing to invest in our long term future.

4. **Technology.** Mobile banking and online banking are ways technology is already improving efficiency and access for our customers and for the Bank. The advantages technology offers also bring risk. Cyber risk is particularly acute for banks for the simple reason that we have both valuable information and actual money. There are also non-bank technology companies seeking to either partner with or bypass traditional banking space. Not all tech that glitters is gold, but we must stay on the lookout for ways to improve the customer experience.

The core of our shareholder base consists of people who live in the communities we serve. Our original shareholders invested $10 per share in 2000 when we started. For many of these shareholders, we are their major investment and their best investment. These investors are typically great customers and great brand advocates. When we raised the capital to start, we quickly learned that people who asked about our exit strategy didn't invest. We came right out and told people we don't have an exit strategy. We were explicit that we weren't starting the business to sell it; we were starting it because we thought it was needed and important. Today we are one of Wisconsin's larger public companies, and we have sufficient liquidity that people can readily exit if they wish. When people ask about our exit strategy now, our answer really hasn't changed. We understand that performance is required for sustainability. We think our Company is as necessary as it was when founded in 2000 and far more impactful. We continue to make the kind of long-term decisions and investments that built our Company. Having a long-term perspective and the discipline to maintain it provides real advantages in tactical execution. The right ideas do not grow old, but people do. We actually have a relatively young senior team, but long term planning requires real investment of money, time and heart in the people needed to carry on the mission. The kind of market talent we need cannot simply be bought off the shelf. Through our initial years our attraction of veteran talent carried us far. Today we are raising leaders within our culture. We built our Company using option equity to incentivize our people. We needed entrepreneurial leadership thinking as owners. This has worked tremendously well, and we continue to use ownership to keep people focused on our vision for the future.

As always, we appreciate your banking with us and your trust in us with your investment. In our constant effort to improve both, we also invite you to share your ideas and thoughts at any time.

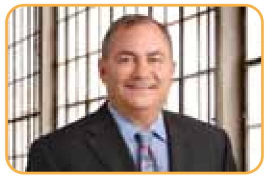
Sincerely,

Bob | Mike

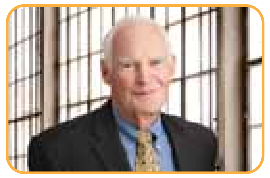
Robert B. Atwell | *Michael E. Daniels*

BOARD OF DIRECTORS

Robert Atwell
Chairman, President and Chief Executive Officer, Nicolet Bankshares, Inc.

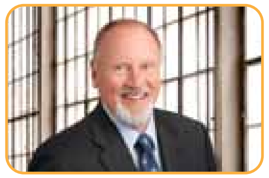


Michael Daniels
President and Chief Executive Officer, Nicolet National Bank



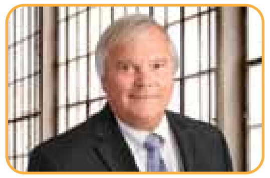
Robert Agnew
President Tipperary Partners, LLC

John Dykema
President and Owner, Campbell Wrapper Corp and Circle Packaging Machinery, Inc.



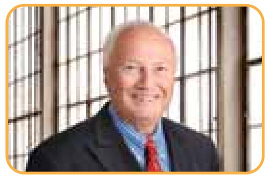
Terrence Fulwiler
Retired CEO, WS Packaging Group

Chris Ghidorzi
Vice President, Ghidorzi Companies



Michael Gilson
Retired Executive Vice President, Nicolet National Bank

Thomas Herlache
Retired Chairman, President and Chief Executive Officer, Baylake Corp.



Louis J. "Rick" Jeanquart
Chairman of the Board, Just In Time Corporation

Donald Long, Jr.
Former Owner and CEO, Century Drill and Tool Co., Inc.

Dustin McClone
Executive Vice President McClone Insurance Group

Susan Merkatoris
Certified Public Accountant, Owner and Managing Member, Larboard Enterprises, LLC

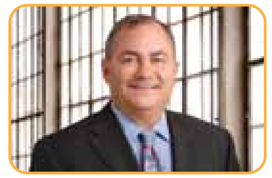
Randy Rose
Retired President and CEO, Schwabe North America

Oliver "Pierce" Smith
Director of Real Estate & Acquisitions, Menasha Packaging Company

Robert Weyers
Owner, Commercial Horizons, Inc.

NICOLET BANKSHARES, INC. OFFICERS

Robert Atwell
Chairman, President and Chief Executive Officer



Michael Daniels
Executive Vice President and Secretary

Ann K. Lawson
Chief Financial Officer

NICOLET NATIONAL BANK EXECUTIVE OFFICERS

Robert Atwell
Chairman

Michael Daniels
President and Chief Executive Officer

Brad Hutjens
Executive Vice President Chief Credit Officer, Chief Compliance and Risk Manager

Ann Lawson
Chief Financial Officer

Patrick Madson
Senior Vice President Wealth Management

Michael Steppe
Senior Vice President Chief Investment Officer

Michael Vogel
Senior Vice President Commercial Banking Manager

Eric Witczak
Executive Vice President

FINANCIALS

Nicolet Bankshares, Inc.

(In thousands, except per share data)

	At and for the Years Ended December 31,		
Condensed Consolidated Statements of Income	2017	2016	% Change
Interest income	$ 109,253	$ 75,467	45%
Interest expense	10,511	7,334	43%
Net interest income	98,742	68,133	45%
Provision for loan losses	2,325	1,800	29%
Noninterest income	34,639	26,674	30%
Noninterest expense	81,356	64,942	25%
Income before income tax expense	49,700	28,065	77%
Income tax expense	16,267	9,371	74%
Net income	33,433	18,694	79%
Net income attributable to noncontrolling interest	283	232	22%
Net income attributable to Nicolet Bankshares, Inc.	33,150	18,462	80%
Preferred stock dividends	–	633	-100%
Net income available to common shareholders	$ 33,150	$ 17,829	86%
Basic earnings per common share	$ 3.51	$ 2.49	41%
Diluted earnings per common share	$ 3.33	$ 2.37	41%
Basic weighted average common shares	9,440	7,158	32%
Diluted weighted average common shares	9,958	7,514	33%
Outstanding common shares	9,818	8,553	15%
Condensed Consolidated Balance Sheets			
Cash and cash equivalents	$ 154,933	$ 129,103	20%
Securities available for sale	405,153	365,287	11%
Loans	2,087,925	1,568,907	33%
Allowance for loan losses	(12,653)	(11,820)	7%
Goodwill and other intangibles	128,406	87,938	46%
All other assets	168,669	161,464	4%
Total assets	$ 2,932,433	$ 2,300,879	27%
Deposits	$2,471,064	$ 1,969,986	25%
Other liabilities	96,490	54,528	77%
Nicolet Bankshares, Inc. common equity	364,178	275,947	32%
Noncontrolling interest	701	418	68%
Total liabilities, noncontrolling interest and stockholders' equity	$ 2,932,433	$ 2,300,879	27%

ACCOUNTANT'S LETTER

Porter Keadle Moore

CPAs | Advisors | www.pkm.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Nicolet Bankshares, Inc.

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Nicolet Bankshares, Inc. and subsidiaries as of December 31, 2017 and 2016, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2017 (not presented herein); and in our report, dated March 7, 2018, we expressed an unqualified opinion on those consolidated financial statements.

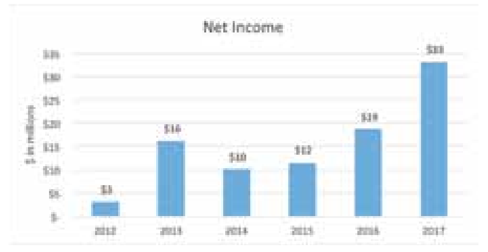
In our opinion, the information set forth in the accompanying condensed financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

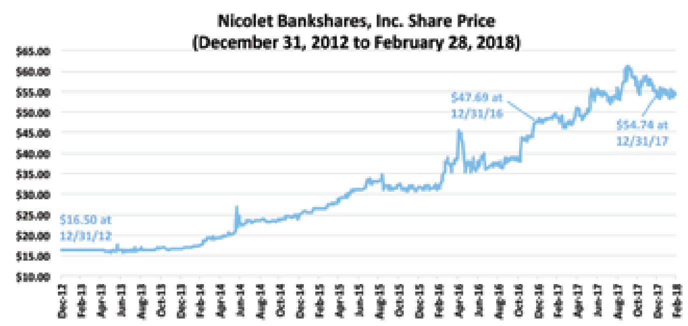
Porter Keadle Moore, LLC

Atlanta, Georgia

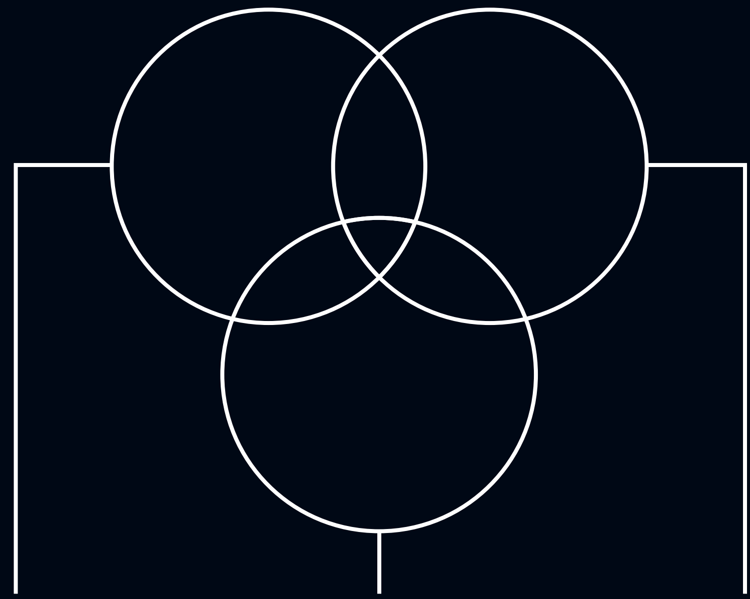
March 7, 2018

CERTIFIED PUBLIC ACCOUNTANTS





GROWING SHARED SUCCESS



CUSTOMERS

18,400 Loan Accounts in 2017 vs. 3,000 in 2012

119,200 Deposit Accounts in 2017 vs. 21,400 in 2012

57,000 Mobile & Internet Users in 2017 vs. 7,000 in 2012

EMPLOYEES

560 Employees in 2017 vs. 160 in 2012

$735,000 Donation Expense in 2017 vs. $300,000 in 2012

$230,000 additional community giving through Nicolet Foundation in 2017 vs. $46,000 in 2012

SHAREHOLDERS

1.25% ROA in 2017 vs. 0.45% in 2012

$33 million earnings and $3.33 EPS in 2017 vs. $3 million and $0.53 in 2012

2,250 shareholders in 2017 vs. 260 in 2012

SHAREHOLDER INFORMATION

Annual Meeting
Shareholders' Meeting – Tuesday, May 8, 2018 (5:00 p.m.)
Meyer Theatre
117 South Washington Street / Green Bay, WI 54301

Independent Auditor
Porter Keadle Moore, LLC
235 Peachtree Street, NE / Suite 1800 / Atlanta, GA 30303

Transfer Agent
Computershare
C/O Shareholder Services
P.O. Box 505002 / Louisville, KY 40233-5002

Overnight Delivery
Computershare
C/O Shareholder Services
462 South 4th Street / Suite 1600 / Louisville, KY 40202

Shareholder website:
www.computershare.com/investor

Shareholder online inquiries:
https://www-us.computershare.com/investor/Contact
Toll free in the US: 800.962.4284
Outside the US: 781.575.3120
Fax: 312.604.2312

NICOLET BANK CORE VALUES

BE REAL

BE RESPONSIVE

BE PERSONAL

BE MEMORABLE

BE ENTREPRENEURIAL